

VENTAS INC
Form S-4/A
May 26, 2005

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As filed with the Securities and Exchange Commission on May 26, 2005

Registration No. 333-124379

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 2

to

Form S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VENTAS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

6798
(Primary Standard Industrial
Classification Code Number)

61-1055020
(I.R.S. Employer
Identification No.)

10350 Ormsby Park Place, Suite 300
Louisville, Kentucky 40223
(502) 357-9000

(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

T. Richard Riney, General Counsel
Ventas, Inc.

10350 Ormsby Park Place, Suite 300
Louisville, Kentucky 40223
(502) 357-9000

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

with copies to:

Thomas M. Cerabino
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
(212) 728-8000

Paul C. Adams
Sidley Austin Brown & Wood LLP
787 Seventh Avenue
New York, New York 10019
(212) 839-5300

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this proxy statement/prospectus is not complete and may be changed. Ventas, Inc. may not sell the securities being offered by use of this proxy statement/prospectus until the registration statement filed with the Securities and Exchange Commission, of which this proxy statement/prospectus is part, is declared effective. This proxy statement/prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where such offer, solicitation or sale is prohibited.

SUBJECT TO COMPLETION, DATED MAY 26, 2005
Proxy Statement/Prospectus

Dear Shareholder of Provident Senior Living Trust:

Ventas, Inc. ("Ventas") has agreed to acquire Provident Senior Living Trust ("Provident") pursuant to a merger of Provident with and into a subsidiary of Ventas. The proposed merger, including the conditions to the merger, is described in more detail in this proxy statement/prospectus.

If the merger is completed, you will receive 0.4951 of a share of Ventas common stock and \$7.81 in cash, without interest, for each of your Provident common shares. Ventas common stock is listed on the New York Stock Exchange under the symbol "VTR." The closing price per share of Ventas common stock on April 11, 2005, the day before the merger was publicly announced, was \$25.66, which would imply a value of \$20.51 for each Provident common share. Based on the closing price per share of Ventas common stock on May 25, 2005 (which was \$27.56 per share), you would receive cash and Ventas common stock having an aggregate implied value of \$21.45 for each of your Provident common shares. However, because the stock exchange ratio is fixed at 0.4951 of a share of Ventas common stock for each Provident common share, the value of the stock portion of the merger consideration will fluctuate with the market price per share of Ventas common stock prior to the closing of the merger. Accordingly, the value of the merger consideration at the time the merger is completed may be different from the value at the time the merger agreement was signed or the Provident special meeting is held. We urge you to obtain a current market quotation for Ventas common stock before voting at the special meeting.

This proxy statement/prospectus contains detailed information concerning the proposed merger and includes the merger agreement. We urge you to read it carefully. **IN PARTICULAR, YOU SHOULD CAREFULLY CONSIDER THE "RISK FACTORS" BEGINNING ON PAGE 23 OF THIS PROXY STATEMENT/PROSPECTUS.**

We have scheduled a special meeting of our shareholders to vote on the merger, and you are cordially invited to attend the meeting at The Westin Princeton at Forrestal Village, 201 Village Boulevard, Princeton, New Jersey, on June 6, 2005 at 9:00 a.m., local time. **Provident's board of trustees unanimously approved the merger agreement and determined that the merger and the other transactions contemplated thereby are fair and advisable on the terms and subject to the conditions set forth in the merger agreement. Accordingly, Provident's board of trustees unanimously recommends that you vote "FOR" the merger proposal.**

Your vote is very important. In order for the merger to be approved, the holders of a majority of the outstanding Provident common shares entitled to vote at the special meeting must vote in favor of approval of the merger. Whether or not you plan to attend the special meeting in person, please complete, sign, date and promptly return the accompanying proxy card in the enclosed envelope. If you fail to instruct your broker to vote your shares held in "street name," or if you abstain from voting, you will have effectively voted against the merger.

Sincerely,

Darryl W. Copeland, Jr.
Chairman, Chief Executive Officer and President

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Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of the securities to be issued in the merger, as described in this proxy statement/prospectus, nor have they determined if this proxy statement/prospectus is accurate or adequate. Furthermore, the Securities and Exchange Commission has not determined the fairness or merits of the merger. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated May 27, 2005,
and is first being mailed to Provident shareholders on or about that date.

REFERENCE TO ADDITIONAL INFORMATION

This proxy statement/prospectus refers to important business and financial information about Provident and Ventas from documents that are not included in or delivered with this document. You can obtain documents related to Provident or Ventas that are referred to in this document, without charge, by requesting them in writing or by telephone from the appropriate company.

Provident Senior Living Trust
600 College Road East
Suite 3400
Princeton, New Jersey 08540
Attention: General Counsel
(609) 720-0825, Ext. 103

Ventas, Inc.
10350 Ormsby Park Place
Suite 300
Louisville, Kentucky 40223
Attention: General Counsel
(502) 357-9000

Please note that copies of the documents provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference into the documents.

In order to receive timely delivery of requested documents in advance of the special meeting, you should make your request no later than June 1, 2005.

See "Where You Can Find More Information" beginning on page 203.

TERMS USED IN THIS PROXY STATEMENT/PROSPECTUS

Unless otherwise indicated or the context otherwise requires, the following terms used in this proxy statement/prospectus will have the meanings below:

"Alterra" refers to Alterra Healthcare Corporation, a Delaware corporation;

"Brookdale" refers to Brookdale Living Communities, Inc., a Delaware corporation;

"ETOP" refers to ElderTrust Operating Limited Partnership, a Delaware limited partnership and an operating partnership of Ventas;

"ETOP Class D Units" refers to Class D units of limited partnership interest in ETOP;

"Kindred" refers to Kindred Healthcare, Inc., a Delaware corporation, and certain of its affiliates;

"Merger Sub" refers to VTRP Merger Sub, LLC, a Delaware limited liability company and subsidiary of Ventas formed for the purpose of effecting the merger;

"Provident" refers to Provident Senior Living Trust, a Maryland real estate investment trust;

"Provident common shares" refers to common shares of beneficial interest of Provident, par value \$0.001 per share;

"Provident LTIP Units" refers to common units of limited partnership interest in Provident OP issued pursuant to Provident's Long-Term Incentive Plan;

"Provident OP" refers to PSLT OP, L.P., a Delaware limited partnership and the operating partnership of Provident;

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"Ventas" refers to Ventas, Inc., a Delaware corporation; and

"Ventas common stock" refers to shares of common stock of Ventas, par value \$0.25 per share.

ABOUT THIS PROXY STATEMENT/PROSPECTUS

This proxy statement/prospectus constitutes a proxy statement of Provident and has been sent to you because you were a holder of Provident common shares on the record date set by Provident's board of trustees for a special meeting of Provident shareholders to consider and vote upon a proposal to approve the merger and the other transactions contemplated by the merger agreement. This proxy statement/prospectus also constitutes a prospectus of Ventas, which is part of the Registration Statement on Form S-4 filed by Ventas with the U.S. Securities and Exchange Commission (which we refer to in this proxy statement/prospectus as the SEC) under the Securities Act of 1933, as amended (which we refer to in this proxy statement/prospectus as the Securities Act), in order to register the shares of Ventas common stock to be issued to Provident shareholders in the merger.

All information contained in this proxy statement/prospectus with respect to Ventas has been provided by Ventas. All information contained in this proxy statement/prospectus with respect to Provident has been provided by Provident.

KINDRED INFORMATION

Kindred is subject to the reporting requirements of the SEC and is required to file with the SEC annual reports containing audited financial information and quarterly reports containing unaudited financial information. The information related to Kindred contained in this proxy statement/prospectus is derived from filings made by Kindred with the SEC or other publicly available information, or has been provided by Kindred. Neither Ventas nor Provident has verified this information either through an independent investigation or by reviewing Kindred's public filings. Neither Ventas nor Provident has reason to believe that such information is inaccurate in any material respect, but there can be no assurance that all such information is accurate. Kindred's filings with the SEC can be found at www.sec.gov. Ventas and Provident are providing this data for informational purposes only, and the reader of this proxy statement/prospectus is encouraged to obtain Kindred's publicly available filings from the SEC.

ALTERRA AND BROOKDALE INFORMATION

Neither Alterra nor Brookdale is subject to the reporting requirements of the SEC or is required to file with the SEC reports containing any financial or other information. The audited financial information related to Alterra and Brookdale contained in this proxy statement/prospectus has been provided by Alterra and Brookdale, respectively. Neither Ventas nor Provident has verified this information through an independent investigation or otherwise. Neither Ventas nor Provident has reason to believe that such information is inaccurate in any material respect, but there can be no assurance that all such information is accurate. Ventas and Provident are providing this data for informational purposes only.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of Provident Senior Living Trust:

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of Provident Senior Living Trust, a Maryland real estate investment trust ("Provident"), will be held at The Westin Princeton at Forrestal Village, 201 Village Boulevard, Princeton, New Jersey, on June 6, 2005 at 9:00 a.m., local time. At the special meeting, the holders of Provident common shares will be asked to consider and vote upon the following proposals:

To approve the merger and the other transactions contemplated by the Agreement and Plan of Merger, dated as of April 12, 2005, by and among Ventas, Inc., VTRP Merger Sub, LLC and Provident (the "Merger Agreement"); and

To transact any other business that may properly come before the special meeting (including any adjournment or postponement that may take place).

The proposed merger is described in more detail in the attached proxy statement/prospectus, which you should read carefully in its entirety before voting. A copy of the Merger Agreement is attached as Appendix A to the proxy statement/prospectus.

Provident's board of trustees has fixed the close of business (5:00 p.m., Eastern time) on May 24, 2005 as the record date for determining Provident shareholders entitled to notice of and to vote at the special meeting. Only Provident shareholders of record on that date are entitled to notice of and to vote at the special meeting (including any adjournment or postponement that may take place). At the close of business on the record date, Provident had outstanding 29,266,667 common shares.

Provident's board of trustees unanimously adopted a resolution approving the Merger Agreement and declaring the merger and the other transactions contemplated thereby fair and advisable on the terms and subject to the conditions set forth in the Merger Agreement. ACCORDINGLY, PROVIDENT'S BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE MERGER PROPOSAL.

It is important that the accompanying proxy card be completed, signed, dated and promptly returned in the enclosed envelope so that your shares will be represented, whether or not you plan to attend the special meeting in person. If you do attend the meeting and wish to vote, you may withdraw your proxy at that time. Please do not send your share certificates with your proxy card.

This notice and the attached proxy statement/prospectus are expected to be first mailed to Provident shareholders on or about May 27, 2005.

By Order of the Board of Trustees,

Saul A. Behar
Secretary

Princeton, New Jersey
May 27, 2005

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Appendices

Appendix A	Agreement and Plan of Merger, dated as of April 12, 2005, by and among Ventas, Inc., VTRP Merger Sub, LLC and Provident Senior Living Trust
Appendix B	Form of OP Contribution Agreement, dated as of April 12, 2005, among Ventas, Inc., ElderTrust Operating Limited Partnership and the Holder named therein
Appendix C	Opinion of Friedman, Billings, Ramsey & Co., Inc.

QUESTIONS AND ANSWERS

What is the proposed transaction?

Ventas proposes to acquire Provident pursuant to a merger of Provident with and into Merger Sub, with Merger Sub surviving the merger as a subsidiary of Ventas. In the merger, Ventas will pay an aggregate of approximately \$231.2 million in cash and will issue an aggregate of approximately 14.7 million shares of Ventas common stock to holders of Provident common shares (after giving effect to the issuance of 331,250 additional Provident common shares to certain Provident officers at the closing of the merger as discussed in "The Merger Interests of Provident's Trustees and Officers in the Merger Acceleration of Payments Under Provident LTIP; Issuance of Additional Provident LTIP Units"). The merger will be carried out as provided in the merger agreement, a copy of which is attached as Appendix A to this proxy statement/prospectus.

Concurrent with the completion of the merger, holders of Provident LTIP Units will contribute an aggregate of 430,250 Provident LTIP Units to ETOP in exchange for ETOP Class D Units convertible into approximately 345,147 shares of Ventas common stock (representing an exchange ratio of 0.8022 of an ETOP Class D Unit for each Provident LTIP Unit). The contribution of Provident LTIP Units will be carried out as provided in each holder's contribution agreement with Ventas and ETOP (each of which we refer to in this proxy statement/prospectus as an OP Contribution Agreement), a copy of the form of which is attached as Appendix B to this proxy statement/prospectus.

What will I receive in the proposed transaction?

If the merger is completed, you will receive 0.4951 of a share of Ventas common stock and \$7.81 in cash, without interest, for each of your Provident common shares. Ventas common stock is listed on the New York Stock Exchange under the symbol "VTR." The closing price per share of Ventas common stock on April 11, 2005, the day before the merger was publicly announced, was \$25.66, which would imply a value of \$20.51 for each Provident common share. Based on the closing price per share of Ventas common stock on May 25, 2005 (which was \$27.56 per share), you would receive cash and Ventas common stock having an aggregate implied value of \$21.45 for each of your Provident common shares. However, because the stock exchange ratio is fixed at 0.4951 of a share of Ventas common stock for each Provident common share, the value of the stock portion of the merger consideration will fluctuate with the market price per share of Ventas common stock prior to the closing of the merger. Accordingly, the value of the merger consideration at the time the merger is completed may be different from the value at the time the merger agreement was signed or the Provident special meeting is held. We urge you to obtain a current market quotation for Ventas common stock before voting at the special meeting. See "Risk Factors Risks Relating to the Merger Provident shareholders cannot be certain of the market value of shares of Ventas common stock that will be issued in the merger."

You will not receive any fractional shares of Ventas common stock in the merger. Instead, you will be paid cash (without interest) in lieu of the fractional share interest to which you would otherwise be entitled as described under "The Merger and the OP Contribution Agreements Merger Agreement Exchange of Share Certificates; Lost, Stolen or Destroyed Certificates; No Fractional Shares; Withholding Rights." You will not be entitled to dividends, voting rights or any other rights in respect of any fractional share.

Will the shares of Ventas common stock issued in the merger be listed for trading on the New York Stock Exchange?

Yes. The shares of Ventas common stock to be issued in the merger will be listed, upon official notice of issuance, on the New York Stock Exchange under the symbol "VTR."

What are the conditions to the merger?

The merger agreement contains a number of conditions to the merger, including the approval of the merger by Provident's shareholders, the non-occurrence of a material adverse change with respect to Provident or Ventas, and other customary conditions. A description of the conditions to the completion of the merger appears under "The Merger Agreement and the OP Contribution Agreements Merger Agreement Conditions to the Merger." Consummation of the merger does not require the approval of Ventas's stockholders and is not conditioned upon Ventas obtaining financing for the cash portion of the merger consideration. Ventas currently intends to finance the cash portion of the merger consideration with funds that Ventas expects to obtain using traditional financing sources. Ventas anticipates finalizing the terms of, and definitive documentation for, the financing prior to completing the merger.

When is the merger expected to occur?

Ventas and Provident expect that the merger will be completed on or about June 7, 2005 if, at the special meeting of Provident shareholders, Provident shareholders approve the merger.

What vote is required to approve the merger?

It is a condition to the completion of the merger that Provident's shareholders approve the merger by the required vote. The affirmative vote of holders of a majority of the Provident common shares outstanding and entitled to vote at the special meeting is required to approve the proposed merger. Accordingly, your vote is important. If you fail to instruct your broker or bank to vote your shares held in street name, or if you abstain from voting, your action will have the same effect as a vote against the proposed merger.

What does Provident's board of trustees recommend?

Provident's board of trustees unanimously adopted a resolution approving the merger agreement and declaring the merger and the other transactions contemplated thereby fair and advisable on the terms and subject to the conditions set forth in the merger agreement. Accordingly, Provident's board of trustees unanimously recommends that you vote "FOR" the merger proposal.

Will Ventas and Provident coordinate the declaration and payment of dividends prior to the completion of the merger?

Yes. In the merger agreement, Ventas and Provident have agreed to coordinate the declaration and payment of dividends on Ventas common stock and Provident common shares as described under "Summary Treatment of Provident Common Shares."

If the merger agreement is terminated at any time, Provident will determine when and whether to declare and pay any dividends or distributions going forward.

What happens if I sell my Provident common shares before the special meeting?

The record date for the special meeting, May 24, 2005, is earlier than the date of the special meeting. If you held your Provident common shares on the record date but transfer them prior to the effective time of the merger, you will retain your right to vote at the special meeting but not the right to receive the merger consideration for the Provident common shares. The right to receive such consideration will pass to the person who owns your Provident common shares when the merger becomes effective.

What will happen to my Provident common shares after the merger?

Upon completion of the merger, your Provident common shares will automatically be converted into the right to receive shares of Ventas common stock and cash as described above, and the surviving entity will withdraw the Registration Statement on Form S-11 (Registration No. 333-120206), as amended, relating to the Provident common shares currently filed with the SEC (which we refer to in this proxy statement/prospectus as the Provident Registration Statement).

The conversion of your Provident common shares into the right to receive, in addition to cash, Ventas common stock in the merger will result in differences between your rights as a Provident shareholder and your rights as a Ventas stockholder as described under "Comparison of Rights of Holders of Provident Common Shares and Ventas Common Stock."

If the merger is completed, when can I expect to receive the merger consideration for my Provident common shares?

Ventas expects that the exchange and paying agent will distribute a letter of transmittal to you promptly after the effective time of the merger. In order to receive the merger consideration, you will need to properly complete and return to the exchange and paying agent such letter of transmittal and accompanying materials. See "The Merger Agreement and the OP Contribution Agreements Merger Agreement Exchange of Share Certificates; Lost, Stolen or Destroyed Certificates; No Fractional Shares; Withholding Rights Exchange of Share Certificates."

What percentage of Ventas will be owned by former Provident shareholders immediately following the merger?

Based on the capitalization of Provident and Ventas as of May 13, 2005, holders of outstanding Provident common shares (after giving effect to the issuance of 331,250 additional Provident common shares to certain Provident officers at the closing of the merger as discussed in "The Merger Interests of Provident's Trustees and Officers in the Merger Acceleration of Payments Under Provident LTIP; Issuance of Additional Provident LTIP Units") and Provident LTIP Units will be entitled to receive as a result of the merger a total of approximately 15.0 million shares of Ventas common stock, representing approximately 14.7% of the Ventas common stock outstanding following the merger on a fully-diluted basis (assuming conversion of all of the ETOP Class D Units and exercise of all currently outstanding options to purchase shares of Ventas common stock).

What do I need to do now?

After carefully reviewing this document, indicate on the enclosed proxy card how you want to vote and sign and mail the completed proxy card in the enclosed return envelope as soon as possible so that your shares will be represented at the special meeting. If you sign and send in your proxy and do not indicate how you want to vote, your proxy will be voted in the manner that Provident's board of trustees recommends.

If my broker holds my Provident common shares in street name, will my broker vote my shares for me?

No. Your broker will not be able to vote your Provident common shares unless you follow the directions your broker or bank provides to you regarding how to vote your Provident common shares on the proposed merger.

Can I change my vote after I have mailed my signed proxy card?

Yes. You can change your vote at any time before your proxy is voted at the special meeting. You can do this by:

sending a signed written notice to Provident stating that you would like to revoke your proxy;

completing and submitting a new proxy card with a later date; or

attending the special meeting and voting in person.

Should I send in my Provident share certificates with my proxy card?

No. Please DO NOT send your Provident share certificates with your proxy card. Rather, if the merger is approved, you will be asked to send your Provident share certificates to the exchange and paying agent, together with a completed, signed letter of transmittal and tax withholding forms that will be provided to you prior to completion of the merger, or, if your Provident common shares are held in "street name," according to your broker's instructions.

What rights do I have if I oppose the merger?

You can vote against the merger by indicating a vote against the proposal on your proxy card and signing and mailing your proxy card in accordance with the instructions provided, or by voting against the merger in person at the special meeting. Pursuant to Title 8 of the Corporations and Associations Article of the Annotated Code of Maryland (which we refer to in this proxy statement/prospectus as Maryland REIT Law) and Provident's amended and restated declaration of trust (which we refer to in this proxy statement/prospectus as Provident's declaration of trust), however, you are not entitled to dissenters' or appraisal rights with respect to the merger.

What are the tax consequences to me of the proposed merger?

Ventas and Provident intend that the merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to in this proxy statement/prospectus as the Code), which will depend in part on the value of the stock portion of the merger consideration at the time of the merger. A substantial decline in the trading price of Ventas common stock prior to the merger, thereby making the fixed cash consideration a greater fraction of the total consideration received by Provident shareholders in the merger, could result in the merger failing to qualify as a reorganization.

The tax consequences to you of the merger in any case will depend on your particular situation. For a further summary of the U.S. federal income tax consequences of the merger to the holders of Provident common shares, please see "Summary Material U.S. Federal Income Tax Considerations of the Merger." You should consult your tax adviser for a full understanding of the tax consequences of the merger to you.

Who will solicit and pay the cost of soliciting proxies?

Provident has retained D.F. King & Co., Inc. to act as its proxy solicitor to solicit proxies approving the merger proposal from each of its shareholders on or about the date of mailing of this proxy statement/prospectus. In addition to solicitations by mail, Provident's trustees, officers and employees, and those of its subsidiaries and affiliates, may solicit proxies from shareholders by telephone or other electronic means or in person. Provident will also request that banking institutions, brokerage firms, custodians, trustees, nominees, fiduciaries and other like parties forward the

solicitation materials to the beneficial owners of Provident common shares held of record by such persons. Provident generally will bear the cost of the solicitation of proxies from its shareholders. See "The Special Meeting Solicitation of Proxies; Solicitation Expenses."

Who can help answer my questions regarding the special meeting or the merger?

You can write or call Saul A. Behar, Provident's General Counsel, at 600 College Road East, Suite 3400, Princeton, New Jersey 08540, telephone (609) 720-0825, Ext. 103, or Provident's proxy solicitor, D.F. King & Co., Inc. at 48 Wall Street, New York, New York 10005, telephone (888) 887-1266, with any questions about the merger and Provident's special meeting.

SUMMARY

This summary highlights selected information from this proxy statement/prospectus. It does not contain all of the information that may be important to you. You should carefully read this entire proxy statement/prospectus and the other documents to which this document refers for a more complete understanding of the matters being considered at the special meeting.

The Companies

Ventas, Inc.

10350 Ormsby Park Place, Suite 300
Louisville, Kentucky 40223
(502) 357-9000

Ventas is a healthcare real estate investment trust (which we refer to in this proxy statement/prospectus as a REIT) with a geographically diverse portfolio of healthcare and senior housing facilities. As of March 31, 2005, this portfolio consisted of 201 skilled nursing facilities, 41 hospitals and 50 senior housing and other facilities in 39 states. Except with respect to Ventas's medical office buildings, Ventas leases these facilities to healthcare operating companies under "triple-net" or "absolute-net" leases. As of March 31, 2005, Kindred leased 225 of Ventas's facilities. Ventas also had real estate loan investments relating to 34 healthcare and senior housing facilities as of March 31, 2005. For the three months ended March 31, 2005, Ventas had rental income of \$62.7 million.

Ventas's business strategy is comprised of two primary objectives: diversifying its portfolio of properties and increasing its earnings. Ventas intends to continue to diversify its real estate portfolio by operator, facility type and reimbursement source. Ventas intends to invest in or acquire additional healthcare-related and/or senior housing assets across a wide spectrum.

Ventas conducts substantially all of its business through Ventas Realty, Limited Partnership, a wholly owned operating partnership (which we refer to in this proxy statement/prospectus as Ventas Realty), Ventas Finance I, LLC, a wholly owned limited liability company (which we refer to in this proxy statement/prospectus as Ventas Finance), and ETOP, an operating partnership in which Ventas owns 99.6% of the partnership units. As of March 31, 2005, Ventas Realty owned 39 of Ventas's hospitals, 157 of Ventas's skilled nursing facilities and 27 of Ventas's senior housing and other facilities, Ventas Finance owned 39 of Ventas's skilled nursing facilities, and ETOP owned five of Ventas's skilled nursing facilities and 13 of Ventas's senior housing and other facilities.

If you want to find more information about Ventas, please see "Description of Ventas" beginning on page 102.

VTRP Merger Sub, LLC

c/o Ventas, Inc.
10350 Ormsby Park Place, Suite 300
Louisville, Kentucky 40223
(502) 357-9000

Merger Sub is a Delaware limited liability company and a subsidiary of Ventas. Merger Sub was organized on April 11, 2005 solely for the purpose of effecting the merger. It has not carried on any activities other than in connection with the merger agreement.

Provident Senior Living Trust

600 College Road East, Suite 3400
Princeton, New Jersey 08540
(609) 720-0825

Provident is a self-administered and self-managed REIT that owns income-producing senior living properties located in the United States. Provident was formed as a Maryland real estate investment

trust (which we refer to in this proxy statement/prospectus as a Maryland REIT) in March 2004 with the intention to qualify as a REIT under the Code beginning with the year ended December 31, 2004, completed a private placement of its common shares and units in Provident OP in August 2004 (which we refer to in this proxy statement/prospectus as the Provident 144A Offering) and acquired all of its properties during the fourth quarter of 2004. Provident's properties are leased to Brookdale and Alterra, which, according to the American Seniors Housing Association, are two of the industry's largest senior living managers. Provident conducts all of its operations, and owns all of its properties, through Provident OP.

Provident was formed to capitalize on trends and developments in the senior living industry by acquiring income-producing senior living properties, primarily independent and assisted living properties, located in the United States, that derive substantially all of their revenues from private pay sources. Provident's properties are leased to experienced operators with substantial senior living expertise pursuant to long-term, triple-net leases containing contractual rent escalations.

If you want to find more information about Provident, please see "Description of Provident" beginning on page 151.

The Special Meeting

(Page 36)

Date, Time and Place; Purpose of the Special Meeting

A special meeting of Provident's shareholders will be held at The Westin Princeton at Forrestal Village, 201 Village Boulevard, Princeton, New Jersey, on June 6, 2005 at 9:00 a.m., local time. At the special meeting, the holders of Provident common shares will be asked to consider and vote upon a proposal to approve the merger and the other transactions contemplated by the merger agreement described in this proxy statement/prospectus and to consider and act upon any other business properly brought before the special meeting.

Record Date; Voting Power

Provident's board of trustees has fixed the close of business (5:00 p.m., Eastern time) on May 24, 2005 as the record date for determining the holders of Provident common shares entitled to notice of and to vote at the special meeting. Only holders of record of Provident common shares at the close of business on the record date are entitled to notice of and to vote at the special meeting. On the record date, there were 29,266,667 Provident common shares outstanding and entitled to vote at the special meeting. Provident shareholders will have one vote on any matter that may properly come before the special meeting for each Provident common share that they owned on the record date.

Required Vote; Quorum

Provident's declaration of trust and bylaws require that the merger must be affirmatively approved by holders of a majority of the Provident common shares outstanding and entitled to vote at the special meeting so long as a quorum is present at the special meeting. A quorum will be present at the special meeting if holders of at least 14,633,334 Provident common shares (which represents a majority of the Provident common shares outstanding on the record date) are represented in person or by proxy at the special meeting.

Voting by Provident's Trustees and Executive Officers

At the close of business on the record date, Provident's trustees and executive officers and their affiliates owned and were entitled to vote approximately 672,000 Provident common shares (or approximately 2.3% of the aggregate number of Provident common shares outstanding on that date). **Provident's trustees and executive officers have indicated that they intend to vote the Provident common shares that they own "FOR" the merger proposal.**

The Merger
(Page 38)

The merger agreement provides for, among other things, the merger of Provident with and into Merger Sub. Following completion of the merger, Merger Sub will continue as the surviving entity of the merger and will continue to be a subsidiary of Ventas.

The Merger Agreement
(Page 59)

The merger agreement is described in "The Merger Agreement and the OP Contribution Agreements" beginning on page 59. A copy of the merger agreement is also attached to this proxy statement/prospectus as Appendix A. We urge you to read the entire merger agreement because it is the legal document governing the merger.

Treatment of Provident Common Shares
(Page 59)

If the merger is completed, each Provident common share (other than Provident common shares owned by Provident as treasury stock, any subsidiary of Provident or Ventas) issued and outstanding immediately prior to the effective time of the merger shall be converted into the right to receive:

0.4951 of a share of Ventas common stock; and

\$7.81 in cash, without interest.

Provident shareholders will not receive any fractional shares of Ventas common stock in the merger. In lieu of fractional shares, each holder of Provident common shares who otherwise would have been entitled to a fraction of a share of Ventas common stock (after taking into account all Provident common shares delivered by such holder) will be paid cash (without interest) in an amount determined by multiplying (1) the fractional share interest to which such holder would otherwise be entitled by (2) the average per share closing price of Ventas common stock as reported on the New York Stock Exchange Composite Transactions reporting system for the ten trading days ending two days prior to the closing date of the merger. You will not be entitled to dividends, voting rights or any other rights in respect of any fractional share of Ventas common stock (except the right to receive cash in lieu of a fractional share as described above).

In the merger agreement, Ventas and Provident have agreed to coordinate the declaration and payment of dividends on Ventas common stock and Provident common shares, so that holders of Ventas common stock and Provident common shares will receive:

regular quarterly dividends of up to \$0.36 per share with respect to Ventas common stock and up to \$0.34 per share with respect to Provident common shares for each quarter ending prior to the effective time of the merger; and

a special dividend for those holders of record of Ventas common stock and Provident common shares on the last day prior to the effective time of the merger, in an amount equal to the most recent quarterly dividend rate, multiplied by the number of days elapsed since the then last dividend record date (in the case of Ventas), or the first day immediately following Provident's most recently completed quarter for which dividends have been paid or have been declared and are payable (in the case of Provident) and, in each case, through and including the effective time of the merger, divided by the actual number of days in the quarter in which such dividend is declared.

Provident has declared a special dividend in the amount of \$0.2541 per share to holders of record of Provident common shares on June 6, 2005, assuming the merger closes on June 7, 2005. Because Ventas has declared its regular quarterly dividend in the amount of \$0.36 per share to holders of record

of Ventas common stock on June 6, 2005, assuming that the merger closes on June 7, 2005, there will be no special dividend to holders of Ventas common stock.

After the effective time of the merger, former Provident shareholders who receive Ventas common stock in the merger shall have the right to receive dividends from Ventas on such Ventas common stock for the periods after the effective time to the extent they continue to hold such stock on the applicable record dates for such post-closing periods.

Recommendation of Provident's Board of Trustees; Provident's Reasons for the Merger

(Page 42)

Provident's board of trustees has unanimously adopted a resolution approving the merger agreement and declaring the merger and the other transactions contemplated thereby fair and advisable on the terms and subject to the conditions set forth in the merger agreement. Provident's board of trustees believes that the terms of the merger agreement and the transactions contemplated thereby, including the merger, are fair to and in the best interests of Provident and its shareholders. In making its determination, Provident's board of trustees consulted with Provident's management and its legal and financial advisers and considered various interests, factors and information. See "The Merger Provident's Reasons for the Merger."

THE PROVIDENT BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT PROVIDENT SHAREHOLDERS VOTE "FOR" THE APPROVAL OF THE MERGER.

Opinion of Provident's Financial Adviser

(Page 45)

In connection with the merger, Friedman, Billings, Ramsey & Co., Inc. (which we refer to in this proxy statement/prospectus as FBR) rendered a written opinion to Provident's board of trustees that, as of April 12, 2005 and based upon and subject to the factors and assumptions discussed in the opinion, the merger consideration in the merger agreement was fair, from a financial point of view, to the holders of Provident common shares. The full text of FBR's written opinion, dated April 12, 2005, is attached to this proxy statement/prospectus as Appendix C and includes a discussion of the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion. Holders of Provident common shares should read this opinion in its entirety. FBR's opinion is addressed to Provident's board of trustees and does not constitute a recommendation to any Provident shareholder with respect to any matters relating to the merger. As of April 12, 2005, FBR owned, directly or indirectly, through one or more affiliates, 2,135,454 Provident common shares. See "The Merger Opinion of Provident's Financial Adviser."

Interests of Provident's Trustees and Officers in the Merger

(Page 53)

In considering the recommendation of Provident's board of trustees with respect to the merger proposal, you should be aware that certain trustees and officers of Provident have interests in, and will receive benefits from, the merger that are different from or are in addition to the interests of the Provident shareholders, and therefore may conflict with the interests of Provident shareholders. See "Risk Factors Provident's trustees and officers have interests that are different from, or in addition to those of Provident shareholders, and therefore may conflict with the interests of Provident shareholders."

Material U.S. Federal Income Tax Considerations of the Merger

(Page 79)

Ventas and Provident expect the following tax consequences generally to apply to holders of Provident common shares. Ventas and Provident intend that the merger will qualify as a

"reorganization" within the meaning of Section 368(a) of the Code, which will depend in part on the value of the stock portion of the merger consideration at the time of the merger. A substantial decline in the trading price of Ventas common stock prior to the merger, thereby making the fixed cash consideration a greater fraction of the total consideration received by Provident shareholders in the merger, could result in the merger failing to qualify as a reorganization.

Assuming that the merger is treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code, the material U.S. federal income tax consequences to a U.S. shareholder of the exchange of Provident common shares for Ventas common stock and cash pursuant to the merger generally will be as follows:

A Provident shareholder will realize gain equal to the excess, if any, of the fair market value of the Ventas common stock and the amount of cash received over that shareholder's adjusted tax basis in the Provident common shares exchanged by the shareholder in the merger, but will recognize any such gain only to the extent of cash received in the merger (excluding cash received instead of fractional shares). For this purpose, a Provident shareholder must calculate gain or loss separately for each identifiable block of Provident common shares exchanged by the shareholder in the merger, and the Provident shareholder may not offset a loss realized on one block of its Provident common shares against a gain recognized on another block of its Provident common shares.

A Provident shareholder will not be permitted to recognize any loss realized in the merger (except possibly in connection with cash received instead of a fractional share).

The gain recognized by a Provident shareholder in the merger generally will constitute capital gain, unless the shareholder's receipt of cash has the effect of a distribution of a dividend for U.S. federal income tax purposes, in which case the shareholder's gain will be treated as ordinary dividend income to the extent of the shareholder's ratable share of accumulated earnings and profits as calculated for U.S. federal income tax purposes.

Any capital gain recognized by a Provident shareholder generally will constitute short-term capital gain if the shareholder's holding period for the Provident common shares exchanged in the merger is one year or less as of the date of the merger.

The aggregate tax basis of the shares of Ventas common stock received by a Provident shareholder (including, for this purpose, any fractional share of Ventas common stock for which cash is received) in exchange for Provident common shares in the merger will be the same as the aggregate tax basis of the shareholder's Provident common shares, decreased by the amount of cash received by the shareholder in the merger (excluding any cash received instead of a fractional share) and increased by the amount of gain recognized by the shareholder in the merger (including any portion of the gain that is treated as a dividend and excluding any gain recognized as a result of cash received instead of a fractional share).

The holding period for the shares of Ventas common stock received by a Provident shareholder in the merger will include the holding period of the shareholder's Provident common shares.

The tax consequences of the merger to any particular Provident shareholder will depend on that shareholder's particular situation. For a further summary of the U.S. federal income tax consequences of the merger to the holders of Provident common shares, please see "Material U.S. Federal Income Tax Considerations of the Merger." Provident shareholders should consult their tax advisers for a full understanding of the tax consequences of the merger to each such shareholder.

Anticipated Accounting Treatment (Page 57)

It is expected that the merger will be accounted for as a purchase of Provident by Ventas under generally accepted accounting principles in the United States (which we refer to in this proxy

statement/prospectus as GAAP). Under the purchase method of accounting, the assets and liabilities of Provident will be, as of the completion of the merger, recorded at their respective fair values and added to those of Ventas.

Regulatory Matters Related to the Merger

(Page 58)

Except for the declaration of effectiveness by the SEC of the registration statement of which this proxy statement/prospectus is a part, no material regulatory approvals are required in order to consummate the merger and the other transactions contemplated by the merger agreement.

No Dissenters' Rights of Appraisal

(Page 58)

Pursuant to Maryland REIT Law and Provident's declaration of trust, holders of Provident common shares are not entitled to any dissenters' or appraisal rights with respect to the merger.

Restrictions on Solicitation

(Page 69)

Subject to specified exceptions, the merger agreement precludes (i) Provident and its subsidiaries and representatives, whether directly or indirectly, from inviting, initiating, soliciting or encouraging any inquiries, proposals, discussions or negotiations or the making or implementation of any proposal or offer with respect to, or engaging in any discussions or negotiations that may reasonably be expected to lead to, or entering into any agreement relating to, any direct or indirect Acquisition Proposal (as defined in "The Merger Agreement and the OP Contribution Agreements Merger Agreement Principal Covenants No Solicitation of Proposals from Other Parties") and (ii) Provident's board of trustees from withdrawing or modifying its approval or recommendation of the merger agreement or the merger, or approving or recommending any Acquisition Proposal.

Conditions to the Merger

(Page 72)

Conditions to Each Party's Obligation to Effect the Merger

The obligations of each party to the merger agreement to complete the merger are subject to the satisfaction or waiver of the following conditions:

the receipt of approval of the merger by the holders of at least a majority of the outstanding Provident common shares entitled to vote at the special meeting;

the absence of any temporary restraining order, preliminary or permanent injunction or other order issued by a court of competent jurisdiction or other legal restraint or prohibition that has the effect of preventing the consummation of the merger or any of the contemplated transactions related to the merger;

the approval for listing on the New York Stock Exchange, subject to official notice of issuance, of the shares of Ventas common stock to be issued in the merger; and

the declaration of effectiveness by the SEC of the registration statement of which this proxy statement/prospectus is a part and the absence of any stop order suspending the effectiveness of the registration statement or any proceedings for that purpose.

Conditions to Obligations of Ventas and Merger Sub

The obligations of Ventas and Merger Sub to complete the merger are subject to the satisfaction of the following additional conditions, any one or more of which may be waived in writing by Ventas:

the accuracy of Provident's representations and warranties contained in the merger agreement (without giving effect to any "materiality" or "material adverse effect" qualifier) on and as of the date of the merger agreement and on and as of the closing date, with the same force and effect as if made on and as of the closing date (except to the extent the representation or warranty is expressly limited by its terms to another date), unless the failure of such representations and warranties to be true and correct, in the aggregate, would not reasonably be expected to have a material adverse effect on Provident, and the receipt by Ventas of a certificate signed on behalf of Provident by its chief executive officer or its chief financial officer, in such capacity, to such effect;

the performance by Provident in all material respects of all of its obligations under the merger agreement, and the receipt by Ventas of a certificate signed on behalf of Provident by its chief executive officer or its chief financial officer, in such capacity, to such effect;

the absence of any event, circumstance or development since the date of the merger agreement that has had, is reasonably likely to have or could reasonably be expected to result in a material adverse effect on Provident or that would prevent or materially adversely affect Provident's ability to perform its obligations under the merger agreement;

the receipt by Ventas of an opinion from Provident's legal counsel, Sidley Austin Brown & Wood LLP, relating to Provident's qualification as a REIT under the Code;

the execution of an OP Contribution Agreement by each holder of Provident LTIP Units, which shall be in full force and effect, such that after the effective time of the merger, Provident OP shall be wholly owned by the surviving entity of the merger, Ventas and/or ETOP; and

the inapplicability of defensive measures to the merger and the other transactions contemplated by the merger agreement.

Conditions to Obligations of Provident

The obligations of Provident to effect the merger are subject to the satisfaction of the following additional conditions, any one or more of which may be waived in writing by Provident:

the accuracy of Ventas's representations and warranties contained in the merger agreement (without giving effect to any "materiality" or "material adverse effect" qualifier) on and as of the date of the merger agreement and on and as of the closing date, with the same force and effect as if made on and as of the closing date (except to the extent the representation or warranty is expressly limited by its terms to another date), unless the failure of such representations and warranties to be true and correct, in the aggregate, would not reasonably be expected to have a material adverse effect on Ventas, and the receipt by Provident of a certificate signed on behalf of Ventas by its chief executive officer or its chief financial officer, in such capacity, to such effect;

the performance by Ventas in all material respects of all of its obligations under the merger agreement, and the receipt by Provident of a certificate signed on behalf of Ventas by its chief executive officer or its chief financial officer, in such capacity, to such effect;

the absence of any event, circumstance or development since the date of the merger agreement that has had, is reasonably likely to have or could reasonably be expected to result in a material adverse effect on Ventas or that would prevent or materially adversely affect Ventas's ability to perform its obligations under the merger agreement;

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the receipt by Provident of an opinion from Ventas's legal counsel, Willkie Farr & Gallagher LLP, relating to Ventas's qualification as a REIT under the Code; and

the enforceability, with respect to Ventas and ETOP, as applicable, of each of the OP Contribution Agreements, the registration rights agreement in favor of the holders of ETOP Class D Units and the Class D Amendment (as defined in "The Merger Agreement and the OP Contribution Agreements Merger Agreement Principal Covenants Amendment to ETOP Limited Partnership Agreement").

Waiver of Conditions to Closing of the Merger

Where the law permits, a party to the merger agreement may elect to waive a condition to its obligation to complete the merger that has not been satisfied. We cannot be certain when (or if) the conditions to the merger will be satisfied or waived or that the merger will be completed. We expect to complete the merger as promptly as practicable after all of the conditions have been satisfied or waived.

Termination

(Page 74)

Rights to Terminate

The merger agreement may be terminated at any time before the effective time of the merger, whether before or after approval of the merger by the Provident shareholders, in any of the following ways:

by mutual written agreement of Ventas and Provident;

by either Ventas or Provident if:

any judgment, decree, injunction, rule or order by any governmental agency permanently restraining, enjoining or otherwise prohibiting the merger is issued and such judgment, injunction, order, decree, ruling or other action has become final and nonappealable, unless the terminating party is in material breach of its representations, warranties, covenants or agreements under the merger agreement in any manner that has caused or resulted in the failure to consummate the merger by such date;

the merger fails to receive the requisite vote for approval by Provident's shareholders; or

the merger is not completed by August 15, 2005 (provided that either Ventas or Provident may extend such date until September 15, 2005 if the registration statement of which this proxy statement/prospectus is a part has been declared effective by the SEC prior to August 15, 2005) (which date we refer to in this proxy statement/prospectus as the Termination Date), unless the terminating party is in material breach of its representations, warranties, covenants or agreements under the merger agreement in any manner that caused or resulted in the failure to consummate the merger by the Termination Date;

by Provident if:

prior to the approval of the merger at the special meeting, Provident's board of trustees approves, and Provident concurrently enters into, a definitive agreement providing for the implementation of a Superior Acquisition Proposal (as defined in "The Merger Agreement and the OP Contribution Agreements Merger Agreement Principal Covenants No Solicitation of Proposals from Other Parties") and (i) Provident is not in breach of its non-solicitation covenant in the merger agreement and (ii) concurrently with the termination Provident pays the full termination fee; or

Ventas or Merger Sub breaches any of the representations, warranties, covenants or agreements of Ventas or Merger Sub contained in the merger agreement such that

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Provident's closing conditions are incapable of being satisfied, and such breach is not cured within 30 days following written notice to Ventas; or

by Ventas if:

(i) Provident's board of trustees withdraws or materially modifies its recommendation of the merger agreement or the merger in a manner adverse to Ventas or its stockholders or resolves to do so, unless such action by Provident's board of trustees results from a material adverse effect on Ventas; (ii) Provident fails to call or hold the special meeting; (iii) Provident intentionally and materially breaches its non-solicitation covenant; (iv) Provident's board of trustees approves or recommends an Acquisition Proposal made by any person other than Ventas or Merger Sub; or (v) Provident enters into a definitive agreement with respect to an Acquisition Proposal with any person other than Ventas or any of its subsidiaries; or

Provident breaches any of its representations, warranties, covenants or agreements contained in the merger agreement such that Ventas's and Merger Sub's closing conditions are incapable of being satisfied, and such breach is not cured within 30 days following written notice to Provident.

Termination Fees

Provident has agreed to pay Ventas a termination fee of up to \$13 million and reimbursement of out-of-pocket expenses of up to \$5 million if:

Ventas terminates the merger agreement (or Provident terminates the merger agreement at a time when Ventas had the right to terminate the merger agreement) because:

Provident's board of trustees has withdrawn or materially modified its recommendation of the merger agreement or the merger in a manner adverse to Ventas or its stockholders or has resolved to do so, unless such action by Provident's board of trustees resulted from (i) a material adverse effect on Ventas or (ii) the fact that (x) the price per share of Ventas common stock has decreased more than 33% from the closing price per share of Ventas common stock on the trading date immediately prior to the date of the merger agreement, in either case as reported on the New York Stock Exchange Composite Transactions reporting system, (y) the average price of the publicly-traded healthcare REITs set forth in the weekly sector scorecard of Stifel, Nicolaus & Company, Incorporated (excluding Ventas) has not decreased more than 16.5% during the same period, and (z) such decrease in the price per share of Ventas common stock has resulted in the withdrawal by FBR of its fairness opinion;

Provident has failed to call or hold the special meeting;

Provident has intentionally and materially breached its non-solicitation covenant;

Provident's board of trustees has approved or recommended an Acquisition Proposal made by any person other than Ventas or Merger Sub; or

Provident has entered into a definitive agreement with respect to an Acquisition Proposal made by any person other than Ventas or any of its subsidiaries;

Provident terminates the merger agreement because, prior to the approval of the merger at the special meeting, Provident's board of trustees has approved, and Provident has concurrently entered into, a definitive agreement providing for the implementation of a Superior Acquisition Proposal;

an Acquisition Proposal is publicly disclosed or becomes known to Provident's shareholders after the date of the merger agreement, and thereafter Ventas or Provident terminates the merger agreement because Provident's shareholders have failed to approve the merger agreement at the special meeting, and within 12 months following such termination, Provident enters

into a

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definitive agreement providing for, or consummates, an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal which had been received or publicly disclosed at the time of termination of the merger agreement); or

an Acquisition Proposal is publicly disclosed or becomes known to Provident's shareholders after the date of the merger agreement, and thereafter Ventas or Provident terminates the merger agreement because the merger is not completed by the Termination Date (but only if Provident is then in material breach of its representations, warranties, covenants or agreements under the merger agreement in any manner that has caused or resulted in the failure to consummate the merger on or before the Termination Date), and within 12 months following such termination, Provident enters into a definitive agreement providing for, or consummates, an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal which had been received or publicly disclosed at the time of termination of the merger agreement).

Notwithstanding the foregoing, Provident shall not be required to pay any such termination fee or reimburse any such expenses if Provident is entitled to terminate the merger agreement because Ventas or Merger Sub has breached any of the representations, warranties, covenants or agreements of Ventas and Merger Sub contained in the merger agreement such that Provident's closing conditions are incapable of being satisfied and such breach is not cured within 30 days following written notice to Ventas.

OP Contribution Agreements

(Page 77)

In order to induce Ventas and Merger Sub to enter into the merger agreement, each holder of Provident LTIP Units entered into an OP Contribution Agreement with Ventas and ETOP pursuant to which each holder has agreed to contribute all Provident LTIP Units held by him or her as of the date of his or her OP Contribution Agreement to ETOP at the effective time of the merger in exchange for the issuance to such holder of 0.8022 of an ETOP Class D Unit for each Provident LTIP Unit. Each ETOP Class D Unit will be convertible into one share of Ventas common stock. Accordingly, concurrent with the merger, 430,250 Provident LTIP Units (representing all Provident LTIP Units outstanding on the date of the OP Contribution Agreements) will be exchanged for 345,147 ETOP Class D Units, which are convertible into an aggregate of 345,147 shares of Ventas common stock. In addition, each holder has agreed to convert any Provident LTIP Units issued to such holder after the date of his or her OP Contribution Agreement into Provident common shares prior to the effective time of the merger. The ETOP Class D Units to be issued pursuant to the OP Contribution Agreements and the shares of Ventas common stock to be issued upon conversion of such ETOP Class D Units will be restricted securities. A copy of the form of the OP Contribution Agreement is attached to this proxy statement/prospectus as Appendix B.

Listing of Ventas Common Stock

(Page 58)

The shares of Ventas common stock to be issued in the merger will be listed, upon official notice of issuance, on the New York Stock Exchange under the symbol "VTR."

Comparison of Rights of Holders of Provident Common Shares and Ventas Common Stock

(Page 185)

The conversion of your Provident common shares into the right to receive, in addition to cash, Ventas common stock in the merger will result in differences between your rights as a Provident shareholder, governed by Maryland REIT Law and Provident's declaration of trust and bylaws, and your rights as a Ventas stockholder, governed by the Delaware General Corporation Law (which we refer to in this proxy statement/prospectus as the DGCL) and Ventas's certificate of incorporation and bylaws.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF VENTAS

The following selected historical consolidated financial data for each of the years in the five-year period ended December 31, 2004 has been derived from Ventas's audited consolidated financial statements. These financial statements have been audited by Ernst & Young LLP, Ventas's independent registered public accounting firm. The following selected historical consolidated financial data for the three months ended March 31, 2005 and 2004 has been derived from Ventas's unaudited interim consolidated financial statements. In the opinion of Ventas's management, the unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the financial position and results of operations as such dates and for such periods. Results for the interim periods are not necessarily indicative of the results to be expected for the full year. This information is only a summary and you should read it together with "Description of Ventas Ventas Management's Discussion and Analysis of Financial Condition and Results of Operations" and Ventas's historical consolidated financial statements and notes thereto included elsewhere in this proxy statement/prospectus.

	As of and For the Three Months Ended March 31,		As of and For the Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(unaudited)						
	(in thousands, except per share data)						
OPERATING DATA:							
Rental income	\$ 62,739	\$ 52,906	\$ 232,911	\$ 189,987	\$ 174,822	\$ 169,392	\$ 212,038
Gain on sale of Kindred common stock				9,039	5,014	15,425	
General, administrative and professional fees	5,020	4,224	16,917	15,158	12,913	14,902	20,781
United States Settlement(1)							96,493
Loss on extinguishment of debt			1,370	84	11,077	1,322	4,207
Interest expense	17,172	15,229	66,817	61,660	72,384	79,595	86,803
Interest on United States Settlement(1)				4,943	5,461	4,592	
Loss on uncollectible amounts due from tenants							43,888
Income (loss) before discontinued operations	27,573	23,091	100,173	96,135	36,949	46,496	(69,179)
Discontinued operations		184	20,727	66,618	28,757	4,070	3,727
Net income (loss)	\$ 27,573	\$ 23,275	\$ 120,900	\$ 162,753	\$ 65,706	\$ 50,566	\$ (65,452)
PER SHARE DATA:							
Income (loss) per common share before discontinued operations, basic	\$ 0.33	\$ 0.28	\$ 1.20	\$ 1.21	\$ 0.53	\$ 0.68	\$ (1.02)
Net income (loss) per common share, basic	0.33	0.28	1.45	2.05	0.95	0.74	(0.96)
Income (loss) per common share before discontinued operations, diluted	0.32	0.28	1.19	1.20	0.53	0.67	(1.02)
Net income (loss) per common share, diluted	0.32	0.28	1.43	2.03	0.93	0.73	(0.96)
Dividends declared per common share	\$ 0.36	\$ 0.33	\$ 1.30	\$ 1.07	\$ 0.95	\$ 0.92	\$ 0.91
OTHER DATA:							
Net cash provided by operating activities	\$ 58,065	\$ 39,685	\$ 149,958	\$ 137,366	\$ 116,385	\$ 79,893	\$ 85,338
Net cash (used in) provided by investing activities	(56,994)	(176,482)	(298,695)	159,701	(34,140)	2,760	5,359
Net cash provided by (used in) financing activities	(2,657)	(56,416)	69,998	(217,418)	(98,386)	(151,458)	(142,890)
FFO(2)	\$ 40,748	\$ 34,048	\$ 150,322	\$ 152,631	\$ 84,083	\$ 92,180	\$ (24,221)
Weighted average shares outstanding, basic	84,657	81,703	83,491	79,340	69,336	68,409	68,010
Weighted average shares outstanding, diluted	85,400	82,760	84,352	80,094	70,290	69,363	68,131
BALANCE SHEET DATA:							
Real estate investments, at cost	\$ 1,127,058	\$ 1,071,132	\$ 1,512,211	\$ 1,090,181	\$ 1,221,406	\$ 1,175,838	\$ 1,176,143

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	As of and For the Three Months Ended March 31,		As of and For the Year Ended December 31,				
Cash and cash equivalents	1,779	3,365	3,365	82,104	2,455	18,596	87,401
Kindred common stock					16,713	55,118	
Total assets	1,174,198	1,126,935	1,126,935	812,850	895,780	941,859	981,145
Senior notes payable and other debt	877,642	843,178	843,178	640,562	707,709	848,368	886,385
United States Settlement(1)	\$	\$	\$	\$	\$ 43,992	\$ 54,747	\$ 96,493

- (1) The United States Settlement is a comprehensive settlement of various claims and investigations by the U.S. Department of Justice involving operations at Ventas's healthcare facilities prior to its spin-off of Kindred in 1998. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.
- (2) Ventas considers funds from operations (which we refer to in this proxy statement/prospectus as FFO) an appropriate measure of performance of an equity REIT, and it uses the National Association of Real Estate Investment Trusts' (which we refer to in this proxy statement/prospectus as NAREIT) definition of FFO. NAREIT defines FFO as net income computed in accordance with GAAP, excluding gains or losses from sales of real estate property, plus real estate depreciation and amortization, and after

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adjustments for unconsolidated partnerships and joint ventures. FFO presented herein is not necessarily comparable to FFO presented by other real estate companies due to the fact that not all real estate companies use the same definition. FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of Ventas's financial performance or as an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of Ventas's liquidity, nor is FFO indicative of sufficient cash flow to fund all of Ventas's needs.

Ventas's

FFO for the three months ended March 31, 2005 and 2004 and for the five years ended December 31, 2004 are summarized in the following table:

	For the Three Months Ended March 31,		For the Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(unaudited)						
	(in thousands)						
Net income (loss)	\$ 27,573	\$ 23,275	\$ 120,900	\$ 162,753	\$ 65,706	\$ 50,566	\$ (65,452)
Adjustments:							
Depreciation on real estate assets	13,175	10,722	48,647	39,216	38,012	37,855	38,068
Realized gain on sale of real estate assets					(64)	(290)	(957)
Other items:							
Discontinued operations							
Real estate depreciation discontinued		51	203	2,443	3,879	4,049	4,120
Gain on sale of real estate			(19,428)	(51,781)	(23,450)		
Funds from operations	\$ 40,748	\$ 34,048	\$ 150,322	\$ 152,631	\$ 84,083	\$ 92,180	\$ (24,221)

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF PROVIDENT

The following selected historical consolidated financial data as of December 31, 2004 and for the period from March 1, 2004 (inception) to December 31, 2004 has been derived from Provident's audited consolidated financial statements. These financial statements have been audited by KPMG LLP, Provident's independent registered public accounting firm. The following selected historical consolidated financial data as of and for the three months ended March 31, 2005 has been derived from Provident's unaudited interim consolidated financial statements. In the opinion of Provident's management, the unaudited interim consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the financial position and results of operations as such dates and for such periods. Results for the interim periods are not necessarily indicative of the results to be expected for the full year. This information is only a summary and you should read it together with "Description of Provident Provident Management's Discussion and Analysis of Financial Condition and Results of Operations" and Provident's historical consolidated financial statements and notes thereto included elsewhere in this proxy statement/prospectus.

	For the Three Months Ended March 31, 2005	For the Period from March 1, 2004 (Inception) to December 31, 2004
	(unaudited)	
OPERATING DATA:		
Operating Revenue:		
Rental income	\$ 21,077,648	\$ 16,030,410
Straight line rental income	4,681,992	3,606,165
Total operating revenue	25,759,640	19,636,575
Operating Expenses:		
Salaries and employee benefits	637,510	1,733,808
Amortization of deferred compensation	612,286	1,063,166
General and administrative expenses	779,190	462,040
Depreciation and amortization	9,183,724	5,667,665
Total operating expenses	11,212,710	8,926,679
Net operating income	14,546,930	10,709,896
Other Income (Expense):		
Interest income	103,310	1,072,707
Interest expense	(8,854,142)	(6,291,931)
Total other expense	(8,750,832)	(5,219,224)
Income before minority interest	5,796,098	5,490,672
Minority interest	(84,845)	279,984
Net income	\$ 5,711,253	\$ 5,770,656
PER SHARE DATA:		
Basic earnings per share	\$ 0.20	\$ 0.20
Diluted earnings per share	\$ 0.20	\$ 0.19
OTHER DATA:		
Net cash provided by operating activities	\$ 9,250,971	\$ 7,360,375
Net cash used in investing activities	(26,261)	(520,008,205)
Net cash provided by financing activities	\$ (10,817,617)	\$ 514,699,546
Weighted average common shares outstanding, basic	29,266,667	28,408,847

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	For the Three Months Ended March 31, 2005	For the Period from March 1, 2004 (Inception) to December 31, 2004
Weighted average common shares outstanding, diluted	29,696,917	29,612,304
	18	

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	As of March 31, 2005	As of December 31, 2004
	(unaudited)	
BALANCE SHEET DATA:		
Real estate investments, net	\$ 969,920,529	\$ 979,091,291
Cash and cash equivalents	458,809	2,051,716
Restricted cash	30,965,349	29,598,456
Other assets	18,687,348	11,426,374
Total assets	\$ 1,020,032,035	\$ 1,022,167,837
Mortgage and bond notes payable	\$ 461,975,085	\$ 463,934,413
Line of credit borrowings	125,250,000	123,550,000
Tenant security deposit	20,344,084	20,069,985
Other liabilities	11,324,740	19,410,081
Total liabilities	618,893,909	626,964,479
Minority interest	1,437,841	721,584
Shareholders' equity	399,700,285	394,481,774
Total liabilities and shareholders' equity	\$ 1,020,032,035	\$ 1,022,167,837

SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following unaudited pro forma condensed combined financial data is presented as if the merger had been effective as of the date of the balance sheet for the purposes of the unaudited pro forma condensed combined balance sheet data and as if the merger and the other transactions described in the notes to the unaudited pro forma condensed combined financial statements had occurred on the first day of the period presented for purposes of the unaudited pro forma condensed combined statement of income data. The pro forma amounts in the table below do not include the anticipated financial benefits from such items as cost savings and revenue synergies arising from the merger as well as other possible adjustments discussed in the notes to the unaudited pro forma condensed combined financial statements included elsewhere in this proxy statement/prospectus.

You should read this information in conjunction with, and the information is qualified in its entirety by, the consolidated financial statements and accompanying notes of Ventas and Provident and the unaudited pro forma condensed combined financial statements and notes thereto included elsewhere in this proxy statement/prospectus. The pro forma amounts in the table below are presented for informational purposes only. You should not rely on the pro forma amounts as being necessarily indicative of the financial position or results of operations of the combined company that would have actually occurred had the merger been effective during the periods presented or of the future financial position or future results of operations of the combined company. The combined financial information as of and for the periods presented may have been different had the companies actually been combined as of and during those periods.

	As of and For the Three Months Ended March 31, 2005	For the Year Ended December 31, 2004
(in thousands, except per share data)		
OPERATING DATA:		
Rental income	\$ 88,499	\$ 347,605
General, administrative and professional fees	6,437	19,113
Interest expense	29,870	121,099
Income from continuing operations	\$ 27,777	\$ 108,762
PER SHARE DATA:		
Income from continuing operations per common share, diluted	\$ 0.28	\$ 1.09
BALANCE SHEET DATA:		
Real estate investments, net	\$ 2,349,676	N/A
Cash and cash equivalents	2,238	N/A
Total assets	2,441,402	N/A
Senior notes payable and other debt	\$ 1,720,327	N/A

N/A

Not applicable.

COMPARATIVE PER SHARE DATA

The following table presents, for the periods indicated, selected historical per share data for the Ventas common stock and Provident common shares, as well as unaudited pro forma per share amounts for the Ventas common stock and unaudited pro forma per share equivalent amounts for the Provident common shares. The pro forma amounts included in the table below are presented as if the merger had been effective as of the date of the balance sheet for the purposes of the unaudited pro forma condensed combined balance sheet data and as if the merger and the other transactions described in the notes to the unaudited pro forma condensed combined financial statements had occurred on the first day of the period presented for purposes of the unaudited pro forma condensed combined statement of income data. The pro forma amounts in the tables below do not include the anticipated financial benefits from such items as cost savings and revenue synergies arising from the merger as well as other possible adjustments discussed in the notes to the unaudited pro forma condensed combined financial statements included elsewhere in this proxy statement/prospectus. The unaudited pro forma per share equivalent amounts for Provident are calculated by multiplying the unaudited pro forma per share amounts for Ventas by 0.4951 (the exchange ratio for the issuance of Ventas common stock in the merger).

You should read this information in conjunction with, and the information is qualified in its entirety by, the consolidated financial statements and accompanying notes of Ventas and Provident and the unaudited pro forma condensed combined financial statements and notes thereto included elsewhere in this proxy statement/prospectus. The pro forma amounts in the table below are presented for informational purposes only. You should not rely on the pro forma amounts as being indicative of the financial position or results of operations of the combined company that would have actually occurred had the merger been effective during the periods presented or of the future financial position or future results of operations of the combined company. The combined financial information as of and for the periods presented may have been different had the companies actually been combined as of and during those periods.

	As of and For the Three Months Ended March 31, 2005	As of and For the Year Ended December 31, 2004(1)
Ventas Historical		
Net income per share from continuing operations:		
Basic	\$ 0.33	\$ 1.20
Diluted	0.32	1.19
Dividends declared per share	0.36	\$ 1.30
Book value per share at period end	\$ 1.97	N/A
Provident Historical		
Net income per share from continuing operations:		
Basic	\$ 0.20	\$ 0.20
Diluted	0.20	0.19
Dividends declared per share	0.34	\$ 0.34
Book value per share at period end	\$ 13.66	N/A
Ventas Pro Forma		
Net income per share from continuing operations:		
Basic	\$ 0.28	\$ 1.10
Diluted	0.28	1.09
Dividends declared per share	0.36	\$ 1.30
Book value per share at period end	\$ 5.57	N/A
Provident Pro Forma Equivalent		
Net income per share from continuing operations:		
Basic	\$ 0.14	\$ 0.54
Diluted	0.14	0.54
Dividends declared per share	0.18	\$ 0.64
Book value per share at period end	\$ 2.76	N/A

N/A Not applicable.

- (1) Provident's historical net income per share from continuing operations and dividends declared per share for the year ended December 31, 2004 are for the period from March 1, 2004 (inception) to December 31, 2004.

COMPARATIVE PER SHARE MARKET PRICE DATA

Ventas common stock is listed on the New York Stock Exchange under the symbol "VTR." No public market currently exists for Provident common shares. Provident common shares have not been listed or quoted on any national exchange or market system. However, certain Provident shareholders have privately sold their Provident common shares on The PORTAL Market, a subsidiary of the NASDAQ Stock Market, Inc. The following table shows, for the calendar quarters indicated: (1) the high and low prices per share of Ventas common stock as reported on the New York Stock Exchange Composite Transaction Tape (based on published financial sources) and Provident common share as reported on The PORTAL Market; and (2) the cash dividends declared per share of Ventas common stock and Provident common share. While Provident common shares have been sold privately from time to time after the closing of the Provident 144A Offering, and certain of these trades have been reported on The PORTAL Market, the information with respect to the market price of Provident common shares is not complete because Provident only has access to trades reported by FBR and not to trades reported by any other broker-dealers. Moreover, broker-dealers are not obliged to report all trades to The PORTAL Market.

	Ventas Common Stock			Provident Common Share		
	High	Low	Dividends	High	Low	Dividends
2003						
First Quarter	\$ 12.24	\$ 11.08	\$ 0.2675	N/A	N/A	N/A
Second Quarter	15.33	11.67	0.2675	N/A	N/A	N/A
Third Quarter	18.33	14.83	0.2675	N/A	N/A	N/A
Fourth Quarter	\$ 22.98	\$ 17.05	\$ 0.2675	N/A	N/A	N/A
2004						
First Quarter	\$ 27.55	\$ 21.88	\$ 0.3250	N/A	N/A	N/A
Second Quarter	27.98	20.56	0.3250	N/A	N/A	N/A
Third Quarter(1)	27.84	23.06	0.3250	\$ 15.00	\$ 15.00	N/A
Fourth Quarter	\$ 29.48	\$ 24.40	\$ 0.3250	\$ 16.10	\$ 15.00	\$ 0.3400
2005						
First Quarter	\$ 27.68	\$ 24.43	\$ 0.3600	\$ 16.50	\$ 16.00	\$ 0.3400
Second Quarter (through May 25, 2005)(2)	\$ 27.88	\$ 25.10	\$ 0.3600	\$ 20.00	\$ 16.00	\$ 0.2541

N/A

Not applicable.

(1)

Market price information with respect to Provident's third quarter 2004 is for the third quarter 2004 beginning August 3, 2004, the date of the closing of the Provident 144A Offering.

(2)

See "Summary Treatment of Provident Common Shares" for a description of the dividends anticipated to be paid by Ventas and Provident to holders of Ventas common stock and Provident common shares, respectively, for periods prior to the effective date of the merger.

The following table sets forth (1) the closing prices per share of Ventas common stock as reported on the New York Stock Exchange Composite Transaction Tape on April 11, 2005, the last full trading day prior to the announcement of the merger agreement, and on May 25, 2005, the most recent practicable date prior to the mailing of this proxy statement/prospectus to Provident's shareholders and (2) the closing prices per Provident common share on such dates. This table also sets forth the pro forma equivalent price per Provident common share on April 11, 2005 and on May 25, 2005. The pro forma equivalent price per share is equal to (a) the closing price of a share of Ventas common stock on each such date multiplied by 0.4951 (the exchange ratio for the issuance of Ventas common stock in the merger) plus (b) \$7.81, without interest (the cash portion of the consideration for each Provident common share in the merger). These prices will fluctuate prior to the special meeting and the closing date of the merger, and Provident shareholders are urged to obtain current market quotations prior to making any decision with respect to the merger.

	Ventas Common Stock	Provident Common Share	Provident Pro Forma Equivalent
At April 11, 2005	\$ 25.66	\$ 16.00	\$ 20.51

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	Ventas Common Stock	Provident Common Share	Provident Pro Forma Equivalent
At May 25, 2005	\$ 27.56	\$ 20.00	\$ 21.45

RISK FACTORS

In addition to the other information contained in this proxy statement/prospectus, you should consider the following risk factors in determining how to vote at the special meeting of Provident.

Risks Relating to the Merger

Provident shareholders cannot be certain of the market value of the shares of Ventas common stock that will be issued in the merger.

Upon the completion of the merger, each Provident common share outstanding immediately prior to the merger will be converted into the right to receive \$7.81 in cash, without interest, plus 0.4951 of a share of Ventas common stock. Because the exchange ratio is fixed at 0.4951 of a share of Ventas common stock for each Provident common share, the market value of the Ventas common stock issued in the merger will depend upon the market price of a share of Ventas common stock upon completion of the merger. The market value of Ventas common stock will fluctuate prior to the completion of the merger and therefore may be different at the time the merger is consummated than it was at the time the merger agreement was signed and at the time of the special meeting. Stock price changes may result from a variety of factors that are beyond Ventas's control, including general market and economic conditions and changes in business prospects. Accordingly, Provident shareholders cannot be certain of the market value of the Ventas common stock that will be issued in the merger or the market value of Ventas common stock at any time after the merger. In addition, the merger agreement does not require that the fairness opinion of FBR be updated as a condition to closing the merger. As such, the fairness opinion does not reflect any changes in the relative values of Provident or Ventas subsequent to the date of the merger agreement.

If the merger is consummated, such consummation will not occur until after the date of the special meeting and the satisfaction or waiver of all of the conditions to the merger. Therefore, at the time of the special meeting you will not know the precise dollar value of the merger consideration you will become entitled to receive at the effective time of the merger. You are urged to obtain a current market quotation for Ventas common stock.

The market price of Ventas common stock may be affected by factors different from those that affect the price of Provident common shares.

Upon completion of the merger, holders of Provident common shares will become holders of Ventas common stock. Ventas's businesses differ from those of Provident, and accordingly the results of operations of the combined company will be affected by some factors different from those currently affecting the results and operations of Provident. For a discussion of the businesses of Ventas and Provident and certain factors to consider in connection with those businesses, see "Description of Ventas" and "Description of Provident."

The market price of Ventas common stock and Ventas's earnings per share may decline as a result of the merger.

The market price of Ventas common stock may decline as a result of the merger if Ventas does not achieve the perceived benefits of the merger as rapidly or to the extent anticipated by financial or industry analysts or the effect of the merger on Ventas's financial results is not consistent with the expectations of financial or industry analysts. In addition, the failure to achieve expected benefits and unanticipated costs relating to the merger could reduce Ventas's future earnings per share.

Provident's trustees and officers have interests in the merger that are different from, or in addition to, those of Provident shareholders, and therefore may conflict with the interests of Provident shareholders.

In considering the recommendation of the Provident board with respect to the merger, you should be aware that certain of the trustees and officers of Provident have interests in, and are receiving benefits from, the merger that are different from, or in addition to, yours, and therefore may conflict with the interests of Provident shareholders. Provident's board of trustees was aware that these interests existed when it approved the merger. These interests, which are further described in "The Merger Interests of Provident's Trustees and Officers in the Merger," include the following:

Provident's trustees, officers and employees own a total of 430,250 Provident LTIP Units, all of which will become fully vested and "booked-up" in connection with the merger to the extent such units are not then fully vested and booked-up;

as a result of the merger, an additional 331,250 Provident LTIP Units will be issued to Provident's executive officers (Darryl W. Copeland, Jr., Charles A. Post, William P. Ciorletti and Saul A. Behar), which units will be converted into Provident common shares prior to the effective time of the merger;

Provident's executive officers will receive a total of approximately \$4.7 million in lump sum severance payments under their employment agreements;

Provident's executive officers are also entitled to additional gross-up payments for any "excess parachute payment" excise tax imposed on the payments to be made to such executive officers in connection with the merger;

Provident's trustees, officers and employees have agreed to exchange a total of 430,250 Provident LTIP Units at the effective time of the merger into 345,147 ETOP Class D Units at an exchange ratio of 0.8022 of a share of Ventas common stock for each Provident LTIP Unit, and generally will be able to defer their taxable gains on those units;

Ventas will cause Merger Sub, as the surviving entity in the merger, to continue the indemnification and directors' and officers' liability insurance coverage for Provident's trustees and officers for six years after the merger;

Ventas will enter into a transition services agreement with an entity to be formed by certain of the executive officers of Provident, including Mr. Copeland, providing certain benefits to such newly-formed entity;

Ventas will enter into a registration rights agreement with certain trustees, officers and employees of Provident at the closing of the merger covering the shares of Ventas common stock into which their ETOP Class D Units may be converted; and

Ventas expects to enter into certain consulting agreements with one or more officers of Provident prior to the effective time of the merger, under which such officer or officers shall provide assistance and information to Ventas for a period of two years after the merger in exchange for reimbursement by Ventas of all out-of-pocket expenses incurred by such officer or officers in connection with providing such assistance and information.

Because of these interests, the trustees and officers of Provident could be more likely to vote to approve the merger and the other transactions contemplated by the merger agreement than if they did not hold these interests. Provident shareholders should consider whether these interests may have influenced these trustees and officers to support or recommend the approval of the merger and the other transactions contemplated by the merger agreement.

Failure to complete the merger could negatively impact the price of Provident common shares and Provident's future business and operations.

If the merger is not completed for any reason, Provident may be subject to a number of material risks, including the following:

Provident may be required under certain circumstances to pay Ventas a termination fee of up to \$13 million and reimburse Ventas for out-of-pocket expenses up to \$5 million;

the price of Provident common shares may decline to the extent that the current market price of Provident common shares reflects a market assumption that the merger will be completed; and

costs related to the merger, such as legal, accounting and financial adviser fees, must be paid even if the merger is not completed.

Further, if the merger is terminated and Provident's board of trustees determines to seek another merger or business combination, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the price to be paid in the merger. In addition, while the merger agreement is in effect and subject to very narrowly defined exceptions, Provident is prohibited from inviting, initiating, soliciting, encouraging or entering into certain extraordinary transactions, such as a merger, sale of 20% or more of Provident's consolidated assets or 20% or more of the outstanding Provident common shares, or other business combination, with any party other than Ventas. See "The Merger Agreement and the OP Contribution Agreements Merger Agreement Principal Covenants No Solicitation of Proposals from Other Parties."

After the merger is completed, Provident shareholders who receive Ventas common stock in the merger will have different rights that may be less advantageous than their current rights.

After the closing of the merger, Provident shareholders who receive Ventas common stock in the merger for their Provident common shares will have different rights than they currently have. You may conclude that your rights as a stockholder of Ventas may be less advantageous than the rights you have as a shareholder of Provident. For a detailed discussion of your rights as a stockholder of Ventas and the significant differences between your rights as a shareholder of Provident and your rights as a stockholder of Ventas, see "Comparison of Rights of Holders of Provident Common Shares and Ventas Common Stock."

Provident and Ventas may incur substantial expenses and payments if the transaction does not occur.

It is possible that the transaction may not be completed. The closing of the transaction depends on the satisfaction or waiver of specified conditions. Some of these conditions are beyond Provident's and Ventas's control. For example, the closing of the merger is conditioned on the receipt of the required approval of Provident's shareholders. If this approval is not received, the transaction cannot be completed even if all of the other conditions to the transaction are satisfied or waived. If the transaction is not completed, Provident and Ventas will have incurred substantial expenses without realizing the expected benefits of the transaction. In addition, Provident may incur a termination fee of up to \$13 million and may become obligated to reimburse up to \$5 million of Ventas's out-of-pocket expenses if the merger agreement is terminated under specified circumstances.

The termination fee may discourage other companies from trying to acquire Provident.

In the merger agreement, Provident agreed to pay a termination fee of up to \$13 million in specified circumstances, including some circumstances where a third party acquires or seeks to acquire Provident. This provision could discourage other parties from trying to acquire Provident, even if those companies might be willing to offer a greater amount of consideration to Provident shareholders than Ventas has offered in the merger agreement. For a detailed discussion of the specified circumstances

when a termination fee could be payable by Provident, see "The Merger Agreement and the OP Contribution Agreements Merger Agreement Termination Fee and Expense Reimbursement."

Risks Relating to Ventas

Ventas's business, operations and financial condition are subject to various risks. Some of these risks are described below; however, this section does not describe all risks applicable to Ventas, its industry or its business, and it is intended only as a summary of certain material factors. If any of the following risks actually occur, Ventas could be materially and adversely affected.

Ventas is dependent on Kindred; Kindred's inability or unwillingness to satisfy its obligations under its agreements with Ventas could significantly harm Ventas and its ability to service its indebtedness and other obligations and to make distributions to Ventas's stockholders as required to continue to qualify as a REIT.

Ventas is dependent on Kindred in a number of ways:

Ventas leases a substantial portion of its properties to Kindred under its master lease agreements with Kindred (which we refer to in this proxy statement/prospectus as the Kindred Master Leases), and therefore:

Kindred was the source of a significant majority of Ventas's total revenues in 2004 and 2003 and will remain the majority source following the merger; and

since the Kindred Master Leases are triple-net leases, Ventas depends on Kindred to pay insurance, taxes, utilities and maintenance and repair expenses required in connection with the leased properties.

In connection with Ventas's spin-off of Kindred on May 1, 1998 (which we refer to in this proxy statement/prospectus as the 1988 Spin Off), Kindred assumed, and agreed to indemnify Ventas for, the following:

all obligations under third-party leases and third-party contracts, except for those contracts relating to the ownership of Ventas's properties;

all losses, including costs and expenses, resulting from future claims and all liabilities that may arise out of the ownership or operation of the healthcare operations either before or after the date of the spin-off; and

any claims that were pending at the time of the spin-off and that arose out of the ownership or operation of the healthcare operations or were asserted after the spin-off and that arise out of the ownership or operation of the healthcare operations or any of the assets or liabilities transferred to Kindred in connection with the spin-off.

Ventas cannot assure you that Kindred will have sufficient assets, income and access to financing and insurance coverage to enable it to satisfy its obligations under its agreements with Ventas. In addition, any failure by Kindred to effectively conduct its operations could have a material adverse effect on its business reputation or on its ability to enlist and maintain patients in its facilities. Any inability or unwillingness on the part of Kindred to satisfy its obligations under its agreements with Ventas could significantly harm Ventas and its ability to service its indebtedness and its other obligations and to make distributions to its stockholders, as required for Ventas to continue to qualify as a REIT (which we refer to in these "Risk Factors" as a material adverse effect on Ventas). See "Description of Ventas Business and Properties of Ventas Dependence on Kindred."

Upon consummation of the merger, the operators of the Provident properties will represent a significant portion of Ventas's revenues; the inability or unwillingness of the operators of the Provident properties to satisfy their agreements with Merger Sub, as the surviving entity in the merger, could significantly harm Ventas and its ability to service its indebtedness and to make distributions to its stockholders as required to continue to qualify as a REIT.

Provident leases all of its properties to affiliates and subsidiaries of Alterra and Brookdale. Ventas also currently leases properties to Brookdale. After the consummation of the merger, Alterra and Brookdale will account for a significant portion of Ventas's revenues. In addition, it is possible that Alterra and Brookdale may in the future combine their businesses, although there can be no assurance when or if such a combination will occur.

We cannot assure you that Alterra or Brookdale or a combination of these entities will have sufficient assets, income and access to financing and insurance coverage to enable it to satisfy the agreements that it will have with Merger Sub, as the surviving entity in the merger, and its subsidiaries upon the consummation of the merger. In addition, any failure by Alterra or Brookdale or a combination of these entities to effectively conduct its operations could have a material adverse effect on its business reputation or on its ability to enlist and maintain tenants in its facilities. Any inability or unwillingness on the part of Alterra or Brookdale or a combination of these entities to satisfy its obligations under the agreements that it will have with Merger Sub, as the surviving entity in the merger, and its subsidiaries upon the consummation of the merger could have a material adverse effect on Ventas.

Ventas may be unable to find another lessee/operator for its properties if it has to replace Kindred or its other operators (including Alterra and Brookdale after the merger).

Ventas may have to find another lessee/operator for the properties covered by one or more of the Kindred Master Leases or the leases with its other operators (including Alterra and Brookdale after the merger) upon the expiration of the terms of the applicable lease or upon a default by Kindred or its other operators (including Alterra and Brookdale after the merger). During any period that Ventas is attempting to locate one or more lessees/operators there could be a decrease or cessation of rental payments by Kindred or Ventas's other operators (including Alterra and Brookdale after the merger). Ventas cannot assure you that it will be able to locate another suitable lessee/operator or, if Ventas is successful in locating such an operator, that the rental payments from the new operator would not be significantly less than the existing rental payments. Ventas's ability to locate another suitable lessee/operator may be significantly delayed or limited by various state licensing, receivership, certificate of need or other laws, as well as by Medicare and Medicaid change-of-ownership rules. In addition, Ventas may also incur substantial additional expenses in connection with any such licensing, receivership or change-of-ownership proceedings. Such delays, limitations and expenses could have a material adverse effect on Ventas and/or materially delay or impact its ability to collect rent, to obtain possession of leased properties or otherwise to exercise remedies for a tenant default.

Ventas may encounter certain risks when implementing its business strategy to pursue investments in, and/or acquisitions or development of, additional healthcare-related and/or senior housing assets.

Ventas intends to continue to pursue investments in, and/or acquisitions or development of, additional healthcare-related and/or senior housing assets, subject to the contractual restrictions contained in its revolving credit facility and the indentures governing its outstanding senior notes. Acquisitions of and investments in such properties, including the properties to be acquired in connection with the merger, entail general investment risks associated with any real estate investment, including risks that the investment will fail to perform in accordance with expectations, the estimates of the cost of improvements necessary for acquired properties will prove inaccurate and the lessee/operator will be unable to meet performance expectations. If Ventas pursues new development projects,

such projects would be subject to numerous risks, including risks of construction delays or cost overruns that may increase project costs, new project commencement risks such as receipt of zoning, occupancy and other required governmental approvals and permits and the risk of incurring development costs in connection with projects that are not pursued to completion. In addition, Ventas may borrow to finance investments in, and/or acquisition or development of, healthcare-related or other properties, which would increase Ventas's leverage.

Ventas competes for acquisition or investment opportunities with entities that have substantially greater financial resources than Ventas. Ventas's ability to compete successfully for such opportunities is affected by many factors, including its cost of obtaining debt and equity capital at rates comparable to or better than its competitors. Competition generally may reduce the number of suitable acquisition or investment opportunities available to Ventas and increase the bargaining power of property owners seeking to sell, thereby impeding Ventas's acquisition, investment or development activities. See "Description of Ventas Business and Properties of Ventas Competition."

Even if Ventas is successful at identifying and competing for acquisition or investment opportunities, such opportunities involve a number of risks. These risks include diversion of management's attention, the risk that the value of the properties or businesses that Ventas acquires or invests in could decrease substantially after such acquisition or investment and the risk that Ventas will not be able to accurately assess the value of properties or businesses that are not of the type it currently owns, some or all of which could have a material adverse effect on Ventas.

Additionally, if Ventas is successful in continuing to implement its business strategy to pursue investments in, and/or acquisitions or development of, additional healthcare-related and/or senior housing assets or businesses, Ventas intends to increase the number of operators of its properties and its business segments. Ventas cannot assure you that it will have the capabilities to successfully monitor and manage a portfolio of properties with a growing number of operators and/or manage such businesses.

Ventas is subject to the risks associated with investment in the heavily regulated healthcare industry.

All of Ventas's investments are in properties used in the healthcare industry; therefore Ventas is exposed to risks associated with the healthcare industry. The healthcare industry is highly regulated and changes in government regulation have in the past had material adverse consequences on the industry in general, which may not even have been contemplated by lawmakers and regulators. Ventas cannot assure you that future changes in government regulation of healthcare will not have a material adverse effect on the healthcare industry, including its lessees/operators. Moreover, Ventas's ability to invest in non-healthcare, non-healthcare-related or non-senior housing properties is restricted by the terms of its revolving credit facility and the more general restrictions on investments contained in its existing indentures. See "Description of Ventas Regulatory Matters Healthcare Regulation."

Ventas's tenants, including Kindred, may be adversely affected by increasing healthcare regulation and enforcement.

Ventas believes that the regulatory environment surrounding the long-term care industry has intensified both in the amount and type of regulations and in the efforts to enforce those regulations. This is particularly true for large for-profit, multi-facility providers like Kindred.

The extensive federal, state and local laws and regulations affecting the healthcare industry include, but are not limited to, laws and regulations relating to licensure, conduct of operations, ownership of facilities, addition of facilities and equipment, allowable costs, services, prices for services, quality of care, patient rights, fraudulent or abusive behavior, and financial and other arrangements which may be entered into by healthcare providers. Federal and state governments have intensified enforcement policies, resulting in a significant increase in the number of inspections, citations of

regulatory deficiencies and other regulatory sanctions, including terminations from the Medicare and Medicaid programs, bars on Medicare and Medicaid payments for new admissions, civil monetary penalties and even criminal penalties. See "Description of Ventas Regulatory Matters Healthcare Regulation." If Kindred or Ventas's other tenants and operators fail to comply with the extensive laws, regulations and other requirements applicable to their businesses, they could become ineligible to receive reimbursement from governmental and private third-party payor programs, suffer civil and/or criminal penalties and/or be required to make significant changes to their operations. Kindred and Ventas's other tenants also could be forced to expend considerable resources responding to an investigation or other enforcement action under applicable laws or regulations. In addition, as part of the settlement agreement Kindred entered into with the federal government, it agreed to comply with the terms of a corporate integrity agreement. Kindred could incur additional expenses in complying with the corporate integrity agreement, and its failure to comply with the corporate integrity agreement could have a material adverse effect on Kindred's results of operations, financial condition and ability to make rental payments to Ventas, which, in turn, could have a material adverse effect on Ventas.

Ventas is unable to predict the future course of federal, state and local regulation or legislation, including the Medicare and Medicaid statutes and regulations. Changes in the regulatory framework could have a material adverse effect on Kindred and Ventas's other operators, which, in turn, could have a material adverse effect on Ventas.

Changes in the reimbursement rates or methods of payment from third-party payors, including the Medicare and Medicaid programs, could have a material adverse effect on Ventas's tenants.

Kindred and certain of Ventas's other tenants and operators rely on reimbursement from third-party payors, including the Medicare and Medicaid programs, for substantially all of their revenues. See "Description of Ventas Regulatory Matters Healthcare Regulation." There continue to be various federal and state legislative and regulatory proposals to implement cost-containment measures that limit payments to healthcare providers. In addition, private third-party payors have continued their efforts to control healthcare costs. Ventas cannot assure you that adequate reimbursement levels will be available for services to be provided by Kindred and other tenants which are currently being reimbursed by Medicare, Medicaid or private payors. Significant limits by governmental and private third-party payors on the scope of services reimbursed and on reimbursement rates and fees could have a material adverse effect on the liquidity, financial condition and results of operations of Kindred and certain of Ventas's other operators and tenants, which, in turn, could have a material adverse effect on Ventas.

Significant legal actions could subject Kindred and Ventas's other operators to increased operating costs and substantial uninsured liabilities, which could materially and adversely affect the liquidity, financial condition and results of operation of Kindred and Ventas's other operators.

Although claims and costs of professional liability insurance seem to be growing at a slower pace, over the past few years, Kindred and Ventas's other skilled nursing facility operators have experienced substantial increases in both the number and size of professional liability claims in recent years. In addition to large compensatory claims, plaintiffs' attorneys continue to seek significant punitive damages and attorneys' fees.

Due to the high level in the number and severity of professional liability claims against healthcare providers, the availability of professional liability insurance has been severely restricted and the premiums on such insurance coverage have increased dramatically. As a result, the insurance coverage maintained by Kindred and Ventas's other operators might not cover all claims against them or continue to be available to them at a reasonable cost. If Kindred or Ventas's other operators are unable to maintain adequate insurance coverage or are required to pay punitive damages, they may be exposed to substantial liabilities.

Kindred insures its professional liability risks in part through a wholly-owned, limited purpose insurance company. The limited purpose insurance company insures initial losses up to specified coverage levels per occurrence with no aggregate coverage limit. Coverage for losses in excess of those per occurrence levels is maintained through unaffiliated commercial insurance carriers up to an aggregate limit. The limited purpose insurance company then insures all claims in excess of the aggregate limit for the unaffiliated commercial insurance carriers. Kindred maintains general liability insurance and professional malpractice liability insurance in amounts and with deductibles which Kindred management has indicated that it believes are sufficient for its operations.

Operators that insure their professional liability risks through their own captive limited purpose entities generally estimate the future cost of professional liability through actuarial studies which rely primarily on historical data. However, due to the increase in the number and severity of professional claims against healthcare providers, these actuarial studies may underestimate the future cost of claims and Ventas cannot assure you that such operators' reserves for future claims will be adequate to cover the actual cost of such claims. If the actual cost of such claims is significantly higher than the operators' reserves, it could have a material adverse effect on the liquidity, financial condition and results of operation of Ventas's operators and their ability to make rental payments to Ventas, which, in turn, could have a material adverse effect on Ventas.

Kindred and Ventas's other operators may be sued under a federal whistleblower statute.

Kindred and Ventas's other operators may be sued under a federal whistleblower statute designed to combat fraud and abuse in the healthcare industry. See "Description of Ventas Regulatory Matters Healthcare Regulation." These lawsuits can involve significant monetary damages and award bounties to private plaintiffs who successfully bring these suits. If any such lawsuits were to be brought against Kindred or Ventas's other operators, such suits combined with increased operating costs and substantial uninsured liabilities could have a material adverse effect on the liquidity, financial condition and results of operation of Kindred and Ventas's other operators and their ability to make rental payments to Ventas, which, in turn, could have a material adverse effect on Ventas.

If any of Ventas's properties are found to be contaminated, or if Ventas becomes involved in any environmental disputes, Ventas could incur substantial liabilities and costs.

Under federal and state environmental laws and regulations, a current or former owner of real property may be liable for costs related to the investigation, removal and remediation of hazardous or toxic substances or petroleum that are released from, or are present at or under, or that are disposed of in connection with, such property. Owners of real property may also face other environmental liabilities, including government fines and penalties imposed by regulatory authorities and damages for injuries to persons, property or natural resources. Environmental laws and regulations often impose liability without regard to whether the owner was aware of, or was responsible for, the presence, release or disposal of hazardous or toxic substances or petroleum. In certain circumstances, environmental liability may result from the activities of a current or former operator of the property. While Ventas is generally indemnified by the current operators of its properties for contamination caused by such operators, such indemnities may not adequately cover all environmental costs. See "Description of Ventas Regulatory Matters Environmental Regulation."

Ventas may become more leveraged.

As of March 31, 2005, Ventas had approximately \$877.6 million of indebtedness. After giving effect on a pro forma basis to the merger, including the assumption of property-level mortgage debt on the Provident properties and incurrence of indebtedness to fund the merger, Ventas would have had \$1.7 billion of indebtedness as of March 31, 2005. Ventas's revolving credit facility and the indentures governing its outstanding senior notes permit Ventas to incur substantial additional debt, and Ventas

may borrow additional funds, which may include secured borrowings. A high level of indebtedness may have the following consequences:

a substantial portion of Ventas's cash flow from operations must be dedicated to the payment of debt service, thus reducing the funds available for Ventas's business strategy and for distributions to stockholders;

potential limits on Ventas's ability to adjust rapidly to changing market conditions and vulnerability in the event of a downturn in general economic conditions or in the real estate and/or healthcare sectors;

a potential impairment of Ventas's ability to obtain additional financing for its business strategy; and

a potential downgrade in the rating of Ventas's debt securities by one or more rating agencies which could have the effect of, among other things, increasing the cost of Ventas's borrowing.

Ventas may be unable to raise additional capital necessary to consummate the merger, to continue to implement its business plan and to meet its debt payments.

In order to consummate the merger, and to continue to implement its business plan and to meet its debt payments, Ventas may need to raise additional capital. Ventas's ability to incur additional indebtedness is restricted by the terms of its revolving credit facility and the indentures governing its outstanding senior notes. In addition, adverse economic conditions could cause the terms on which Ventas can obtain additional borrowings to become unfavorable. In such circumstances, Ventas may be required to raise additional equity in the capital markets or liquidate one or more investments in properties at times that may not permit realization of the maximum return on the investments and that could result in adverse tax consequences to Ventas. In addition, certain healthcare regulations may constrain Ventas's ability to sell assets. Ventas cannot assure you that it will be able to meet its debt service obligations, and the failure to do so could have a material adverse effect on Ventas.

Ventas has now, and may have in the future, exposure to floating interest rates, which can have the effect of reducing Ventas's profitability.

Ventas receives revenue primarily by leasing its assets under leases that are long-term triple-net leases in which the rental rate is generally fixed with annual rent escalations, subject to certain limitations. Certain of Ventas's debt obligations are floating-rate obligations with interest rate and related payments that vary with the movement of LIBOR or other indexes. The generally fixed rate nature of Ventas's revenue and the variable rate nature of certain of Ventas's interest obligations create interest rate risk and can have the effect of reducing Ventas's profitability or making its lease and other revenue insufficient to meet its obligations. Ventas is not limited in the amount of floating-rate debt that it may incur.

Ventas hedges its floating-rate debt with an interest rate swap and may record charges and incur costs associated with the termination or change in value of its interest rate swap.

Ventas has an interest rate swap agreement to hedge all or a portion of its existing floating-rate debt through June 30, 2008. Ventas periodically assesses its interest rate swap in relation to its outstanding balances of floating-rate debt, and based on such assessments may terminate portions of its swap or enter into additional swaps. Termination of swaps with accrued losses, or changes in the value of swaps as a result of falling interest rates, would require the payment of costs and/or result in charges to Ventas's earnings and net worth.

Loss of Ventas's status as a REIT would have significant adverse consequences to Ventas and the value of the Ventas common stock.

If Ventas loses its status as a REIT, it will face serious tax consequences that will substantially reduce the funds available for distribution to its stockholders for each of the years involved because:

Ventas would not be allowed a deduction for distributions to stockholders in computing its taxable income and would be subject to federal income tax at regular corporate rates;

Ventas also could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and

unless Ventas is entitled to relief under statutory provisions, Ventas could not elect to be subject to tax as a REIT for four taxable years following the year during which Ventas was disqualified.

In addition, if Ventas fails to qualify as a REIT, all distributions to stockholders would continue to be treated as dividends to the extent of Ventas's current and accumulated earnings and profits, although corporate stockholders may be eligible for the dividends received deduction and individual stockholders may be eligible for taxation at the rates generally applicable to long-term capital gains (currently at a maximum rate of 15%) with respect to distributions. Ventas would no longer be required to pay dividends to maintain REIT status.

As a result of all these factors, Ventas's failure to qualify as a REIT also could impair its ability to implement its business strategy and would adversely affect the value of the Ventas common stock.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The determination of various factual matters and circumstances not entirely within Ventas's control may affect Ventas's ability to remain qualified as a REIT. In addition, new legislation, regulations, administrative interpretations or court decisions may adversely affect Ventas's investors or Ventas's ability to remain qualified as a REIT for tax purposes. Although Ventas believes that it qualifies as a REIT, Ventas cannot assure you that it will continue to qualify or remain qualified as a REIT for tax purposes.

See "Certain U.S. Federal Income Tax Considerations of Owning Ventas Common Stock Taxation of Ventas" and " Requirements for Qualification as a REIT."

The 90% distribution requirement will decrease Ventas's liquidity and may limit its ability to engage in otherwise beneficial transactions.

To comply with the 90% distribution requirement applicable to REITs and to avoid the nondeductible excise tax, Ventas must make distributions to its stockholders. The indentures governing Ventas's outstanding senior notes permit Ventas to make annual distributions to its stockholders in an amount equal to the minimum amount necessary to maintain its REIT status so long as the ratio of its Debt to Adjusted Total Assets (as each term is defined in the indentures) does not exceed 60% and to make additional distributions if Ventas passes certain other financial tests. However, distributions may limit Ventas's ability to rely upon rental payments from its properties or subsequently acquired properties to finance investments, acquisitions or new developments.

Although Ventas anticipates that it generally will have sufficient cash or liquid assets to enable it to satisfy the REIT distribution requirement, it is possible that from time to time Ventas may not have sufficient cash or other liquid assets to meet the 90% distribution requirement or Ventas may decide to retain cash or distribute such greater amount as may be necessary to avoid income and excise taxation. This may be due to the timing differences between the actual receipt of income and actual payment of deductible expenses, on the one hand, and the inclusion of that income and deduction of those expenses in arriving at Ventas's taxable income, on the other hand. In addition, nondeductible expenses such as principal amortization or repayments or capital expenditures in excess of non-cash deductions

may also cause Ventas to fail to have sufficient cash or liquid assets to enable it to satisfy the 90% distribution requirement.

These distributions may impair Ventas's ability to rely upon rental payments from its properties or subsequently acquired properties to finance investments, acquisitions or new developments.

In the event that timing differences occur or Ventas deems it appropriate to retain cash, Ventas may borrow funds, issue additional equity securities (although Ventas cannot assure you that it will be able to do so), pay taxable stock dividends, if possible, distribute other property or securities or engage in a transaction intended to enable it to meet the REIT distribution requirements. This may require Ventas to raise additional capital to meet its obligations; however, see " Ventas may be unable to raise additional capital necessary to consummate the merger, to continue to implement its business plan and to meet its debt payments." The terms of Ventas's revolving credit facility and the indentures governing Ventas's outstanding senior notes restrict its ability to engage in some of these transactions.

Ventas may still be subject to corporate level taxes.

Following Ventas's REIT election, Ventas is considered to be a former C corporation for income tax purposes. Therefore, Ventas remains potentially subject to corporate level taxes for any asset dispositions occurring on or before December 31, 2008 with respect to assets it owned prior to the merger. Also, Ventas will be subject to corporate level taxes for disposing of any of the Brookdale properties acquired in the merger before November 2014.

CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (which we refer to in this proxy statement/prospectus as the Exchange Act). All statements regarding Ventas's and Provident's expected future financial position, results of operations, cash flows, funds from operations, dividends and dividend plans, financing plans, business strategy, budgets, projected costs, capital expenditures, competitive positions, growth opportunities, lease income, continued qualification as a REIT, plans and objectives of management for future operations and statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will" and other similar expressions are forward-looking statements. Such forward-looking statements are inherently uncertain, and you must recognize that actual results may differ from Ventas's and Provident's expectations. Neither Ventas nor Provident undertakes a duty to update such forward-looking statements.

Actual future results and trends for Ventas may differ materially depending on a variety of factors discussed in Ventas's filings with the SEC and under "Risk Factors." Factors that may affect Ventas's plans or results include, without limitation:

the ability and willingness of Kindred to continue to meet and/or perform its obligations under its contractual arrangements with Ventas, including without limitation the lease agreements and various agreements entered into by Ventas and Kindred at the time of the 1998 Spin Off, as such agreements may have been amended and restated in connection with Kindred's emergence from bankruptcy on April 20, 2001;

the ability and willingness of Kindred to continue to meet and/or perform its obligation to indemnify and defend Ventas for all litigation and other claims relating to the healthcare operations and other assets and liabilities transferred to Kindred in the 1998 Spin Off;

the ability of Kindred and Ventas's other operators, tenants and borrowers to maintain the financial strength and liquidity necessary to satisfy their respective obligations and duties under the leases and other agreements with Ventas, and their existing credit agreements;

Ventas's success in implementing its business strategy and its ability to identify, underwrite, finance, consummate and integrate diversifying acquisitions or investments;

the nature and extent of future competition;

the extent of future healthcare reform and regulation, including cost containment measures and changes in reimbursement policies, procedures and rates;

increases in Ventas's cost of borrowing;

the ability of Ventas's operators to deliver high quality care and to attract patients;

the results of litigation affecting Ventas;

changes in general economic conditions and/or economic conditions in the markets in which Ventas may, from time to time, compete;

Ventas's ability to pay down, refinance, restructure and/or extend its indebtedness as it becomes due;

the movement of interest rates and the resulting impact on the value of and the accounting for Ventas's interest rate swap agreement;

Ventas's ability and willingness to maintain its qualification as a REIT due to economic, market, legal, tax or other considerations;

the final determination of Ventas's taxable net income for the year ended December 31, 2004 and for the year ending December 31, 2005;

the ability and willingness of Ventas's tenants to renew their leases with Ventas upon expiration of such leases and Ventas's ability to relet its properties on the same or better terms in the event such leases expire and are not renewed by the existing tenants;

risks associated with the proposed acquisition of Provident, including Ventas's ability to successfully complete the merger on the contemplated terms and to timely and fully realize expected revenues and cost savings therefrom;

the impact on the liquidity, financial condition and results of operations of Kindred and Ventas's other operators resulting from increased operating costs and uninsured liabilities for professional liability claims, and the ability of Kindred and Ventas's other operators to accurately estimate the magnitude of such liabilities; and

the value of Ventas's rental reset right with Kindred, which is dependent on a variety of factors and is highly speculative.

Many of these factors are beyond the control of Ventas's management.

Ventas describes some of these risks and uncertainties in greater detail above under "Risk Factors." These risks could cause actual results of Ventas's industry, or Ventas's actual results for the year 2005 and beyond, to differ materially from those expressed in any forward-looking statement Ventas makes. Ventas's future financial performance is dependent upon factors discussed elsewhere in this proxy statement/prospectus. Forward-looking statements speak only as of the date on which they are made. For a discussion of factors that could cause actual results to differ, see "Risk Factors."

THE SPECIAL MEETING

This proxy statement/prospectus is being furnished to you in connection with the solicitation of proxies by Provident's board of trustees from holders of Provident common shares for use at the Provident special meeting (including any adjournment or postponement that may take place).

Date, Time and Place

A special meeting of Provident's shareholders will be held at The Westin Princeton at Forrestal Village, 201 Village Boulevard, Princeton, New Jersey, on June 6, 2005 at 9:00 a.m., local time.

Purpose of the Special Meeting

At the special meeting, the holders of Provident common shares will be asked to consider and vote upon a proposal to approve the merger and the other transactions contemplated by the merger agreement described in this proxy statement/prospectus and to consider and act upon any other business which may properly come before the special meeting (including any proposal to adjourn or postpone the special meeting).

Record Date; Voting Power

Provident's board of trustees has fixed the close of business (5:00 p.m., Eastern time) on May 24, 2005 as the record date for determining the holders of Provident common shares entitled to notice of and to vote at the special meeting. Only holders of record of Provident common shares at the close of business on the record date are entitled to notice of and to vote at the special meeting. At the close of business on the record date, there were 29,266,667 Provident common shares outstanding and entitled to vote at the special meeting.

Provident shareholders will have one vote on any matter that may properly come before the special meeting for each Provident common share that they owned on the record date.

Quorum

A quorum will be present at the special meeting if holders of at least 14,633,334 Provident common shares (which represents a majority of the Provident common shares outstanding on the record date) are represented in person or by proxy at the special meeting. If a quorum is not present at the special meeting, Provident expects to adjourn or postpone the meeting to solicit additional proxies. Provident common shares represented at the special meeting but not voted, including Provident common shares for which proxies have been received but for which holders of those shares have abstained and broker non-votes, will be treated as present at the special meeting for the purpose of determining the presence or absence of a quorum. When we refer to broker non-votes, we are referring to shares held by brokers or nominees as to which voting instructions have not been received from the beneficial owners or persons entitled to vote those shares and where the broker or nominee does not have discretionary voting power.

Required Vote

Provident's declaration of trust and bylaws require that the merger must be affirmatively approved by holders of a majority of the Provident common shares outstanding and entitled to vote at the special meeting. Although considered present for the purposes of determining a quorum, abstentions and broker non-votes are not counted as favorable votes and, therefore, have the same effect as a vote against the merger.

Voting by Provident's Trustees and Executive Officers

At the close of business on the record date, Provident's trustees and executive officers and their affiliates were entitled to vote approximately 672,000 Provident common shares (or approximately 2.3% of the aggregate number of Provident common shares outstanding on that date). **Provident's trustees**

and executive officers have indicated that they intend to vote the Provident common shares that they own "FOR" the merger proposal.

How to Vote; Voting of Proxies

Votes may be cast in person or by proxy. Provident common shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in the manner specified by such proxies. Proxies that are properly executed by the record holder but otherwise do not contain voting instructions will be voted in the manner that Provident's board of trustees recommends. If other matters properly come before the special meeting, the persons named in such proxy will have authority to vote such matter in his or her discretion. Provident does not expect that any matter other than as described in this proxy statement/prospectus will be brought before the special meeting.

Brokers who hold Provident common shares in "street name" for customers who are the beneficial owners of such shares may not give a proxy to vote those customers' shares in the absence of specific instructions from those customers. These non-voted shares, referred to as broker non-votes, will be voted as abstentions.

Revocability of Proxies

The grant of a proxy on the accompanying proxy card does not preclude a shareholder from voting in person at the special meeting. A shareholder may revoke a proxy at any time prior to that shareholder's proxy being voted at the special meeting by: (i) delivering, prior to the special meeting, to Provident's secretary a duly executed written notice of revocation bearing a later date or time than the proxy; (ii) submitting in time for the special meeting another duly executed proxy to Provident's secretary by mail bearing a later date; or (iii) attending the special meeting and voting in person. Attendance at the special meeting will not itself constitute revocation of a proxy.

If an adjournment occurs, it will have no effect on the ability of shareholders as of the record date to exercise their voting rights or to revoke any previously delivered proxies. Provident does not expect to adjourn the special meeting for a period of time long enough to require the setting of a new record date for such meeting.

Adjournments

Although it is not expected, the special meeting may be adjourned for the purpose of soliciting additional proxies in favor of the merger. Any adjournment of the special meeting may be made without notice, other than by an announcement made at the special meeting in accordance with Provident's declaration of trust and bylaws. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow Provident shareholders who have already sent in their proxies to revoke them at any time prior to their use.

Solicitation of Proxies; Solicitation Expenses

Provident has retained D.F. King & Co., Inc. to act as its proxy solicitor to solicit proxies approving the merger proposal from each of its shareholders on or about the date of mailing of this proxy statement/prospectus. In addition to solicitations by mail, Provident's trustees, officers and employees, and those of its subsidiaries and affiliates, may solicit proxies from shareholders by telephone or other electronic means or in person. Provident will pay approximately \$7,500 (plus reimbursement of certain out-of-pocket expenses) to D.F. King & Co., Inc. for its services. Provident will also request that banking institutions, brokerage firms, custodians, trustees, nominees, fiduciaries and other like parties forward the solicitation materials to the beneficial owners of Provident common shares held of record by such persons, and Provident will, upon request of such record holders, reimburse forwarding charges and out-of-pocket expenses. Provident will generally bear the cost of the solicitation of proxies from its shareholders.

Provident shareholders should not send share certificates with their proxy cards.

THE MERGER

General

This proxy statement/prospectus is being furnished to you in connection with the proposed merger of Provident with and into Merger Sub, with Merger Sub surviving the merger as a subsidiary of Ventas. The merger will be carried out as provided in the merger agreement. A copy of the merger agreement is attached as Appendix A to this proxy statement/prospectus and is incorporated by reference in this proxy statement/prospectus.

This proxy statement/prospectus constitutes a proxy statement of Provident and has been sent to you because you were a holder of Provident common shares on the record date set by Provident's board of trustees for a special meeting of Provident shareholders to consider and vote upon a proposal to approve the merger and the other transactions contemplated by the merger agreement. This proxy statement/prospectus also constitutes a prospectus of Ventas, which is a part of the Registration Statement on Form S-4 filed by Ventas with the SEC under the Securities Act in order to register the shares of Ventas common stock to be issued to Provident shareholders in the merger.

Background of the Merger

The provisions of the merger agreement are the result of arms'-length negotiations conducted among representatives of Provident and Ventas, and their respective legal and financial advisers. The following is a summary of the meetings, negotiations and discussions among the parties that preceded execution of the merger agreement.

Although Darryl W. Copeland, Jr., the chairman, chief executive officer and president of Provident, and Debra A. Cafaro, the chairman, chief executive officer and president of Ventas, have known each other for several years and spoke with each other several times in late 2004 and early 2005, the first substantive conversation they had with respect to a possible business combination transaction between their respective companies occurred during a meeting on January 10, 2005. At that meeting, Ms. Cafaro inquired of Mr. Copeland as to Provident's openness to receive a proposal for a possible transaction with Ventas. Ms. Cafaro subsequently called Mr. Copeland later in January 2005, at which time they discussed a possible acquisition of Provident by Ventas in which each outstanding Provident common share would be exchanged for \$20.00 of Ventas common stock. At a telephonic meeting of Provident's board of trustees on January 31, 2005, Provident's board discussed Mr. Copeland's conversations with Ms. Cafaro. Mr. Copeland subsequently informed Ms. Cafaro that Provident was not interested in pursuing a transaction with Ventas on the terms discussed.

On February 16, 2005, Ms. Cafaro and Mr. Copeland met again. At that meeting, Ms. Cafaro expressed an interest in discussing a possible acquisition of Provident by Ventas in which each outstanding Provident common share would be exchanged for a fraction of a share of Ventas common stock providing a value of approximately \$21.00 to \$21.50 based on the Ventas stock price at that time. Subsequent to the meeting, discussions ensued to refine the transaction structure. In the next few days, Mr. Copeland and Ms. Cafaro discussed a transaction involving a "collar," under which the number of shares of Ventas common stock issued in the transaction would fluctuate such that Provident shareholders would receive a fixed value for each of their Provident shares so long as the average trading price of Ventas common stock at the closing of the transaction remained within a specified range or collar. Ventas's proposed transaction would also be structured to permit holders of Provident LTIP Units to exchange such units for units in an existing operating partnership of Ventas with a similar exchange ratio. Ms. Cafaro stated that her proposal was subject to the approval of Ventas's board of directors and, further, would be conditioned on the completion of a due diligence investigation by Ventas and the execution of mutually acceptable definitive documentation. Ms. Cafaro also stated that Ventas would require a 30-day exclusivity period (that is, an agreement by Provident

not to negotiate a business combination transaction with any party other than Ventas for 30 days) in order to permit the parties to attempt to negotiate a transaction.

Charles A. Post, the chief operating officer of Provident, met with the chief executive officer of another leading healthcare REIT (which we refer to in this proxy statement/prospectus as the Other REIT) on February 16, 2005. During their meeting, the chief executive officer of the Other REIT informally expressed an interest in discussing a possible acquisition by the Other REIT of Provident. Soon thereafter, Mr. Copeland spoke to the chief executive officer of the Other REIT, who proposed to pay approximately \$19.00 in cash for each outstanding Provident common share.

On February 18, 2005, Provident received an initial draft of a confidentiality and exclusivity agreement from Willkie Farr & Gallagher LLP, a legal adviser of Ventas.

On February 21, 2005, during the course of a regular quarterly meeting of Provident's board of trustees, the board met with FBR, a financial adviser that had acted as exclusive placement agent in the Provident 144A Offering, and Sidley Austin Brown & Wood LLP, Provident's legal adviser, to discuss Provident's strategic alternatives in light of Mr. Copeland's recent discussions with Ms. Cafaro and the chief executive officer of the Other REIT. At this meeting, Provident's board retained FBR as its financial adviser in connection with the board's evaluation of the Ventas proposal and the Other REIT's proposal. During this meeting, following discussions with its financial and legal advisers and deliberations with respect to the current proposals by Ventas and the Other REIT, Provident's board determined that Ventas's proposal was superior to the Other REIT's proposal for Provident and its shareholders. The board authorized Provident's management to continue discussions with both Ventas and the Other REIT, and to enter into a confidentiality and exclusivity agreement with Ventas if the Other REIT was not willing to improve its proposal.

On February 22 and 23, 2005, Ventas's and Provident's respective legal counsel exchanged revised drafts of a confidentiality and exclusivity agreement relating to a possible business combination transaction.

On February 24, 2005, after Mr. Copeland contacted the chief executive officer of the Other REIT to ascertain whether the Other REIT would improve its proposal, Provident received a written non-binding indication of interest from the Other REIT relating to a potential acquisition of Provident by the Other REIT in which Provident shareholders would receive \$21.00 per share in cash, conditioned on completion of a due diligence investigation of Provident by the Other REIT and the execution of mutually acceptable definitive documentation. The proposal also contemplated that holders of Provident LTIP Units could exchange their units for units in an existing operating partnership of the Other REIT. At a telephonic meeting of Provident's board of trustees held that same day, Provident's management informed the board of the Other REIT's written proposal and reviewed the proposed terms and conditions of a possible business combination with the Other REIT. After discussions with its financial and legal advisers and deliberations with respect to the proposal, Provident's board determined that the Other REIT's revised proposal was superior to Ventas's proposal of \$21.00 \$21.50 per share in Ventas common stock, and authorized Provident's management to enter into a confidentiality and exclusivity agreement with the Other REIT after confirming that Ventas was not willing to improve its offer.

On February 25, 2005, during a conversation with Mr. Copeland, Ms. Cafaro stated that Ventas might be willing to improve its proposal following Ventas's receipt and review of certain confidential information regarding Provident. The next day, Provident and Ventas entered into a confidentiality agreement to induce each party to exchange certain information and to expend additional time in connection with a possible business combination transaction. No exclusivity arrangement was agreed to by Provident at that time.

On February 26 and 27, 2005, Mr. Copeland communicated with both Ventas and the Other REIT, offering each company the opportunity to submit its best indication of interest. In his conversations with Ms. Cafaro during this period, Ms. Cafaro stated that Ventas would be willing to increase its proposal to approximately \$22.00 per share, of which approximately 65%, or \$14.30 per share, would be payable in Ventas common stock (subject to the same "collar" mechanism discussed previously for the stock portion of the consideration) and approximately 35%, or \$7.70 per share, would be payable in cash. Ms. Cafaro also confirmed that Ventas would be able to complete its due diligence investigation of Provident and sign a definitive merger agreement within 30 days after the signing of a confidentiality and exclusivity agreement. The indication of interest of the Other REIT did not change from its February 24 proposal.

At two telephonic meetings of Provident's board of trustees held on February 28, 2005, the board was informed of the status of the discussions concerning the revised proposal from Ventas. Provident's management and financial adviser presented the respective potential benefits and risks of the proposed combination with Ventas and with the Other REIT to the board and, thereafter, the board determined that Ventas's proposal appeared to be superior to that of the Other REIT. Provident's board authorized Provident to enter into an exclusivity agreement with Ventas.

On March 1, 2005, Provident and Ventas entered into an exclusivity agreement that outlined the revised terms and conditions of a possible acquisition of Provident by Ventas and provided for additional mutual due diligence investigations to be conducted by and on behalf of both parties. Provident and Ventas agreed to an exclusivity period through March 30, 2005. After execution of such agreement, a number of conference calls were held and data rooms were arranged at Provident's legal adviser's offices in New York City and Chicago and Ventas's offices in Louisville, Kentucky, at which materials relating to the respective entities were delivered or made available for evaluation. Representatives of Ventas, including its legal, financial and tax advisers, conducted a due diligence investigation of Provident. Representatives of Provident, including its legal and financial advisers, conducted a due diligence investigation of Ventas.

On March 9, 2005, Willkie Farr & Gallagher LLP, one of Ventas's legal advisers, provided Provident and its legal adviser with an initial draft of a merger agreement reflecting Ventas's proposal. Between March 11 and March 22, 2005, Provident's and Ventas's representatives and legal advisers conducted telephonic and in-person negotiations on the terms of a definitive merger agreement. During this time, Provident's representatives and its legal and financial advisers and Ventas's representatives and its legal, financial and tax advisers worked to finalize their respective due diligence investigations and conducted negotiations on the terms of a definitive merger agreement.

On March 22, 2005, Provident's and Ventas's respective representatives discussed a number of issues presented by the negotiations on the terms of a definitive merger agreement. As a result of these and other discussions among the parties, Ms. Cafaro stated that Ventas was no longer interested in pursuing a transaction with Provident at the price set forth in the exclusivity agreement. The next day, Ventas withdrew its proposal and notified Provident that it no longer wished to proceed with a proposed transaction on the terms outlined in the exclusivity agreement, thereby ending the exclusivity arrangement.

On March 24, 2005, Provident's representatives contacted the Other REIT to determine whether the Other REIT was still interested in acquiring Provident. Provident and the Other REIT entered into a confidentiality agreement as of such date, and Provident furnished the Other REIT with certain confidential materials regarding Provident. No terms and conditions of any possible transaction were discussed by the parties, and no exclusivity arrangement was agreed upon. On March 31, 2005, the chief executive officer of the Other REIT notified Mr. Copeland that it was not interested in pursuing a possible transaction with Provident at that time due to, among other things, other potential transactions being pursued by the Other REIT.

On April 1, 2005, Mr. Copeland called Ms. Cafaro and proposed that the parties consider a possible transaction that did not involve a "collar" mechanism, but rather would involve the issuance by Ventas of a fixed number of shares and the payment by Ventas of a fixed amount of cash. The next day, in response to Mr. Copeland's call, Ms. Cafaro telephoned Mr. Copeland to confirm that Ventas would be interested in discussing a possible transaction on the terms outlined by Mr. Copeland on April 1, 2005.

On April 4, 2005, Provident's board of trustees and its legal and financial advisers held a telephonic meeting to update the board. Mr. Copeland notified the board that Ventas would be willing to resume negotiations on a definitive merger agreement, subject to the confirmation by the respective boards of both entities of certain proposed new terms. Mr. Copeland explained that under the new terms, Provident shareholders would receive an aggregate of approximately \$231 million in cash and approximately 15.0 million shares of Ventas common stock, or approximately \$7.70 in cash and approximately 0.5 of a share of Ventas common stock for each Provident common share, for a total value of approximately \$20.40 per Provident common share based upon the closing price of Ventas common stock on that day of \$25.45 (the \$20.40 value being approximately the value of 0.8 of a share of Ventas common stock at that closing price). In addition, Mr. Copeland noted that these per share amounts would be adjusted depending on whether holders of Provident LTIP Units received Ventas operating partnership units or a combination of cash and Ventas common stock in exchange for such units. At the same meeting, following presentations and analysis by Provident's management and its financial and legal advisers regarding the proposed terms and discussions and deliberations with respect to the new proposal, Provident's board unanimously authorized Provident to resume negotiations with Ventas.

The next day, Provident's board of trustees and its legal and financial advisers held a telephonic meeting to update the board. Mr. Copeland advised the board that Ventas's board of directors had authorized Ventas to resume negotiations with Provident based upon the new terms and conditions of the transaction outlined during the Provident board meeting held on April 4, 2005.

During the period between April 5 and April 8, 2005, negotiations of the various transaction documents took place between Provident, Ventas and their respective legal and financial advisers, and the parties worked to finalize their respective due diligence investigations. During that time, Provident's and Ventas's management and their respective advisers reviewed and discussed the proposed terms of the transaction, which would include holders of Provident LTIP Units contributing such Provident LTIP Units to ETOP in exchange for ETOP Class D Units.

On April 8, 2005, Provident's board of trustees met at Provident's offices with its legal and financial advisers. At that meeting, representatives of Provident's financial adviser presented the board with their financial analysis of the merger and rendered an oral opinion to the effect that, as of such date and based on and subject to the matters to be described in the opinion, the merger consideration was fair, from a financial point of view, to holders of Provident common shares. In addition, representatives of Provident's legal adviser reviewed with the board the specific terms and provisions of the current drafts of the merger agreement, the form of OP Contribution Agreement and related documents. Following these presentations, discussions and certain questions posed by the board and answered by its management and legal and financial advisers, Provident's board deliberated on the proposed merger and authorized Provident to continue negotiations with a view to finalizing the terms of the merger agreement over the weekend.

On April 11, 2005, Provident's board of trustees held a telephonic meeting. Provident's management and its legal adviser updated the board on the status of the negotiations over the weekend, and the terms of the merger agreement, the form of OP Contribution Agreement and related documents were reviewed and discussed with Provident's board. At that meeting, Provident's financial adviser reviewed its financial analysis of the merger, answered questions from the board and noted that

it continued to be of the opinion that, as of such date and based on and subject to the matters described in the opinion, the merger consideration was fair, from a financial point of view, to holders of Provident common shares. After additional discussions and deliberations, Provident's board of trustees unanimously approved the merger agreement and the transactions contemplated by the merger agreement and authorized and directed management to execute the agreement on behalf of Provident.

On April 11, 2005, Ventas's board of directors held a telephonic meeting. Following presentations and analysis by Ventas's management, its financial adviser, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Willkie Farr & Gallagher LLP regarding the terms of the proposed merger, and discussions and deliberations by Ventas's board, the Ventas board approved the merger agreement and the transactions contemplated by the merger agreement, subject to satisfactory negotiation of the final terms of the merger agreement.

On April 12, 2005, Provident's financial adviser confirmed its oral opinion to Provident's board of trustees by delivering a written opinion dated as of such date. Representatives of Ventas and Provident finalized the merger agreement, the company disclosure letter to the merger agreement, the form of OP Contribution Agreement and related documents. Ventas and Provident executed the merger agreement on April 12, 2005. Concurrently with the execution of the merger agreement, Ventas, ETOP and each holder of Provident LTIP Units executed an OP Contribution Agreement.

Ventas and Provident each issued a press release announcing the execution of the merger agreement after the close of trading on the New York Stock Exchange on April 12, 2005.

Recommendation of Provident's Board of Trustees

Provident's board of trustees believes that the terms of the merger agreement and the transactions contemplated thereby, including the merger, are fair to and in the best interests of Provident and its shareholders. Therefore, Provident's board of trustees unanimously adopted a resolution approving the merger agreement and declaring the merger and the other transactions contemplated thereby fair and advisable on the terms and subject to the conditions set forth in the merger agreement, and unanimously recommends that Provident shareholders vote "FOR" the merger proposal.

In considering the recommendation of Provident's board of trustees with respect to the merger, you should be aware that certain trustees and officers of Provident have interests in the merger that are different from or are in addition to the interests of the Provident shareholders. These interests are discussed in "Interests of Provident's Trustees and Officers in the Merger."

Provident's Reasons for the Merger

In reaching its unanimous decision to approve the merger agreement and recommend approval of the merger (including the other transactions contemplated by the merger agreement), Provident's board of trustees consulted with Provident's management, financial adviser and legal counsel in this transaction. Provident's board of trustees considered both Provident's short-term and long-term interests, as well as those of its shareholders and the holders of Provident LTIP Units. In concluding the merger agreement and the transactions contemplated thereby are fair to and in the best interests of Provident and its shareholders, Provident's board of trustees considered, among other things, the factors and information described below.

Positive Factors Considered By Provident's Board of Trustees

Provident's board of trustees identified and considered in its deliberations several potentially positive factors relating to the proposed merger, including:

the opportunity for Provident shareholders to receive a premium over the \$15.00 offering price of the Provident common shares in the Provident 144A Offering;

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the ability of Provident shareholders both to own an equity interest in the combined public company (and participate in its potential growth) following the merger and to realize cash for a portion of their Provident common shares;

the fact that a significant portion of the consideration Provident shareholders would receive in the merger consists of shares of Ventas common stock, such that if there is an increase in the trading price of Ventas common stock prior to the closing of the merger, the value of the stock portion of the merger consideration to be received by Provident shareholders would increase;

the increased liquidity that Provident shareholders would be expected to have with respect to their investment in the combined public company through access to the public trading markets;

the expectation that the merger would qualify as a reorganization for federal income tax purposes;

the expectation that the merger would be an accretive transaction for Ventas (based on Provident management's discussions with Ventas's management and Provident's financial adviser);

the alternatives for Provident to a negotiated merger with Ventas, including the possibility of business combination transactions with other REITs (including Provident's discussions with the Other REIT as described above in " Background of the Merger"), the possibility of Provident acquiring another company, individual properties or portfolios of properties to expand or diversify its operations, the possibility of Provident liquidating its portfolio through individual property sales, and the possibility of Provident continuing to operate as an independent company;

the analyses and presentations of FBR described below under " Opinion of Provident's Financial Adviser," and the oral opinion of FBR to Provident's board of trustees, which was subsequently confirmed in writing, that, on the basis of and subject to the facts and assumptions set forth therein, as of the date of the written opinion, the merger consideration was fair, from a financial point of view, to the Provident shareholders;

the limited nature of the closing conditions included in the merger agreement, including the absence of any financing condition, any required approval on the part of Ventas stockholders and any required regulatory or other third party consents (other than the effectiveness of the registration statement of which this proxy statement/prospectus forms a part), and the inclusion of the condition as to the requisite approval of the Provident shareholders;

the provisions of the merger agreement that permit Provident's board of trustees to respond to and engage in discussions or negotiations regarding unsolicited written third party Acquisition Proposals under specified circumstances if the board concludes in good faith that such proposal is reasonably likely to lead to a Superior Acquisition Proposal and, under specified circumstances, to withdraw or modify its recommendation that the Provident shareholders vote in favor of the merger or to recommend a Superior Acquisition Proposal to the Provident shareholders and terminate the merger agreement and enter into an agreement with respect to the Superior Acquisition Proposal;

the financial ability and willingness of Ventas to complete the transaction;

historical information concerning Ventas's and Provident's respective businesses, financial performance and condition, operations, competitive positions and management, including historical market prices, volatility and trading information with respect to Ventas common stock;

current industry, market and economic conditions, including current financial market conditions;

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Provident management's view of Ventas's and Provident's respective businesses, financial condition and results of operations before and after giving effect to the merger; and

presentations from, and discussions with, Provident's management and financial adviser regarding the results of the due diligence investigations of Ventas conducted by Provident's management and its financial and legal advisers.

Negative Factors Considered By Provident's Board of Trustees

Provident's board of trustees also identified and considered in its deliberations several potentially negative factors relating to the proposed merger, including:

the fact that a significant portion of the consideration that Provident shareholders would receive in the merger consists of shares of Ventas common stock, such that if there is a decrease in the trading price of Ventas common stock prior to the closing of the merger, the value of the stock portion of the merger consideration to be received by Provident shareholders will be reduced as described above under "Risk Factors Risks Relating to the Merger Provident shareholders cannot be certain of the market value of the shares of Ventas common stock that will be issued in the merger;"

the possibility that the merger would not qualify as a reorganization for federal income tax purposes;

the possibility that some provisions of the merger agreement could have the effect of discouraging alternative proposals for business combination transactions with Provident, including the provision requiring that Provident pay to Ventas a termination fee of up to \$13 million and reimburse Ventas for its out-of-pocket expenses up to \$5 million if the merger agreement is terminated under certain circumstances, as described below under "The Merger Agreement and the OP Contribution Agreements Merger Agreement Termination Fee and Expense Reimbursement;"

the fact that Provident shareholders and holders of Provident LTIP Units will not receive the full benefit of any future growth in the value of their equity that might have been achieved if Provident continued to operate as an independent company, and the potential disadvantage to Provident shareholders and holders of Provident LTIP Units who receive shares of Ventas common stock or ETOP Class D Units if Ventas does not perform as well in the future as Provident might have performed as an independent company;

the different interests of Provident's management and trustees from those of holders of Provident common shares as described in " Interests of Provident's Trustees and Officers in the Merger," and the potential conflicts of interest therein;

the likelihood that the merger might not be consummated and the potential adverse effect of the public announcement of the merger on Provident's operations and share price;

the significant cost, including management's time and effort and the related disruption to operations, involved in connection with completing the transaction; and

other applicable risks described above under "Risk Factors."

Provident's board of trustees concluded that these negative factors were outweighed by the potential benefits to be gained by the merger and completion of the transactions contemplated thereby.

The above discussion of the material factors considered by Provident's board of trustees is not intended to be exhaustive, but does set forth the principal factors considered by Provident's board of trustees. Provident's board of trustees collectively reached its unanimous decision to approve the merger agreement and recommend approval of the merger and the transactions contemplated by the

merger agreement in light of the various factors described above and other factors that each trustee felt was appropriate. In view of the wide variety of factors considered by Provident's board of trustees in connection with its evaluation of the proposed merger and the complexity of these matters, the board did not consider it practical, and did not attempt, to quantify, rank or otherwise assign relative weights to the specific factors it considered in reaching its decision. Rather, Provident's board of trustees made its decision to approve the merger agreement and recommend approval of the merger and the transactions contemplated by the merger agreement based on the totality of information presented to and the investigation conducted by it. In considering the factors discussed above and other factors that each trustee deemed appropriate, individual trustees likely gave different weights to different factors.

Opinion of Provident's Financial Adviser

FBR rendered its opinion to Provident's board of trustees that, as of April 12, 2005 and based upon and subject to the factors and assumptions discussed in the opinion, the merger consideration in the merger agreement was fair, from a financial point of view, to the holders of Provident common shares.

The full text of FBR's written opinion, dated April 12, 2005, which discusses the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this proxy statement/prospectus as Appendix C. Holders of Provident common shares should read this opinion in its entirety.

FBR provided its opinion for the use and benefit of Provident's board of trustees in connection with its consideration of the transaction contemplated by the merger agreement. The FBR opinion does not address the merits of the underlying decision by Provident to engage in the merger as compared to any alternate business transaction that might be available to Provident and does not constitute a recommendation to any holder of Provident common shares as to how such holder should vote on the proposed merger or any matter related thereto. In addition, Provident's board of trustees did not ask FBR to address, and FBR's opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of Provident, other than the holders of Provident common shares.

FBR was retained to act as financial adviser to Provident in connection with the proposed merger involving Provident and Ventas. As part of its engagement, Provident requested that FBR render a fairness opinion relating to the merger. On April 12, 2005, FBR delivered its written opinion, which provides that, as of that date and based upon and subject to the assumptions and qualifications stated in its opinion, the merger consideration specified in the merger agreement is fair, from a financial point of view, to the holders of the outstanding common shares of Provident.

FBR provided the opinion described above for the information and assistance of Provident's board of trustees in connection with its consideration of the merger. FBR's opinion to Provident's board of trustees was one of many factors taken into consideration by Provident's board of trustees in making its determination to approve the merger agreement. The terms of the merger agreement and the merger consideration in the merger, however, were determined through negotiations between Provident and Ventas and were approved by Provident's board of trustees. FBR provided advice to Provident during such negotiations. However, FBR did not recommend any specific merger consideration or other form of consideration to Provident or that any specific merger consideration or other form of consideration constituted the only appropriate consideration for the proposed merger.

The full text of FBR's written opinion, dated April 12, 2005, is attached to this proxy statement/prospectus as Appendix C and incorporated by reference. You are urged to read the entire opinion carefully to learn about the assumptions made, procedures followed, matters considered and qualifications and limitations of the scope of the review undertaken by FBR in rendering its opinion. FBR's opinion relates only to the fairness, from a financial point of view, to Provident's common

shareholders of the merger consideration in the proposed merger, does not address any other aspect of the proposed merger or any related transaction, and does not constitute a recommendation to any shareholder as to how that shareholder should vote with respect to the approval of the merger proposal. The following summary of FBR's opinion does not purport to be a complete description of the analysis performed by FBR in connection with such opinion and is qualified in its entirety by reference to the full text of the written opinion of FBR attached to this proxy statement/prospectus as Appendix C. FBR's opinion was directed to Provident's board of trustees for its benefit and use in evaluating the fairness of the merger consideration. We urge you to read the opinion carefully and in its entirety.

In connection with rendering its opinion and performing its related financial analyses, FBR examined or discussed:

a copy of the execution version of the merger agreement dated April 12, 2005, including the exhibits thereto;

Ventas's Annual Report on Form 10-K for the year ended December 31, 2004;

Ventas's filings with the SEC for the past three years;

Ventas's press releases for the past three years;

available third-party research on Ventas;

the reported market prices and trading history of Ventas's common stock for the three-year period from April 12, 2002 to April 12, 2005;

the market prices and valuation multiples of Provident as compared to certain other companies that FBR deemed relevant;

the financial projections provided by Provident and Ventas, including the impact of the merger; and

other comparable companies and comparable transactions.

In addition, FBR compared the results of operations and financial condition of Ventas with other publicly-traded REITs, and performed such other analyses and reviewed and analyzed such other information as FBR deemed appropriate.

In preparing its opinion, FBR assumed and relied on, with the consent of Provident's board of trustees, the accuracy and completeness of all information supplied or otherwise made available to FBR, discussed with or reviewed by or for FBR, or publicly available. FBR did not independently verify such information or undertake an independent evaluation or appraisal of any of the assets or liabilities (including any derivative or off-balance-sheet assets and liabilities) of Provident or Ventas, or any of their respective subsidiaries. FBR was not furnished with any such evaluation or appraisal, nor did FBR evaluate the solvency or fair value of Provident or Ventas under any state or federal laws relating to bankruptcy, insolvency or similar matters. In addition, FBR did not make, nor did it engage an independent third party to make, an independent evaluation or appraisal of the combined entity. Accordingly, FBR expressed no opinion as to the future prospects, plans or viability of the combined entity. Furthermore, FBR did not assume any obligation to conduct any physical inspection of the properties or facilities of Provident or Ventas.

With respect to the financial forecast information furnished to or discussed with FBR by Provident or Ventas, FBR assumed that such information was reasonably prepared and reflected the best currently available estimates and judgment of Provident's or Ventas's management as to the expected future financial performance of Provident or Ventas, as the case may be.

FBR noted that the merger is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes, and FBR assumed the merger would so qualify. In addition, Provident's board of trustees informed FBR that it had received legal advice that, and FBR assumed that, Provident would continue to conduct its operations in a manner so as to maintain its qualification for treatment as a "REIT" within the meaning of the Code. FBR expressed no opinion as to Provident's ability to maintain treatment as a "REIT" within the meaning of the Code.

FBR further assumed that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the merger, no restrictions, including any divestiture requirements or amendments or modifications, would be imposed that would have a material adverse effect on the contemplated benefits of the merger. FBR also assumed, in all respects material to its analysis, that the merger would be consummated as described in the merger agreement, that all representations and warranties of each party contained in the merger agreement were true and correct, that each party to the merger agreement would perform all of the covenants and agreements required to be performed by such party thereunder without any consents or waivers of the other parties thereto and that all conditions to the consummation of the merger would be satisfied without waiver thereof. FBR advised Provident's board of trustees that FBR was not a legal, tax or regulatory expert and had relied upon without, assuming any responsibility for independent verification or liability therefor, the assessment of Provident's legal, tax and regulatory advisers with respect to the legal, tax and regulatory matters related to the merger.

FBR's opinion was necessarily based upon market, economic and other conditions as they existed and could be evaluated on, and on the information made available to FBR as of, April 12, 2005. FBR did not express any opinion as to the prices at which Ventas common stock would trade following the announcement of the merger.

In connection with the preparation of its opinion, FBR had not been authorized by Provident or its board of trustees to solicit, nor did FBR solicit, third-party indications of interest for the acquisition of, or other business combination with, Provident. Additionally, FBR did not participate in any discussions or negotiations among representatives of Provident or Ventas, or any of their financial and legal advisers.

The following is a summary of the material financial analyses performed and material factors considered by FBR to arrive at its opinion. FBR performed certain procedures, including each of the financial analyses described below, and reviewed with Provident's board of trustees the assumptions upon which such analyses were based, as well as other factors. Although the summary does not purport to describe all of the analyses performed or factors considered by FBR in this regard, it does discuss those considered by FBR to be material in arriving at its opinion.

The equity value of the transaction was based on the implied purchase price for Provident of \$20.78 per share and approximately 30.0 million Provident common shares and Provident LTIP Units outstanding as of March 31, 2005. The implied purchase price for Provident of \$20.78 per share was based on Ventas's closing price of \$26.19 per share on April 12, 2005 and merger consideration consisting of 0.4951 of a share of Ventas common stock and \$7.81 in cash, without interest, for each Provident common share. The total value of the transaction was based on the equity value plus Ventas's assumption of approximately \$588 million of Provident's total debt.

Summary Table. The following table summarizes the implied per share equity value for Provident derived from the analyses indicated, as described in each respective section. The following table does not include the accretion/dilution analysis, which is not conducive to determining an implied value per share of the merger consideration. In applying the various valuation methodologies to Provident's business and operations and the circumstances of the proposed merger, FBR made qualitative judgments as to the significance and relevance of each analysis. The methodologies and imputed value ranges derived from these analyses should be considered as a whole and in the context of their

narrative description, including the methodologies and assumptions underlying these analyses. Considering the imputed value ranges without considering the full narrative description of the financial analyses, including underlying methodologies and assumptions, could create a misleading or incomplete view of the financial analyses performed by FBR.

Valuation Methodology	Implied Per Share Equity Value Range
Comparable Public Company Analysis	\$16.11 - \$26.67
Comparable Transactions Analysis	\$18.20 - \$25.02
Discounted Cash Flow Analysis	\$14.87 - \$17.75

Implied Merger Consideration per Share \$20.78

Comparable Public Company Analysis. FBR reviewed and compared certain financial information relating to Provident to corresponding financial information, ratios and public market multiples for certain publicly traded REITs. This peer group comprised publicly traded companies that engage in businesses that FBR determined to be reasonably comparable to Provident's business. The comparable companies selected by FBR were Health Care Property Investors, Inc., Health Care REIT, Inc., Healthcare Realty Trust, Inc., LTC Properties, Inc., National Health Investors, Inc., National Health Properties, Inc., Nationwide Health Properties, Inc., Omega Healthcare Investors, Inc., Senior Housing Properties Trust and Ventas.

For each comparable company, FBR analyzed publicly available financial performance data through December 31, 2004. FBR calculated the multiples of enterprise values, as of April 6, 2005, to actual 2004 and estimated 2005 earnings before interest, taxes and depreciation and amortization (which we refer to in this proxy statement/prospectus as EBITDA) to determine the actual 2004 and estimated 2005 EBITDA multiples. FBR selected a range of multiples around the 2004 and 2005 EBITDA values, resulting in a median range of 12.0x to 14.0x. These multiples were then applied to Provident's actual 2004 and estimated 2005 EBITDA (which includes approximately \$18.7 million of straight line rent), yielding implied trading values for Provident's common shares of approximately \$19.83 to \$26.37 and \$20.09 to \$26.67, respectively, per share.

FBR also calculated the multiples of current stock price, as of April 6, 2005, to equity analysts' estimates of 2004 and 2005 adjusted funds from operations (which we refer to in this proxy statement/prospectus as AFFO) for each of these companies to determine the estimated 2004 and 2005 AFFO trading multiples, resulting in a median range of 11.0x to 13.0x. AFFO excludes straight line rent. These multiples were then applied to Provident's estimated 2004 and 2005 AFFO, yielding implied trading values for Provident's common shares of approximately \$16.11 to \$19.04 and \$16.36 to \$19.34, respectively.

However, past performance of the peer group does not guarantee future results. The actual trading performance could vary materially from the historical performance of the peer group. This analysis did not purport to be indicative of the actual values or expected values of Provident's common shares.

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Information regarding the multiples from FBR's analysis of selected comparable publicly traded companies, including the median range of implied per share equity values for Provident derived from these multiples, is provided in the following table.

	Comparable Company Multiple (Median) Range		Implied Transaction Per Share Equity Value (Median) Range	
	Low	High	Low	High
Total Value/2004 EBITDA	12.0x	14.0x	\$ 19.83	\$ 26.37
Total Value/2005 EBITDA	12.0x	14.0x	\$ 20.09	\$ 26.67
Equity Value/2004 AFFO	11.0x	13.0x	\$ 16.11	\$ 19.04
Equity Value/2005 AFFO	11.0x	13.0x	\$ 16.36	\$ 19.34

The means of the low and high implied transaction per share equity values for Provident implied by the comparable public company analysis were approximately \$18.10 per share and \$22.85 per share, respectively, as compared to the implied purchase price for Provident of \$20.78 per share.

Because of the inherent differences between the businesses, operations and prospects of Provident and the businesses, operations, and prospects of the selected comparable companies, FBR believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the analysis. Accordingly, FBR also made qualitative judgments concerning differences between Provident's financial and operating characteristics as well as the quality of the portfolio of assets and those of the selected comparable companies that would affect Provident's trading value and such comparable companies.

Comparable Transactions Analysis. FBR performed an analysis of selected recent business combinations announced subsequent to March 4, 2002 and involving REITs, based on publicly available information. In total, FBR examined 20 transactions that were chosen based on FBR's judgment that they were generally similar, in whole or in part, to the proposed merger. The selected transactions were not intended to be representative of the entire range of possible transactions in the healthcare real estate industry. The 20 transactions examined were (acquirer/target):

Camden Properties Trust/*Summit Properties Inc.*
Cerberus Capital Management/*LNR Property*
Kimco Realty; DRA Advisers/*Price Legacy Corp.*
General Growth Properties Inc./*Rouse Co.*
Blackstone Group/*Prime Hospitality*
Simon Property Group/*Chelsea Property Group*
Eaton Vance; ProLogis/*Keystone Property Trust*
The Blackstone Group; Merrill Lynch/*Extended Stay America*
Transwestern Investment Company/*Great Lakes REIT*
Ventas, Inc./*ElderTrust*
Lightstone Group LLC/*Prime Retail, Inc.*
Kimco Realty/*Mid-Atlantic Realty Trust*
Hometown America LLC/*Chateau Communities*
Pennsylvania Real Estate Investment Trust/*Crown American Realty Trust*
CNL Hospitality Properties Inc./*RFS Hotel Investors, Inc.*
Cornerstone Realty Income Trust Inc./*Merry Land Properties Inc.*
Phillips Edison Ltd./*Aegis Realty Inc.*
Pan Pacific Retail Properties/*CenterTrust, Inc.*
Equity One Inc./*IRT Property Co.*
General Growth Properties Inc./*JP Realty, Inc.*

FBR reviewed the consideration paid in the selected comparable transactions in terms of the total value of such transactions as a multiple of EBITDA for (1) the trailing twelve months, or TTM, prior

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to the announcement of such transactions and (2) the following twelve months, or FTM, after the announcement of such transactions. FBR then derived a range of implied per share equity values for Provident by applying the multiples from the selected comparable transactions to the corresponding data for Provident. An analysis of these comparable transactions also revealed an estimated median premium of the offer price to the historical trading price of the target's stock of 21.5%.

Information regarding the multiples from FBR's analysis of selected comparable transactions, including the median range of implied per share equity values for Provident derived from these multiples, is provided in the following table:

	Comparable Transaction Multiple (Median) Range		Implied Transaction Per Share Equity Value (Median) Range	
	Low	High	Low	High
Total Value/TTM EBITDA	11.5x	13.5x	\$ 18.20	\$ 24.74
Total Value/FTM EBITDA	11.5x	13.5x	\$ 18.44	\$ 25.02

The means of the low and high implied transaction per share equity values for Provident implied by the comparable transactions analysis were approximately \$18.32 per share and \$24.88 per share, respectively, as compared to the implied purchase price for Provident of \$20.78 per share. In addition, FBR determined that the premium applied to Provident's common shares was 25.9%.

Although FBR utilized the multiples implied by the selected transactions to derive the range of implied per share equity values of Provident, none of these transactions or associated companies is identical to the merger or Provident. Accordingly, any analysis of the selected comparable transactions necessarily involved complex considerations and judgments concerning the differences in financial and operating characteristics, parties involved and terms of their transactions and other factors that would necessarily affect the implied value of Provident versus the values of the companies in the selected comparable transactions.

Discounted Cash Flow Analysis. FBR utilized the projections and assumptions regarding Provident's projected EBITDA, which were provided by Provident's management, to perform a discounted cash flow analysis of Provident's projected future cash flows for the period commencing January 1, 2004 (2004 data was based on annualized results for the period from March 1, 2004 through September 30, 2004) and ending December 31, 2008. Using discounted cash flow methodology, FBR calculated the present values of the projected free cash flows for Provident. Under this methodology, implied enterprise values are projected by discounting EBITDA values for the years ending 2004 to 2008, using discount rates that reflect an expected rate of return. FBR calculated a range of terminal values at the end of 2008 by using lease yields ranging from 8.0% to 9.0%. FBR selected the EBITDA terminal value range based on FBR's review of, among other matters, the trading multiples of comparable companies and the transaction multiples of comparable transactions. The range of cash flows and terminal values were then discounted to present values using discount rates ranging from 7.0% to 9.0%. FBR determined the appropriate discount rate range based upon an analysis of the weighted average cost of capital of Provident and other comparable companies that FBR deemed relevant in its expertise and judgment.

FBR aggregated (1) the present value of the projected free cash flows over the applicable forecast period with (2) the present value of the range of terminal values. The aggregate present value of these items represented the enterprise value range. FBR calculated the implied per share equity value range by dividing the resulting equity values by the fully diluted share count of 30.0 million. The implied transaction per share equity values for Provident implied by the discounted cash flow analysis ranged from approximately \$14.87 per share to \$17.75 per share, as compared to the implied purchase price for Provident of \$20.78 per share.

Accretion/Dilution Analysis. FBR analyzed certain pro forma effects resulting from the merger, including the potential impact of the merger on FFO, AFFO and cash available for distribution, or CAD, in each case per share of Ventas common stock following the merger. FBR utilized Provident's and Ventas's earnings for 2004. FBR's analysis included assumptions regarding, among other matters, various structural considerations, the estimated allocation of purchase price to amortizable intangible assets and expected synergies based on discussions with Provident and Ventas management. FBR's analysis indicated that the transaction would be slightly accretive to CAD and accretive to FFO and AFFO, in each case per share of Ventas common stock.

General. The preparation of an opinion regarding fairness is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances, and, therefore, such an opinion is not readily susceptible to partial analysis or summary description. The preparation of a fairness opinion does not involve a mathematical evaluation or weighing of the results of the individual analyses performed, but requires FBR to exercise its professional judgment, based on its experience and expertise, in considering a wide variety of analyses taken as a whole. Each of the analyses conducted by FBR was carried out in order to provide a different perspective on the financial terms of the proposed merger and add to the total mix of information available. FBR did not form a conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion about the fairness of the merger consideration. Rather, in reaching its conclusion, FBR considered the results of the analyses in light of each other and ultimately reached its opinion based on the results of all analyses taken as a whole. FBR did not place particular reliance or weight on any particular analysis, but instead concluded its analyses, taken as a whole, supported its determination. Accordingly, notwithstanding the separate factors summarized above, FBR believes that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all analyses and factors, may create an incomplete view of the evaluation process underlying its opinion. No company or transaction used in the above analyses as a comparison is directly comparable to Provident or the merger. In performing its analyses, FBR made numerous assumptions with respect to industry performance, business and economic conditions and other matters. The analyses performed by FBR are not necessarily indicative of future actual values and future results, which may be significantly more or less favorable than suggested by such analyses.

FBR is a nationally recognized firm and, as part of its investment banking activities, is frequently engaged in the valuation of businesses and their securities in connection with merger transactions and other types of strategic combinations and acquisitions. FBR is familiar with Provident, having provided certain investment banking services to Provident and its board of trustees from time to time, most recently having acted as placement agent for Provident's private placement of common shares in August 2004 (for which FBR received remuneration of approximately \$28.2 million).

In the ordinary course of their business, FBR and its affiliates may actively trade Provident common shares, for their own account and for the accounts of customers, and, accordingly, may at any time hold a long or short position in such securities. As of April 12, 2005, FBR owned, directly or indirectly, through one or more affiliates, 2,135,454 Provident common shares.

Provident hired FBR based on its qualifications and expertise in the real estate and specialty finance sectors and its reputation as a nationally recognized investment banking firm. Pursuant to a letter agreement dated March 1, 2005, Provident agreed to pay FBR a success fee of \$1,500,000 upon the completion of the merger, 25% of which was due upon execution of the merger agreement and the remainder of which is due upon consummation of the merger. In addition, Provident has agreed to indemnify FBR for certain liabilities arising out of its engagement.

Ventas's Reasons for the Merger

The Ventas board of directors believes that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and fair to, and in the best interests of, Ventas and its stockholders. In reaching its decision, Ventas's board consulted with Ventas's management team and its legal and financial advisers in this transaction. Ventas's board considered both Ventas's short-term and long-term interests, as well as those of its stockholders. In concluding that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and fair to, and in the best interests of, Ventas and its stockholders, Ventas's board considered, among other things, the following factors:

Strategic Expansion. The Ventas board of directors considered that the combination of Ventas's and Provident's businesses would substantially advance Ventas's strategic goal to expand its portfolio with high quality, private-pay properties.

Diversification of Asset Class. The Ventas board of directors considered that the merger would advance Ventas's strategic goal to diversify the revenue payment sources of its assets by increasing its private-pay revenue sources and decreasing its government-reimbursed revenue sources, thereby improving the overall financial strength and risk profile of the combined companies' property portfolio.

Reputations of Brookdale and Alterra. The Ventas board of directors considered the reputations of Brookdale and Alterra as respected and experienced operators in the senior care industry. Certain subsidiaries of Brookdale and Alterra are the two principal tenants of Provident's properties.

Reduction of Dependence on Kindred. The Ventas board of directors considered that the merger would advance Ventas's strategic goal to diversify its tenant base by substantially reducing its dependence on Kindred as its primary tenant, which should decrease the risk to Ventas of financial harm if Kindred were unable or unwilling to satisfy its obligations under its leases with Ventas.

Terms and Conditions of the Merger Agreement and Other Agreements. The Ventas board of directors considered the terms and conditions of the merger agreement and the agreements contemplated by the merger agreement, including without limitation the form and amount of merger consideration, the representations, warranties, covenants and conditions to closing and the termination rights.

Although each member of Ventas's board individually considered these and other factors, the board did not collectively assign any specific or relative weights to the factors considered and did not make any determination with respect to any individual factor. The board collectively made its determination based on the conclusions reached by its members, in light of the factors that each of them considered appropriate, that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and fair to, and in the best interests of, Ventas and its stockholders.

Interests of Provident's Trustees and Officers in the Merger

In considering the recommendation of Provident's board of trustees with respect to the merger proposal, you should be aware that certain trustees and officers of Provident have interests in, and will receive benefits from, the merger that are different from, or are in addition to, the interests of the Provident shareholders, and therefore may conflict with the interests of Provident shareholders. Provident's board of trustees was aware of the following interests when it approved the merger:

Acceleration of Payments Under Provident LTIP; Issuance of Additional Provident LTIP Units

Provident's trustees, officers and employees participate in Provident's Long-Term Incentive Plan (LTIP), which is designed to provide an incentive to participants to improve Provident's performance. Provident LTIP Units are a class of partnership interests in Provident OP. Each Provident LTIP Unit awarded is deemed equivalent to an award of one common share under Provident's Long-Term Incentive Plan subject to the fulfillment of certain vesting conditions and the occurrence of "book-up" events as described below.

Provident LTIP Units have been granted to Provident's trustees, officers and employees, in some cases subject to a vesting schedule. Provident LTIP Units may not be converted into Provident common shares until vested. In addition, although Provident LTIP Units receive the same quarterly per unit profit distributions as common units of Provident OP, which profit distribution generally equals per share taxable distributions on Provident's common shares, Provident LTIP Units do not initially have full parity with common units of Provident OP with respect to liquidating distributions. Unless and until such parity is reached, the value that a holder of Provident LTIP Units will realize for a given number of vested Provident LTIP Units will be less than the value of an equal number of Provident common shares. Under the terms of the Provident LTIP Units, Provident OP revalues its assets upon the occurrence of certain "book-up events," and any increase in valuation from the time of grant until such book-up event is allocated first to the holders of Provident LTIP Units to equalize the capital accounts of such holders with the capital accounts of holders of common units of Provident OP.

All unvested Provident LTIP Units will become fully vested as a result of the merger. In addition, the occurrence of the merger is a book-up event under the terms of the Provident LTIP Units and as a result, at the closing date of the merger, the Provident LTIP Units will be "booked up" to have full parity with common units of Provident OP for all purposes, including with respect to liquidating distributions, in connection with the merger.

In February 2005, the compensation committee of Provident's board of trustees, which is composed entirely of non-management members of the board, authorized the issuance of up to an additional 331,250 Provident LTIP Units to Provident's executive officers, contingent upon the completion of any future stock offering or merger transaction, in order to compensate such persons for the cutbacks in initial grants of Provident LTIP Units to such executive officers resulting from the completion of a smaller initial private placement of Provident's common shares in August 2004 than was originally anticipated. These additional Provident LTIP Units are to be granted in full upon the completion of a merger transaction or on an appropriate pro rata basis in the event of future offerings until such time as Provident completes an aggregate of \$155 million of such offerings, at which time the shortfall that arose at the time of the initial private placement would be eliminated in full. Accordingly, at the closing of the merger, Provident will issue 331,250 additional Provident LTIP Units to Messrs. Copeland (200,000), Post (62,500), Ciorletti (28,750) and Behar (40,000), each of whom has agreed in his respective OP Contribution Agreement to convert such additional units into Provident common shares immediately prior to the effective time of the merger.

The following table sets forth the holders of Provident LTIP Units and the number of vested Provident LTIP Units which will be held by each such holder immediately prior to the effective time of the merger (including 331,250 Provident LTIP Units to be issued at the closing of the merger and

converted into Provident common shares prior to the effective time of the merger as described above). Each Provident LTIP Unit is convertible into one Provident common share, subject to the fulfillment of certain vesting conditions and the occurrence of certain book-up events and as described above.

Provident LTIP Unit Holder	Number of Provident LTIP Units Immediately Prior to the Effective Time
Darryl W. Copeland, Jr.	330,000
Charles A. Post	154,000
William P. Ciorletti	128,000
Saul A. Behar	82,000
Mark A. Doyle	20,000
Randolph W. Jones	20,000
Frederic H. Lindeberg	20,000
Other employees (three persons)	7,500
Total	761,500

Severance and Other Payments Under Employment Contracts

The employment agreements between Provident and each of Messrs. Copeland, Post, Ciorletti and Behar provide for certain payments to be made by Provident to each such executive upon his termination of employment within two years of a change of control of Provident. Pursuant to the merger agreement, such employees will be terminated in accordance with the provisions of their employment agreements as of the effective time of the merger and, upon their termination of employment as of the effective time, the following lump sum payments will be made at the effective time of the merger to the following officers pursuant to their respective employment agreements: Messrs. Copeland (\$2,100,000), Post (\$1,000,000), Ciorletti (\$900,000), and Behar (\$700,000). The executives will also receive health benefit continuation for 12 months and accelerated vesting and exercisability of any outstanding equity awards.

Under the terms of their employment agreements, each of Messrs. Copeland, Post, Ciorletti and Behar also will be indemnified by Provident in the same amount and to the same extent as its other senior officers for any action or inaction of the executive while serving as an officer of Provident or any of its affiliates and will be covered under Provident's directors' and officers' liability insurance while any potential liability exists after termination of their employment in the same amount and to the same extent as its other senior officers.

A portion of the payments and benefits to be provided to any of Messrs. Copeland, Post, Ciorletti and Behar in connection with the merger may constitute an "excess parachute payment" under current federal tax laws. Federal tax laws impose a 20% excise tax, payable by the executive, on excess parachute payments. Pursuant to his employment agreement, each executive will be reimbursed for the amount of this excise tax, if any, and will receive an additional gross-up payment so that, after payment of the excise tax and all income and excise taxes imposed on the reimbursement and gross-up payments, the executive will retain approximately the same net-after tax amounts that he would have retained if there were no 20% excise tax.

The foregoing payments and benefits are conditioned upon the executive executing a general release. In addition, these benefits, other than the severance payments, are conditioned upon the executive's continued compliance with non-competition, non-solicitation, confidentiality and other restrictive covenants contained in the executive's employment agreement.

Also see "The Merger Agreement and the OP Contribution Agreements Merger Agreement Certain Employee Benefits."

OP Contribution Agreement; Tax Deferral for Provident LTIP Unit Holders

Provident's trustees, officers and employees who own Provident LTIP Units on the date of the merger agreement generally will be able to defer their taxable gains in their Provident LTIP Units by receiving ETOP Class D Units in exchange for their Provident LTIP Units. Concurrently with the execution of the merger agreement, such trustees, officers and employees entered into an OP Contribution Agreement whereby each such Provident LTIP Unit holder has agreed to contribute all Provident LTIP Units held by him or her as of the date of his or her OP Contribution Agreement to ETOP, at the effective time of the merger, in exchange for the issuance to such holder of 0.8022 of an ETOP Class D Unit for each Provident LTIP Unit. See "The Merger Agreement and the OP Contribution Agreements OP Contribution Agreements." Such exchange would generally not cause Provident LTIP Unit holders to recognize taxable gain or loss at the time of the merger with respect to Provident LTIP Units not granted in anticipation of, and conditioned upon, the merger occurring. However, to the extent a Provident LTIP Unit holder receives additional Provident LTIP Units pursuant to the award made by Provident's board of trustees in February 2005 conditioned upon the occurrence of the merger, it is anticipated that the recipients of such Provident LTIP Units will recognize income at the time of their receipt in an amount equal to the fair market value of such units, determined by reference to the then-current value of the Ventas common stock into which such Provident LTIP Units are immediately convertible.

Indemnification and Insurance

In the merger agreement, Ventas has agreed to cause Merger Sub, the surviving entity in the merger, from and after the effective time of the merger, to provide exculpation and indemnification for each present and former officer, director or trustee of Provident or its subsidiaries to the same extent as currently provided in Provident's declaration of trust, bylaws and indemnification agreements. In addition, Ventas has agreed that, at or prior to the effective time of the merger, the surviving entity will purchase "run off" directors' and officers' liability insurance coverage for Provident's trustees and officers for a period of six years following the effective time, which will provide the trustees and officers with the coverage amount and other terms comparable to those currently provided by Provident (including advancement of expenses, if so provided). However, in fulfilling such insurance obligations, the surviving entity shall not be required to expend more than \$450,000 in the aggregate to obtain and maintain insurance coverage for the six-year period. If the cost of such insurance is greater than \$450,000 in the aggregate, the surviving entity is required to obtain and maintain insurance coverage on comparable terms that provides the maximum coverage that is then available for such six-year period for \$450,000 in the aggregate.

Transition Services Agreement

In the merger agreement, Ventas has agreed that, at the closing of the merger, it shall cause Merger Sub, as the surviving entity in the merger, to enter into a mutually satisfactory transition services agreement with an entity to be formed by certain of the executive officers of Provident, including Mr. Copeland. See "The Merger Agreement and the OP Contribution Agreements Merger Agreement Principal Covenants Transition Services."

Registration Rights Agreement

The ETOP Class D Units are being issued to the holders of Provident LTIP Units pursuant to an exemption from the registration requirements of the Securities Act. Neither the ETOP Class D Units to be issued to certain trustees, officers and employees of Provident in exchange for certain of their Provident LTIP Units, nor the shares of Ventas common stock into which such ETOP Class D Units will be convertible, will be registered under the Securities Act at the time of the merger and, accordingly, such securities may not be sold or transfer by the holders thereof except pursuant to an

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effective registration statement or an exemption from the registration requirements of the Securities Act. Accordingly, Ventas has agreed that, at the closing of the merger, it shall enter into a registration rights agreement with the holders of the ETOP Class D Units. See "The Merger Agreement and OP Contribution Agreements Merger Agreement Principal Covenants Registration Rights."

Consulting Agreement

Ventas expects to enter into certain consulting agreements with one or more officers of Provident prior to the effective time of the merger, under which such officer or officers shall provide assistance and information to Ventas for a period of two years after the merger in connection with the transactions that involved Provident and its subsidiaries, in exchange for reimbursement by Ventas of all out-of-pocket expenses incurred by such officer or officers in connection with providing such assistance and information.

Percentage Ownership Interest of Former Provident Shareholders after the Merger

Based on the capitalization of Provident and Ventas as of May 13, 2005, holders of outstanding Provident common shares (after giving effect to the issuance of 331,250 additional Provident common shares to certain Provident officers at the closing of the merger as described in "Interests of Provident's Trustees and Officers in the Merger Acceleration of Payments Under Provident LTIP; Issuance of Additional Provident LTIP Units") and Provident LTIP Units will be entitled to receive, as a result of the merger, a total of approximately 15.0 million shares of Ventas common stock, representing approximately 14.7% of the Ventas common stock outstanding following the merger on a fully-diluted basis (assuming conversion of all of the ETOP Class D Units and exercise of all currently outstanding options to purchase shares of Ventas common stock).

Completion of the Merger

Ventas and Provident expect that the merger will be completed on or about June 7, 2005 if, at Provident's special meeting of shareholders, Provident's shareholders approve the merger as contemplated by the merger agreement. A description of the conditions to the completion of the merger appears below under "The Merger Agreement and the OP Contribution Agreements Merger Agreement Conditions to the Merger."

Votes Required for Approval

It is a condition to the completion of the merger that Provident's shareholders approve the merger proposal by the required vote. Provident's declaration of trust and bylaws require that the merger must be affirmatively approved by holders of a majority of the Provident common shares outstanding and entitled to vote at the special meeting. A vote of the holders of Ventas common stock is not required to approve the merger.

Availability of Funds and Common Stock

Ventas has represented to Provident in the merger agreement that, at the consummation of the merger, it will have all of the funds and Ventas common stock necessary to pay the aggregate merger consideration and to satisfy its obligations under the merger agreement. Ventas currently intends to finance the cash portion of the merger consideration with funds that Ventas expects to obtain using traditional financing sources. Ventas anticipates finalizing the terms of, and definitive documentation for, the financing prior to completing the merger.

Anticipated Accounting Treatment

It is expected that the merger will be accounted for as a purchase by Ventas of Provident under GAAP. Under the purchase method of accounting, the assets and liabilities of the acquired company are, as of completion of the merger, recorded at their respective fair values and added to those of the acquiring company. Financial statements of Ventas issued after consummation of the merger will only reflect the operations of Provident after the merger and will not be restated retroactively to reflect the historical financial position or results of operations of Provident.

All unaudited pro forma financial information contained in this proxy statement/prospectus has been prepared using the purchase method to account for the merger. The allocation of the purchase price will be determined after the merger is completed and after completion of an analysis to determine the assigned fair values of Provident's tangible and identifiable intangible assets and liabilities. In addition, estimates related to restructuring and merger-related charges are subject to final decisions related to combining Ventas and Provident. Accordingly, the final purchase accounting adjustments and restructuring and merger-related charges may be materially different from the unaudited pro forma adjustments presented in this proxy statement/prospectus.

Merger Fees, Costs and Expenses

All expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses. Notwithstanding the foregoing, Provident has agreed to pay Ventas's out-of-pocket expenses up to \$5 million in certain circumstances if the merger agreement is terminated. See "The Merger Agreement and the OP Contribution Agreements Merger Agreement Termination Fee and Expense Reimbursement."

Resale of Ventas Common Stock

The shares of Ventas common stock issued in the merger will be registered under the Securities Act. These shares will be freely transferable under the Securities Act, except for shares issued to persons who may be deemed to be "affiliates" of Provident for purposes of Rule 145 under the Securities Act. Affiliates may not sell their shares of Ventas common stock acquired in the merger except pursuant to an effective registration statement under the Securities Act covering such shares or in compliance with Rule 145 promulgated under the Securities Act or another applicable exemption from the registration requirements of the Securities Act. Persons who may be deemed to be affiliates of Provident generally include individuals or entities that control, are controlled by, or are under common control with, Provident and may include officers and trustees of Provident as well as principal shareholders of Provident. Ventas will receive an "affiliate agreement" from persons deemed to be "affiliates" of Provident under Section 2(11) of the Securities Act and Rule 145(c) thereunder, which will provide that each affiliate of Provident will not sell, transfer or otherwise dispose of any shares of Ventas common stock issued to such person in connection with the merger except in compliance with the applicable provisions of the Securities Act and the rules and regulations thereunder.

Additionally, the ETOP Class D Units to be issued pursuant to the OP Contribution Agreements and the shares of Ventas common stock to be issued upon conversion of such ETOP Class D Units will be restricted securities.

This document does not constitute a registration statement covering resales of shares of Ventas common stock by persons who are otherwise restricted from selling their shares of Ventas common stock pursuant to Rule 144 or Rule 145 of the Securities Act.

Regulatory Matters Related to the Merger

Except for the declaration of effectiveness by the SEC of the registration statement of which this proxy statement/prospectus is a part, no material regulatory approvals are required in order to consummate the merger and the other transactions contemplated by the merger agreement.

No Dissenters' Rights of Appraisal

Maryland REIT Law provides that in some mergers, shareholders who do not vote in favor of a merger and who comply with a series of statutory requirements have the right to receive, instead of the merger consideration, the fair value of their shares as appraised by appraisers appointed by a Maryland court or, in certain circumstances, by the court itself, payable in cash. However, pursuant to Maryland REIT Law and Provident's declaration of trust, no dissenters' or appraisal rights are available to holders of Provident common shares with respect to the merger.

Stock Exchange Listing and Related Matters

Ventas has agreed to use all reasonable efforts to cause the shares of Ventas common stock to be issued in the merger to be approved for listing, upon official notice of issuance, on the New York Stock Exchange under the symbol "VTR." Ventas will file a supplemental listing application with the New York Stock Exchange after the date of this proxy statement/prospectus. It is a condition to the merger that the Ventas common stock to be issued in the merger shall have been approved for listing on the New York Stock Exchange, subject to official notice of issuance.

THE MERGER AGREEMENT AND THE OP CONTRIBUTION AGREEMENTS

The following is a brief summary of the merger agreement and the OP Contribution Agreements. This summary, as well as other descriptions of the merger agreement and OP Contribution Agreements, or any portion thereof, contained elsewhere in this proxy statement/prospectus does not purport to be complete and is qualified in its entirety by reference to the full texts of such agreements, which are included as Appendices A and B hereto and which are incorporated herein by reference. The merger agreement and the OP Contribution Agreements have been included to provide you with information regarding their terms. Because the merger agreement is the primary legal document that governs the merger, you should carefully read the complete text of the merger agreement for its precise legal terms and other information that may be important to you. The merger agreement is not intended to provide any other factual information about Ventas or Provident. Such information can be found elsewhere in this proxy statement/prospectus, and in the other public filings that Ventas makes with the SEC and in the Provident Registration Statement, which are available without charge at www.sec.gov.

The merger agreement contains representations and warranties that Ventas and Provident made to each other as of specific dates, and such representations and warranties should not be relied upon by any other person. The assertions embodied in those representations and warranties were made solely for purposes of the contract between Ventas and Provident, may be subject to important qualifications and limitations agreed to by Ventas and Provident in connection with negotiating its terms and are qualified by information in confidential disclosure schedules that Ventas and Provident have exchanged in connection with the signing of the merger agreement. The disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the attached merger agreement. Accordingly, you should not rely on the representations and warranties as accurate or complete or characterizations of the actual state of facts as of any specified date since they are modified in important part by the underlying disclosure schedules and are subject to a contractual standard of materiality different from that generally applicable to shareholders or were used for the purpose of allocating risk between Ventas and Provident rather than establishing matters as facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement, which subsequent information may or may not be fully reflected in Ventas's public disclosures and the Provident Registration Statement.

Merger Agreement

Structure of the Merger

Provident will merge with and into Merger Sub, with Merger Sub continuing as the surviving entity and a subsidiary of Ventas, on the terms and subject to the conditions set forth in the merger agreement.

Conversion of Provident Common Shares

At the effective time of the merger, each issued and outstanding Provident common share (other than Provident common shares owned by Provident as treasury stock, by any subsidiary of Provident or by Ventas) shall be converted into the right to receive 0.4951 of a share of Ventas common stock and \$7.81 in cash, without interest. If, prior to the effective time of the merger, the outstanding Provident common shares or Ventas common shares shall be changed into a different number of shares or a different class by reason of any reclassification, recapitalization, split-up, combination, exchange of shares or readjustment, then the merger consideration issuable or payable to the holders of Provident common shares shall be adjusted accordingly, without duplication, to provide the holders of Provident common shares the same economic consideration as contemplated by the merger agreement prior to such event.

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Except for the issuance of an additional 331,250 Provident LTIP Units at the closing of the merger and the issuance of 331,250 Provident common shares upon conversion of such Provident LTIP Units into Provident common shares prior to the effective time of the merger, Provident may not, and has agreed to cause Provident OP not to, issue any additional Provident common shares, limited partnership units in Provident OP or Provident LTIP Units, options or other rights to acquire such securities, or securities convertible into or exchangeable for such securities prior to the effective time of the merger.

Exchange of Provident LTIP Units for ETOP Class D Units

Each holder of issued and outstanding Provident LTIP Units has agreed to contribute all Provident LTIP Units held by him or her as of the date of his or her OP Contribution Agreement to ETOP at the effective time of the merger in exchange for the issuance of 0.8022 of an ETOP Class D Units for each Provident LTIP Unit. See "The Merger Agreement and the OP Contribution Agreements OP Contribution Agreements." If, prior to the effective time of the merger, the outstanding ETOP Class D Units, Ventas common stock or Provident LTIP Units shall be changed into a different number of shares or units or a different class by reason of any reclassification, recapitalization, split-up, combination, exchange of shares or units or readjustment, then the consideration issuable or payable to the holders of Provident LTIP Units shall be adjusted accordingly, without duplication, to provide the holders of Provident LTIP Units the same economic consideration as contemplated by the merger agreement prior to such event.

Ventas and Provident have agreed to take, and to cause ETOP and Provident OP to take, all action necessary in order for the holders of any vested or unvested Provident LTIP Units to participate in such contribution of Provident LTIP Units and to exchange all of their Provident LTIP Units (whether vested or unvested) for the consideration described above, including executing an amendment to the ETOP limited partnership agreement creating the ETOP Class D Units with the specific terms set forth in the OP Contribution Agreements. Pursuant to the merger agreement, Provident and Provident OP are permitted to issue to their officers and employees up to an additional 331,250 Provident LTIP Units at the closing of the merger, which units shall be converted into Provident common shares following their issuance and prior to the effective time of the merger.

Closing and Effective Time

Unless the parties agree otherwise, the closing of the merger shall occur on the business day following the satisfaction or waiver of the conditions to closing the merger. The merger will become effective when the State Department of Assessments and Taxation of the State of Maryland has accepted the articles of merger for record in accordance with Maryland REIT Law and the Secretary of State of the State of Delaware has accepted the certificate of merger for record in accordance with the DGCL, or at such later time which Ventas and Provident shall have agreed upon and designated in the articles of merger and certificate of merger. Ventas and Provident expect the merger to become effective as soon as practicable after the approval of the merger by Provident's shareholders and the satisfaction and waiver of all other conditions to closing the merger.

Exchange of Share Certificates; Lost, Stolen or Destroyed Certificates; No Fractional Shares; Withholding Rights

Exchange of Share Certificates

Ventas has selected National City Bank, its transfer agent and registrar, to act as exchange and paying agent for the merger. At or prior to the effective time, Ventas will deliver to the exchange and paying agent certificates representing shares of Ventas common stock and cash sufficient to pay the merger consideration in exchange for the outstanding Provident common shares.

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Each holder of outstanding stock certificate(s) who has surrendered such certificate(s) to the exchange and paying agent will, upon acceptance thereof by the exchange and paying agent, be entitled to receive (i) a certificate or certificates representing the number of whole shares of Ventas common stock into which the aggregate number of Provident common shares previously represented by such certificate(s) surrendered shall have been converted, (ii) the amount of cash into which the aggregate number of Provident common shares previously represented by such certificate(s) surrendered shall have been converted and (iii) the right to receive any other distribution paid with respect to Provident common shares prior to the effective time, in each case without interest. The exchange and paying agent will accept such certificates upon compliance with reasonable terms and conditions imposed by the exchange and paying agent. Each outstanding certificate that prior to the effective time represented Provident common shares and which is not surrendered to the exchange and paying agent in accordance with the applicable procedures will, until duly surrendered to the exchange and paying agent, be deemed to evidence the right to receive the merger consideration into which such Provident common shares shall have been converted.

After the effective time of the merger, no certificates representing Provident common shares will be transferred on the records of Provident or Merger Sub, as the surviving entity of the merger, and if such certificates are presented to Provident for transfer, they will be canceled against delivery of the merger consideration. No dividends on Ventas common stock that have been declared with a record date after the effective time will be remitted to any holder of Provident common shares entitled to receive Ventas common stock in connection with the merger until such holder surrenders its certificates representing Provident common shares, at which time such dividends will be remitted to such holder, without interest.

Transmittal materials, including a letter of transmittal, and certain tax forms related to tax withholding will be mailed as soon as practicable after the effective time to each holder of Provident common shares. Ventas will not be obligated to deliver the merger consideration to a holder of Provident common shares until such holder surrenders the certificate(s) representing the Provident common shares for exchange, or, in default thereof, an appropriate affidavit of loss and indemnity agreement and/or a bond as may be reasonably required by Ventas or the exchange and paying agent. Holders of Provident common shares are urged not to surrender their share certificates until they receive the transmittal materials.

If any certificate evidencing Ventas common stock is to be issued in a name other than the name in which the certificate surrendered is registered, it will be a condition of issuance of a certificate for Ventas common stock that the certificate so surrendered be properly endorsed or accompanied by an executed form of assignment separate from the certificate and otherwise in proper form for transfer and that the person requesting the exchange pay transfer or other taxes required by reason of the issuance of a certificate for Ventas common stock in any name other than that of the registered holder of the certificate surrendered, or otherwise establish to the satisfaction of the exchange and paying agent that such tax has been paid or is not payable.

Lost, Stolen or Destroyed Certificates

If any certificate representing Provident common shares have been lost, stolen or destroyed, the holder of such certificate will become entitled to the merger consideration only after signing an affidavit to that effect and delivering a reasonable indemnity or bond to protect Ventas and Merger Sub against claims by another party related to such holder's share certificate.

No Fractional Shares

Neither certificates nor scrip for a fractional share of Ventas common stock will be issued in the merger. Each holder of Provident common shares who otherwise would have been entitled to a fraction

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of a share of Ventas common stock (after taking into account all Provident common shares delivered by the holder) will receive in lieu thereof cash (without interest) in an amount determined by multiplying (1) the fractional share interest to which the holder would otherwise be entitled by (2) the average per share closing price of Ventas common stock as reported on the New York Stock Exchange Composite Transactions reporting system (as published in The Wall Street Journal or, if not published therein, in another authoritative source selected by Ventas and Provident) for the ten trading days ending two days prior to the closing date of the merger. No holder will be entitled to dividends, voting rights or any other rights in respect of any fractional share other than as described in this paragraph.

Withholding Rights

Ventas, Merger Sub and the exchange and paying agent generally shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to the merger agreement to any holder of Provident common shares or Provident LTIP Units such amounts as they are required to deduct and withhold with respect to the making of such payment under the Code, or under any provision of state, local or foreign tax law.

Representations and Warranties

The merger agreement contains representations and warranties made by Provident to Ventas and Merger Sub. These representations and warranties relate to, among other things:

organization, good standing, qualification to do business and trust power;

ownership of subsidiaries;

capital structure and the payment of dividends;

ownership interest in other persons;

authorization to enter into and validity and enforceability of the merger agreement, and board action;

inapplicability of any anti-takeover statute, dissenters' or appraisal rights under Maryland law or, subject to certain exceptions, ownership limits in Provident's organizational documents;

absence of any conflict of the merger agreement with organizational documents, declarations, legal requirements or contracts, and the absence of governmental consents, filings and approvals necessary to complete the merger;

failure of the merger agreement to result in (i) Provident becoming liable for the payment of taxes, (ii) any assets owned by Provident being reassessed or revalued by taxing authorities or other governmental agencies or (iii) any liens being imposed;

accuracy of filings (including financial statements) with the SEC;

absence of undisclosed liabilities;

absence of certain changes or events since December 31, 2004;

absence of material litigation and regulatory actions;

various matters related to real property;

tenant matters;

various environmental matters, including compliance with environmental law;

certain transactions with Provident's trustees, officers and other affiliates;

employee benefit plans;

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matters relating to employees;

tax matters and compliance with certain tax laws, including actions necessary for qualification as a REIT;

condition of Provident's real and personal property;

compliance with legal requirements and permits;

validity, absence of defaults and other matters with respect to leases, loan documents and other material contracts;

the Investment Company Act of 1940;

ownership and validity of intellectual property rights;

insurance matters;

completeness and accuracy of books and records;

absence of illegal rebates, gifts, bribes, kickbacks or other similar payments;

certain matters related to properties financed with the proceeds of tax-exempt multifamily housing bonds;

brokers' and finders' fees in connection with the merger agreement;

the opinion of Provident's financial adviser; and

information supplied for use in this proxy statement/prospectus.

The merger agreement also contains representations and warranties made by Ventas and Merger Sub to Provident. These representations and warranties relate to, among other things:

organization, good standing, qualification to do business and corporate or limited liability company power, as applicable;

ownership of subsidiaries;

capital structure and the payment of dividends;

authorization to enter into and validity and enforceability of the merger agreement, and board action;

the absence of any conflict of the merger agreement with organizational documents, legal requirements or contracts, and the absence of governmental consents, filings and approvals necessary to complete the merger;

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failure of the merger agreement to result in (i) any assets owned by Ventas or Merger Sub being reassessed or revalued by taxing authorities or other governmental agencies or (ii) any liens being imposed;

accuracy of filings (including financial statements) with the SEC;

absence of certain changes or events since December 31, 2004;

absence of material litigation and regulatory actions;

certain transactions with Ventas's trustees, officers and other affiliates;

tax matters;

compliance with legal requirements;

validity, absence of defaults and other matters with respect to material contracts;

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the Investment Company Act of 1940;

insurance matters;

available funds;

operations of Merger Sub;

absence of a Ventas stockholder vote with respect to the merger agreement and the merger;

inquiry and investigation regarding Provident and its subsidiaries, properties and businesses;

brokers' and finders' fees in connection with the merger agreement;

information supplied for use in this proxy statement/prospectus; and

acknowledgment that under the employment agreements between Provident and its executive officers, the merger constitutes a "change of control" followed by the termination of such executive officer's employment by the surviving entity, entitling such officer to certain severance benefits.

Certain of these representations and warranties are qualified as to "materiality" or "material adverse effect." For purposes of the merger agreement, "material adverse effect" means with respect to Provident or Ventas, any event, circumstance or development that has or is reasonably likely to have a material adverse effect on the business, properties, assets, condition (financial or otherwise), results of operations, cash flow, liabilities or operations of Provident or Ventas (as the case may be) and such party's subsidiaries, taken as a whole, or that prevents or materially adversely affects the ability of Provident or Ventas (as the case may be) to perform its obligations under the merger agreement or consummate the merger, other than any adverse effect arising from:

changes in general national or international financial or economic conditions, but only to the extent such changes have a comparable effect on Provident or Ventas (as the case may be) and such party's subsidiaries as on other companies in Provident's and Ventas's industry generally;

changes in legal requirements;

changes in GAAP;

the engagement by the United States in hostilities, or the occurrence of any military or terrorist attack upon or within the United States or its territories, diplomacies, military installations, equipment or personnel; or

the announcement or pendency of the transactions contemplated by the merger agreement.

The representations and warranties in the merger agreement do not survive the effective time of the merger and, except as described below under " Termination Fee and Expense Reimbursement," if the agreement is validly terminated, neither party will have any liability or obligation for its representations and warranties, or otherwise under the merger agreement, unless the party has breached any representation, warranty or covenant contained therein.

Principal Covenants

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Each of the parties has agreed to certain covenants in the merger agreement concerning the conduct of its respective businesses between the date the merger agreement was signed and the completion of the merger. The following summarizes the more significant of these covenants.

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Conduct of Provident's Business Before the Merger

Provident has agreed that, prior to the effective time of the merger, it will, and will cause its subsidiaries to, subject to certain exceptions, or as expressly permitted by the merger agreement or consented to in writing by Ventas:

conduct its business in the ordinary course and in material compliance with all legal requirements and in substantially the same manner as previously conducted;

use reasonable efforts to preserve intact its business organizations and goodwill and keep available the services of its officers and employees;

maintain its books and records in accordance with GAAP and not change any of its methods, principles or practices of accounting in effect at December 31, 2004, except as may be required by GAAP;

use reasonable efforts to maintain insurance in such amounts and against such risks and losses as in effect on the date of the merger agreement;

perform in all material respects all its obligations under its material contracts and permits, and enforce its material rights under its material contracts, unless, in its good faith judgment after consultation with Ventas, it determines that enforcement of such rights is not advisable;

continue to maintain, in all material respects, its properties in accordance with present practices in a condition, taken as a whole, reasonably suitable for their current use;

subject to certain exceptions, make distributions at times and in amounts sufficient to permit Provident to elect to be treated as a REIT, and to maintain in effect Provident's status following such election as a REIT under the Code;

timely elect that Provident be treated as a REIT, and maintain in effect Provident's status as a REIT under the Code following such election;

file all tax returns and reports when due (taking into account all permitted extensions) and timely pay all taxes when due other than taxes that are being contested in good faith where Provident or the applicable subsidiary has set aside on its books and records adequate reserves; and

keep and perform, in all material respects, its obligations under the documents relating to its tax-exempt multifamily housing bonds.

In addition, Provident has agreed that, prior to the merger, it will not, and will cause its subsidiaries not to, subject to certain exceptions or as expressly permitted by the merger agreement or consented to in writing by Ventas:

incur, become subject to or assume or agree to incur, become subject to or assume any liability or indebtedness, other than liabilities in the ordinary course of business (including the payment of regular quarterly dividends and regular quarterly distributions per unit of limited partner interest in Provident OP) and indebtedness under existing lines of credit in the ordinary course of business;

make any loans, advances or capital contributions to, or investments in, any other person (other than to wholly owned subsidiaries or travel advances in the ordinary course of business);

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except pursuant to a written commitment or contractual obligation in existence on the date of the merger agreement, sell, lease, mortgage, subject to lien or property restrictions, or otherwise dispose of, any property or other assets, excluding any lien or property restriction that is not material to the applicable asset and excluding sales of property that do not exceed \$100,000 individually or \$500,000 in the aggregate;

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pay, discharge or satisfy any material liabilities, other than the payment, discharge or satisfaction, in the ordinary course of business, or in accordance with their terms, of liabilities reflected or reserved against in Provident's audited financial statements, or incurred since December 31, 2004 in the ordinary course of business;

modify, amend or terminate any material contract of Provident or any of its subsidiaries (other than the tax matters agreements between Provident and each of Brookdale and Alterra (which we refer to in this proxy statement/prospectus as the Tax Matters Agreements) and the stock purchase agreements between Provident each of Brookdale and Alterra (which we refer to in this proxy statement/prospectus as the Stock Purchase Agreements)) or any contract pursuant to which Provident's financial advisers are entitled to receive the fees specified in such contract or otherwise increase the fees payable to Provident's financial advisers or waive, release or assign any material rights or material claims thereunder, or enter into any new material contracts;

modify, amend or terminate, or make any indemnification claims under (except to the extent necessary to preserve any claims or rights thereunder) or waive, release or assign any material rights or material claims under, the Tax Matters Agreements or the Stock Purchase Agreements;

modify, amend or terminate, or (except as otherwise provided in the Agreement Regarding Leases with Brookdale dated as of October 19, 2004, as amended, or the Agreement Regarding Leases with Alterra dated as of October 20, 2004, as amended) release any security deposit under, any property lease, or waive, release or assign any rights or claims thereunder;

except pursuant to a written commitment or contractual obligation in existence on the date of the merger agreement, make or agree to make any single capital expenditure in excess of \$100,000 or capital expenditures in excess of \$500,000 in the aggregate;

except pursuant to a written commitment or contractual obligation in existence on the date of the merger agreement, (i) acquire, enter into any option to acquire, exercise an option or other right or election, or enter into any other commitment for the acquisition of any real property or other transaction involving nonrefundable deposits in excess of \$100,000 individually or \$500,000 in the aggregate, (ii) commence construction of, or enter into any commitment to develop or construct, other real estate projects, or (iii) enter into any lease or incur or commit to incur any tenant allowances or landlord funded construction expenditures related thereto;

merge or consolidate with, acquire all or substantially all the assets of, or acquire the beneficial ownership of a majority of the outstanding capital stock or other equity interest in any person (other than any subsidiary of Provident) or division thereof; or

do anything within its control to cause or effect a default under any of the documents related to tax-exempt multifamily housing bonds in any material respect or adversely affect in any material respect the exclusion from gross income of interest on such bonds, and shall promptly send to Ventas copies of all notices and correspondence from any bond trustee, bond issuer or regulatory authority;

amend Provident's organizational documents or the articles of incorporation, by-laws, partnership agreement, joint venture agreement or comparable charter or organization document of Provident or any of its subsidiaries;

except for regular quarterly distributions of up to \$0.34 per Provident common share per quarter to the holders thereof for the quarter ended March 31, 2005 and for each subsequent quarter ending prior to the effective time of the merger, a distribution per Provident OP unit in the same amount as a dividend per Provident common share for the quarter ended March 31, 2005 and for each quarter thereafter ending prior to the effective time of the merger and a special dividend on the last business day prior to the effective time of the merger, declare, set aside or

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pay any dividend or other distribution payable in cash, shares, stock or property with respect to Provident common shares or the capital stock of any of Provident's subsidiaries;

redeem, purchase or otherwise acquire directly or indirectly any Provident common shares (or options, warrants, calls, commitments or rights of any kind to acquire any shares of beneficial interest of Provident) or capital stock of any of Provident's subsidiaries, except for deemed transfers of Provident excess shares required under Provident's declaration of trust in order to preserve the status of Provident as a REIT under the Code;

except for the issuance of up to 331,250 Provident LTIP Units or Provident common shares upon conversion of such Provident LTIP Units, issue, sell, pledge, dispose of or encumber any additional shares of, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of beneficial interest or capital stock of any class of Provident or any of its subsidiaries;

split, combine or reclassify the outstanding Provident common shares or capital stock of Provident's subsidiaries;

make any loan or advance to, or payment (including with respect to outstanding indebtedness) for the benefit of, any direct or indirect beneficial owner of any Provident common shares, other than payment of salary and benefits to employees and payment of fees and expenses of trustees, in the ordinary course of business, and certain advances;

permit any defensive measures to be applicable to the merger and the transactions contemplated by the merger agreement;

increase the compensation or benefits payable or to become payable to trustees, directors, or officers of Provident or any of its subsidiaries or pay any benefit not required by any plan and arrangement in effect as of the date of the merger agreement;

increase the compensation or benefits payable or to become payable to employees of Provident or any of its subsidiaries;

except for the issuance of up to 331,250 Provident LTIP Units, adopt any new employee plan or grant any award under, or amend or otherwise increase, or accelerate the payment or vesting of the amounts payable or to become payable under, any existing employee plan;

enter into or modify or amend any employment or severance agreement with or grant any severance or termination rights to any officer, trustee, director or employee;

make any loan to any trustee, director, executive officer or employee (other than travel advances in the ordinary course of business);

engage in a transaction with, or enter into, amend, modify, terminate, waive or take any similar action with respect to any contract with, any officer, trustee (or person occupying a similar position in any other entity) or affiliate of Provident or any of its subsidiaries, any member of the immediate family of any of the foregoing or any entity of which any of the foregoing is an affiliate;

settle or otherwise compromise any shareholder derivative or class action claims arising out of or in connection with any of the transactions contemplated by the merger agreement or any material litigation, arbitration or other judicial or administrative dispute or proceeding relating to Provident or any of its subsidiaries or any of their respective assets;

make or rescind any express or deemed election relative to taxes or alter any method of tax accounting;

enter into any tax sharing, tax indemnity or tax protection agreement;

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settle, compromise, enter into, or agree to enter into a closing agreement or settle any material federal, state, local or foreign tax liability;

extend the statute of limitations with respect to any taxes of Provident or any of its subsidiaries;

engage in any action that could reasonably be expected to cause Provident to fail to continue to qualify as a REIT;

make any payments or incur any liability or obligation for the purpose of obtaining any consent from any person to the merger, other than (i) filing fees paid to governmental agencies in connection with the merger and (ii) payments not in excess of \$50,000 in the aggregate;

waive the benefits of, or agree to modify in any material manner, any confidentiality, standstill or similar agreement relating to Provident or any of its subsidiaries;

take any action that would reasonably be expected to result in any of the conditions to the merger not being satisfied;

pay fees and expenses to Provident's financial adviser, other than those fees and expenses which have been previously disclosed to Ventas; and

authorize, recommend, propose or announce an intention to do any of the foregoing prohibited actions, or enter into any contract to do any of the foregoing prohibited actions.

Conduct of Ventas's Business Before the Merger

Ventas has agreed that, prior to the effective time of the merger, Ventas will, and will cause its subsidiaries to, subject to certain exceptions or as expressly permitted by the merger agreement or consented to in writing by Provident:

conduct its business only in the ordinary course of business and in compliance with all legal requirements and in substantially the same manner as previously conducted;

use reasonable efforts to preserve intact its business organizations and goodwill and keep available the services of its officers and employees;

maintain its books and records in accordance with GAAP consistently applied and not change any of its methods, principles or practices of accounting in effect at December 31, 2004, except as may be required by GAAP;

make distributions at times and in amounts sufficient to maintain in effect Ventas's status as a REIT under the Code;

maintain in effect Ventas's status as a REIT under the Code; and

file all tax returns and reports when due (taking into account all permitted extensions) and timely pay all taxes, other than taxes that are being contested in good faith where Ventas or its applicable subsidiary has set aside on its books and records adequate reserves.

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In addition, Ventas has agreed that, prior to the merger, Ventas will not, and will cause each of its subsidiaries not to, subject to certain exceptions or as expressly permitted by the merger agreement or consented to in writing by Provident:

except for regular quarterly distributions of up to \$0.36 per share of Ventas common stock per quarter to the holders thereof for the quarter ended March 31, 2005 and for each subsequent quarter ending prior to the effective time of the merger, a distribution per ETOP unit in the same amount as a dividend per share of Ventas common stock and a special dividend on the last business day prior to the effective time of the merger, declare, set aside or pay any dividend or other distribution payable in cash, shares, stock or property with respect to any shares of capital stock of Ventas or any of its subsidiaries;

amend Ventas's organizational documents or the partnership agreement of ETOP in a manner that adversely affects the holders of Provident common shares or Provident LTIP Units;

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take any action that would reasonably be expected to result in any of the conditions to the merger not being satisfied; and

authorize, recommend, propose or announce an intention to do any of the foregoing prohibited actions, or enter into any contract to do any of the foregoing prohibited actions.

No Solicitation of Proposals from Other Parties

Provident has agreed that, until the effective time of the merger, neither Provident nor any of its subsidiaries will, nor will Provident or any of its subsidiaries permit any of their respective officers, employees, accountants, counsel, financial advisers, brokers, consultants or other representatives to, invite, initiate, solicit or encourage, directly or indirectly, any inquiries, proposals, discussions or negotiations or the making or implementation of any proposal or offer with respect to, or engage in any discussions or negotiations that may reasonably be expected to lead to, or enter into any agreement relating to, any direct or indirect:

merger, consolidation, business combination, reorganization, recapitalization, liquidation, dissolution or similar transaction;

sale, acquisition, tender offer, exchange offer, share exchange or other transaction or series of related transactions that, if consummated, would result in the issuance of securities representing, or the sale, exchange or transfer of, 20% or more of Provident's outstanding common shares or voting equity interests in any of Provident's subsidiaries; or

sale, lease, exchange, mortgage, pledge, transfer or other disposition (which we refer to in this proxy statement/prospectus as a transfer) of any of the assets of Provident or any of its subsidiaries in one or a series of transactions that, if consummated, would result in a transfer of 20% or more of Provident's consolidated assets.

Each of the foregoing transactions is referred to in this proxy statement/prospectus as an "Acquisition Proposal."

Provident has agreed to notify Ventas promptly (but in any event, within 48 hours after a Provident executive officer actually receives notice thereof) if Provident or any of its subsidiaries or representatives receives:

an Acquisition Proposal or any material amendment or change in any previously received Acquisition Proposal;

any request for confidential or nonpublic information or data relating to, or for access to the properties, books or records of, Provident or any of its subsidiaries by any person that has made, or may be considering making, an Acquisition Proposal; or

any oral or written expression that those activities, discussions or negotiations are sought to be initiated or continued with Provident.

In addition, Provident has agreed to keep Ventas informed of the status and the material terms of any such Acquisition Proposal, indication or request.

If Provident's board of trustees receives an unsolicited bona fide written Acquisition Proposal, which was not invited, initiated, solicited or encouraged by Provident or any of its subsidiaries or representatives, Provident may furnish information to, or enter into or participate in discussions or negotiations with, the third party making the proposal if Provident's board of trustees determines in good faith that:

after consultation with and based on the advice of Provident's legal counsel, failure to take such action would be inconsistent with the board of trustees' duties to Provident and its shareholders under Maryland REIT Law; and

a majority of the independent members of Provident's board of trustees determines in good faith, after consultation with Provident's financial advisers (or other national recognized financial advisers) and legal counsel, that (a) such Acquisition Proposal, if consummated, would be superior, from a financial point of view, to Provident shareholders than the proposed merger and more favorable generally to Provident shareholders, (b) financing, in the reasonable judgment of the board of trustees, is capable of being obtained, and (c) such Acquisition Proposal is reasonably capable of being consummated (we refer to such an Acquisition Proposal in this proxy statement/prospectus as a Superior Acquisition Proposal),

provided that Provident complies with all of its obligations under the merger agreement, provides notice to Ventas that information is to be provided or is being provided to and discussions will be entered into with the third party, and enters into a confidentiality agreement with the third party.

Under the merger agreement, Provident's board of trustees and committees thereof may not:

withdraw or modify, or propose to withdraw or modify, in a manner adverse to Ventas or Merger Sub, the approval or recommendation by Provident's board of trustees or any such committee of the merger agreement or the merger; or

approve or recommend, or propose to approve or recommend, any Acquisition Proposal.

Notwithstanding the foregoing, Provident's board of trustees, to the extent required by its fiduciary obligations, as determined in good faith by a majority of the independent members of Provident's board of trustees after consultation with outside counsel, may withdraw or modify, or propose to withdraw or modify, the approval or recommendation by Provident's board of trustees or any such committee of the merger agreement or the merger, or may approve or recommend, or propose to approve or recommend, a Superior Acquisition Proposal, provided that Provident pays to Ventas a termination fee of up to \$13 million and expense reimbursement of up to \$5 million, subject to certain exceptions, as described further below under " Termination Fee and Expense Reimbursement."

Notwithstanding the foregoing, in no event is Provident's board of trustees prevented from complying with Rules 14e-2(a) and 14d-9 under the Exchange Act, if applicable, or making any disclosure to Provident's shareholders as is necessary for Provident's board of trustees to comply with its duties under applicable law.

Amendment to ETOP Limited Partnership Agreement

Concurrent with the completion of the merger, the second amended and restated agreement of limited partnership of ETOP will be amended (which amendment we refer to in this proxy statement/prospectus as the Class D Amendment) to create the ETOP Class D Units for which Provident LTIP Units will be exchanged at the effective time of the merger. The terms of the ETOP Class D Units and the exchange are described below under " OP Contribution Agreements."

Coordination of Dividends

The merger agreement prohibits Provident and Provident OP from making any distribution or dividend without the prior written consent of Ventas, other than:

regular quarterly distributions of up to \$0.34 per Provident common share per quarter for the quarter ended March 31, 2005 and for each subsequent quarter ending prior to the effective time of the merger, with regular declaration and payment dates;

a distribution per Provident OP unit in the same amount as any dividend per Provident common share permitted under the merger agreement, with the same record and payment dates as such dividends on the Provident common shares; and

the special dividend described below.

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The merger agreement also prohibits Ventas and ETOP from making any distribution or dividend without the prior written consent of Provident, other than:

regular quarterly distributions of up to \$0.36 per share of Ventas common stock per quarter for the quarter ended March 31, 2005 and for each subsequent quarter ending prior to the effective time of the merger, with regular declaration and payment dates;

a distribution per ETOP unit in the same amount as any dividend per share of Ventas common stock permitted under the merger agreement, with the same record and payment dates as such dividends on the shares of Ventas common stock; and

the special dividend described below.

The merger agreement provides that each of Ventas and Provident shall declare a special dividend to their respective stockholders with a record date at the close of business on the day before the effective time of the merger, in an amount equal to such party's most recent quarterly dividend rate, multiplied by the number of days since:

the last dividend record date, in the case of Ventas; and

the first day after Provident's most recently completed quarter for which dividends have been paid (or have been declared and are payable), in the case of Provident,

in each case through and including the effective date of the merger, and divided by the actual number of days in the quarter in which such dividend is declared.

Transition Services

Ventas has agreed that, at the closing of the merger, it shall cause Merger Sub as the surviving entity in the merger, to enter into a mutually satisfactory transition services agreement with an entity to be formed by certain of the executive officers of Provident (which we refer to in this proxy statement/prospectus as Newco). The transition services agreement will provide, among other things, that Newco may occupy the premises at 600 College Road East, Suite 3400, Princeton, New Jersey 08540 at no cost until December 31, 2005 and Newco shall have the option at any time prior to November 1, 2005 to assume the lease for such premises as of January 1, 2006. Ventas will also cause Merger Sub to sell Provident's computers and other office equipment currently located at such premises to Newco for \$50,000 (which Provident believes is the approximate liquidation value of such equipment). In addition, Ventas will cause Merger Sub to pay Newco \$50,000 per month until December 31, 2005.

Registration Rights

Ventas has agreed that, at the closing of the merger, it will enter into a registration rights agreement with the holders of ETOP Class D Units. The registration rights agreement will provide, among other things, that Ventas, at its cost, will prepare and file within ten business days (subject to an extension of up to 30 additional days in certain circumstances) after the closing of the merger a resale registration statement covering the shares Ventas common stock into which the ETOP Class D Units are convertible and thereafter use all reasonable efforts to cause the registration statement to be declared effective as soon as possible. Ventas has also agreed to use its reasonable best efforts to keep the registration statement continuously effective for a two-year period, subject to certain exceptions and blackout periods. The registration rights agreement will also provide for Ventas to take all necessary actions to cause the Ventas common stock to be registered pursuant to the resale registration statement to be listed on the New York Stock Exchange not later than the date of the resale registration statement.

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Other Covenants

The merger agreement contains a number of mutual covenants between Ventas and Provident, including covenants relating to:

providing access to each other's books, records and other information;

keeping confidential nonpublic information;

providing notice of certain events;

preparing and filing this proxy statement/prospectus;

using reasonable efforts to do all things required to complete the transactions contemplated by the merger agreement, including reasonable efforts to obtain all waivers, consents and approvals necessary thereto;

preparing and filing any tax returns, questionnaires, applications or other documents to be filed in connection with any taxes; and

informing each other of any communications with governmental agencies and giving each other the opportunity to attend and participate in meetings with governmental agencies.

In addition, the merger agreement requires Provident to:

convene the special meeting;

ensure that the defensive measures do not apply, or become applicable, to the transactions contemplated by the merger agreement and the other agreements related thereto;

upon the written request of Ventas, cause any or all of the trustees or directors and/or officers of each wholly owned subsidiary to resign their positions as of the effective time of the merger; and

deliver to Ventas on or prior to the date of the special meeting a letter identifying affiliates of Provident and use reasonable efforts to cause such affiliates, prior to the closing date, to deliver a written agreement to Ventas in connection with restrictions on affiliates under Rule 145 under the Securities Act.

The merger agreement also requires Ventas to use all reasonable efforts to cause the shares of Ventas common stock issued pursuant to the merger to be listed on the New York Stock Exchange.

Conditions to the Merger

The obligations of Ventas, Merger Sub and Provident to complete the merger are subject to the satisfaction of the following conditions:

the receipt of approval of the merger by the holders of at least a majority of the outstanding Provident common shares entitled to vote at the special meeting;

the absence of any temporary restraining order, preliminary or permanent injunction or other order issued by a court of competent jurisdiction or other legal restraint which prohibits or prevents the consummation of the merger or any of the

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contemplated transactions related to the merger;

the approval for listing on the New York Stock Exchange, subject to official notice of issuance, of the shares of Ventas common stock to be issued in the merger; and

the declaration of the effectiveness by the SEC of the registration statement of which this proxy statement/prospectus is a part and the absence of any stop order suspending the effectiveness of the registration statement or any proceedings for that purpose.

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The obligations of Ventas and Merger Sub to complete the merger are subject to the satisfaction of the following additional conditions, any one or more of which may be waived in writing by Ventas:

Provident's representations and warranties contained in the merger agreement shall have been and shall be true and correct (without giving effect to any "materiality" or "material adverse effect" qualifier) on and as of the date of the merger agreement and on and as of the closing date, with the same force and effect as if made on and as of the closing date (except to the extent the representation or warranty is expressly limited by its terms to another date), unless the failure of such representations and warranties to be true and correct, in the aggregate, would not reasonably be expected to have a material adverse effect on Provident, and Ventas shall have received a certificate signed on behalf of Provident by its chief executive officer or its chief financial officer, in such capacity, to such effect;

Provident shall have performed in all material respects all of its obligations under the merger agreement, and Ventas shall have received a certificate signed on behalf of Provident by its chief executive officer or its chief financial officer, in such capacity, to such effect;

there shall not have been any event, circumstance or development since the date of the merger agreement that has had, is reasonably likely to have or could reasonably be expected to result in a material adverse effect on Provident or that would prevent or materially adversely affect Provident's ability to perform its obligations under the merger agreement;

Ventas shall have received an opinion from Provident's legal counsel, Sidley Austin Brown & Wood LLP, relating to Provident's qualification as a REIT under the Code;

each holder of Provident LTIP Units shall have entered into an OP Contribution Agreement, which shall be in full force and effect, such that after the effective time of the merger, Provident OP shall be wholly owned by the surviving entity of the merger, Ventas and/or ETOP; and

the defensive measures shall not be applicable to the merger and the other transactions contemplated by the merger agreement.

Provident's obligation to complete the merger is subject to the satisfaction of the following additional conditions, any one or more of which may be waived in writing by Provident:

Ventas's representations and warranties contained in the merger agreement shall have been and shall be true and correct (without giving effect to any "materiality" or "material adverse effect" qualifier) on and as of the date of the merger agreement and on and as of the closing date, with the same force and effect as if made on and as of the closing date (except to the extent the representation or warranty is expressly limited by its terms to another date), unless the failure of such representations and warranties to be true and correct, in the aggregate, would not reasonably be expected to have a material adverse effect on Ventas, and Provident shall have received a certificate signed on behalf of Ventas by its chief executive officer or its chief financial officer, in such capacity, to such effect;

Ventas shall have performed in all material respects all of its obligations under the merger agreement, and Provident shall have received a certificate signed on behalf of Ventas by its chief executive officer or its chief financial officer, in such capacity, to such effect;

there shall not have been any event, circumstance or development since the date of the merger agreement that has had, is reasonably likely to have or could reasonably be expected to result in a material adverse effect on Ventas or that would prevent or materially adversely affect the ability of Ventas to perform its obligations under the merger agreement;

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Provident shall have received an opinion from Ventas's legal counsel, Willkie Farr & Gallagher LLP, relating to Ventas's qualification as a REIT under the Code; and

each of the OP Contribution Agreements, the registration rights agreement in favor of the holders of ETOP Class D Units and the Class D Amendment shall be in full force and effect with respect to Ventas and ETOP, as applicable.

Termination of the Merger Agreement

Ventas or Provident may terminate the merger agreement, whether before or after receiving shareholder approval, if:

Ventas and Provident mutually agree in writing to terminate the merger agreement;

any judgment, decree, injunction, rule or order by any governmental agency permanently restraining, enjoining or otherwise prohibiting the merger is issued and such judgment, injunction, order, decree, ruling or other action has become final and non-appealable, unless the terminating party is in material breach of its representations, warranties, covenants or agreements under the merger agreement in any manner that has caused or resulted in the failure to consummate the merger by such date;

the merger fails to receive the requisite vote for approval by Provident's shareholders; or

the merger is not completed by the Termination Date, unless the terminating party is in material breach of its representations, warranties, covenants or agreements under the merger agreement in any manner that caused or resulted in the failure to consummate the merger by the Termination Date.

In addition, Provident may terminate the merger agreement if:

prior to the approval of the merger at the special meeting, Provident's board of trustees approves, and Provident concurrently enters into, a definitive agreement providing for the implementation of a Superior Acquisition Proposal and (i) Provident is not in breach of its non-solicitation covenant in the merger agreement and (ii) concurrently with the termination Provident makes payment of the full termination fee; or

Ventas or Merger Sub breaches any of the representations, warranties, covenants or agreements of Ventas or Merger Sub contained in the merger agreement such that Provident's closing conditions are incapable of being satisfied, and such breach is not cured within 30 days following written notice to Ventas.

Ventas may also terminate the merger agreement if:

(i) Provident's board of trustees withdraws or materially modifies its recommendation of the merger agreement or the merger in a manner adverse to Ventas or its stockholders or resolves to do so, unless such action by Provident's board of trustees results from a material adverse effect on Ventas; (ii) Provident fails to call or hold the special meeting; (iii) Provident intentionally and materially breaches its non-solicitation covenant; (iv) Provident's board of trustees approves or recommends an Acquisition Proposal made by any person other than Ventas or Merger Sub; or (v) Provident enters into a definitive agreement with respect to an Acquisition Proposal with any person other than Ventas or any of its subsidiaries; or

Provident breaches any of its representations, warranties, covenants or agreements contained in the merger agreement such that Ventas's and Merger Sub's closing conditions are incapable of being satisfied, and such breach is not cured within 30 days following written notice to Provident.

Termination Fee and Expense Reimbursement

Provident will pay to Ventas a termination fee of up to \$13 million (subject to the potential escrowing of some or all of such amount as described below under "Escrowed Amounts") and a reimbursement of out-of-pocket expenses equal to Ventas's out-of-pocket expenses incurred in connection with the merger agreement, including all attorneys', accountants', consultants' and investment bankers' fees and expenses and all financing commitment fees, up to \$5 million (subject to the potential escrowing of some or all of such amount as described below under "Escrowed Amounts") if:

Ventas terminates the merger agreement (or Provident terminates the merger agreement at a time when Ventas had the right to terminate the merger agreement) because:

Provident's board of trustees has withdrawn or materially modified its recommendation of the merger agreement or the merger in a manner adverse to Ventas or its stockholders or has resolved to do so, unless such action by Provident's board of trustees resulted from (i) a material adverse effect on Ventas or (ii) the fact that (x) the price per share of Ventas common stock has decreased more than 33% from the closing price per share of Ventas common stock on the trading date immediately prior to the date of the merger agreement, in either case as reported on the New York Stock Exchange Composite Transactions reporting system, (y) the average price of the publicly-traded healthcare REITs set forth in the weekly sector scorecard of Stifel, Nicolaus & Company, Incorporated (excluding Ventas) has not decreased more than 16.5% during the same period, and (z) such decrease in the price per share of Ventas common stock has resulted in the withdrawal by FBR of its fairness opinion;

Provident has failed to call or hold the special meeting;

Provident has intentionally and materially breached its non-solicitation covenant;

Provident's board of trustees has approved or recommended an Acquisition Proposal made by any person other than Ventas or Merger Sub; or

Provident has entered into a definitive agreement with respect to an Acquisition Proposal made by any person other than Ventas or any of its subsidiaries;

Provident terminates the merger agreement because, prior to the approval of the merger at the special meeting, Provident's board of trustees has approved, and Provident has concurrently entered into, a definitive agreement providing for the implementation of a Superior Acquisition Proposal;

an Acquisition Proposal is publicly disclosed or becomes known to Provident's shareholders after the date of the merger agreement, and thereafter Ventas or Provident terminates the merger agreement because Provident's shareholders have failed to approve the merger agreement at the special meeting, and within 12 months following such termination, Provident enters into a definitive agreement providing for, or consummates, an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal which had been received or publicly disclosed at the time of termination of the merger agreement); or

an Acquisition Proposal is publicly disclosed or becomes known to Provident's shareholders, after the date of the merger agreement, and thereafter Ventas or Provident terminates the merger agreement because the merger is not completed by the Termination Date (but only if Provident is then in material breach of its representations, warranties, covenants or agreements under the merger agreement in any manner that has caused or resulted in the failure to consummate the merger on or before the Termination Date), and within 12 months following such termination, Provident enters into a definitive agreement providing for, or consummates, an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal

which had been received or publicly disclosed at the time of termination of the merger agreement).

Notwithstanding the foregoing, Provident shall not be required to pay any such termination fee or reimburse any such expenses if Provident is entitled to terminate the merger agreement because Ventas or Merger Sub has breached any of the representations, warranties, covenants or agreements of Ventas and Merger Sub contained in the merger agreement such that Provident's closing conditions are incapable of being satisfied and such breach is not cured within 30 days following written notice to Ventas.

Escrowed Amounts

If Ventas is unable immediately to receive the full amount of the termination fee or expense reimbursement which is due to it on account of certain REIT or other tax compliance issues, Provident will place the unpaid amount in escrow. Any unpaid amounts will be paid at subsequent times to the extent the payment would not cause Ventas to fail to meet REIT and other specified tax requirements under the Code. Provident's obligation to pay any unpaid portion of the termination fee or the expense reimbursement will terminate on April 12, 2008.

Liquidated Damages

The parties have agreed that the payment of the termination fee and/or expense reimbursement following a termination of the merger agreement in the circumstances described above will constitute compensation and liquidated damages with respect to any claim that Ventas may have against Provident for failure of the merger to be consummated due to the circumstances described above, but shall not be deemed a measure of damages in any circumstances in which payment of the termination fee or expense reimbursement is not provided for under the terms of the merger agreement.

Certain Employee Benefits

The merger agreement provides that, after the effective time of the merger, all employees of Provident will, at Ventas's option, either continue to be eligible to participate in the employee plans then maintained by Provident or be eligible to participate in the same manner as similarly situated Ventas employees in a Ventas employee plan. At the time Provident's employees participate in any employee benefit plan of Ventas, each employee will be given credit under any Ventas employee benefit plan for all service prior to the effective time of the merger with Provident as service rendered to Ventas for purposes of eligibility to participate, vesting and, other than under any defined benefit pension plan, accrual and entitlement to benefits. In addition, with respect to any medical benefits provided by Ventas after the effective time of the merger, Provident's employees whose employment is continued after the merger will not be required to submit to a waiting period for coverage and any coverage that would otherwise be denied due to a preexisting illness or evidence of uninsurability will be provided by Ventas to such employees if they had such coverage under a Provident health plan as of the effective time of the merger, and in the plan year including the effective time of the merger, to the extent permitted by Ventas's insurance carriers or required by applicable legal requirements, credit will be given to any such person for any co-payments, deductibles or out-of-pocket expenses paid or incurred by such person under such a plan during the portion of the relevant plan year preceding the effective time of the merger. Ventas is under no obligation to continue the employment of any of Provident's employees. Furthermore, Ventas may amend or terminate any employee benefit plan sponsored or maintained by Ventas at any time after the date of the merger agreement, and Provident may, after the effective time of the merger, amend or terminate any employee plan. Ventas has agreed to pay, or to cause Merger Sub, as the surviving entity in the merger, to assume and pay, at the effective time of the merger, the severance obligations of Provident.

Indemnification

In the merger agreement, Ventas has agreed to cause Merger Sub, the surviving entity in the merger, from and after the effective time of the merger, to provide exculpation and indemnification for each present and former officer, director or trustee of Provident or its subsidiaries to the same extent as currently provided in Provident's declaration of trust, bylaws and indemnification agreements. In addition, Ventas has agreed that, at or prior to the effective time of the merger, the surviving entity will purchase "run off" directors' and officers' liability insurance coverage for Provident's trustees and officers for a period of six years following the effective time, which will provide the trustees and officers with the coverage amount and other terms comparable to those currently provided by Provident (including advancement of expenses, if so provided). However, in fulfilling such insurance obligations, the surviving entity shall not be required to expend more than \$450,000 in the aggregate to obtain and maintain insurance coverage for the six-year period. If the cost of such insurance is greater than \$450,000 in the aggregate, the surviving entity is required to obtain and maintain insurance coverage on comparable terms that provides the maximum coverage that is then available for such six-year period for \$450,000 in the aggregate.

Amendment

The merger agreement may be amended by the parties in writing by action of their board of directors or trustees, as the case may be, at any time before or after approval by Provident's shareholders, but after shareholder approval is received, no amendment may be made which reduces the merger consideration or the consideration for the contribution of Provident LTIP Units or by law requires further approval of shareholders without, in either case, obtaining such further shareholder approval.

OP Contribution Agreements

In order to induce Ventas and Merger Sub to enter into the merger agreement, on April 12, 2005, each holder of Provident LTIP Units entered into an OP Contribution Agreement with Ventas and ETOP. Pursuant to the OP Contribution Agreements, each holder of Provident LTIP Units has agreed to contribute all Provident LTIP Units held by him or her as of the date of his or her OP Contribution Agreement to ETOP at the effective time of the merger in exchange for the issuance to such holder of 0.8022 of an ETOP Class D Unit for each Provident LTIP Unit. Each Provident LTIP Unit holder has also agreed to convert any Provident LTIP Units issued to it after the date of the OP Contribution Agreement into shares of Provident common shares prior to the effective time of the merger. Accordingly, concurrent with the completion of the merger, 430,250 Provident LTIP Units (representing all Provident LTIP Units outstanding on the date of the OP Contribution Agreements) will be exchanged for 345,147 ETOP Class D Units, which are convertible into an aggregate of 345,147 shares of Ventas common stock. In addition, 331,250 Provident LTIP Units will be issued at the closing of the merger and converted into 331,250 Provident common shares prior to the effective time of the merger. Provident may execute and deliver instruments of contribution or conversion on behalf of each Provident LTIP Unit holder, if necessary, at the effective time of the merger.

At the effective time of the merger, ETOP and each Provident LTIP Unit holder will enter into the Class D Amendment to create the ETOP Class D Units to be issued to such Provident LTIP Unit holder and to admit such holder as a limited partner of ETOP. The Class D Amendment must provide, among other things, that (i) each ETOP Class D Unit shall be convertible at any time, at the holder's election, initially into one (1) share of Ventas common stock (subject to customary adjustments for stock splits, dividends, etc.); (ii) upon a liquidation of ETOP, distributions shall be made to holders of the ETOP Class D Units in accordance with their respective capital accounts (with capital accounts subject to the usual book-up provisions); (iii) each ETOP Class D Unit shall be freely transferable by the holders thereof subject only to (A) federal and applicable state securities laws (and that the only requirement to any transferee being admitted as a limited partner in ETOP shall be the execution of a

counterpart to ETOP's limited partnership agreement) and (B) ETOP not becoming classified as a "publicly traded partnership" within the meaning of Section 7704 of the Code as a consequence of such transfer; (iv) each holder of an ETOP Class D Unit shall be entitled to at least 30 days advance notice prior to the scheduled closing date in the event that ETOP intends to sell or otherwise dispose of any of the properties acquired pursuant to the Stock Purchase Agreements in a manner that would result in taxable income or gain being allocated to such holder in accordance with the requirements of Section 704(c) of the Code; and (v) after the first anniversary of the grant of the ETOP Class D Units, ETOP may elect to cause the redemption of such ETOP Class D Units for the number of shares of Ventas common stock that such ETOP Class D Units could then be converted into.

The Class D amendment will also provide that each ETOP Class D Unit shall entitle the holder thereof to distributions equal to the dividends payable on one (1) share of Ventas common stock at the same time as such dividends are payable and for the same periods covered by such dividends. ETOP Class D Units will be allocated federal taxable income of ETOP each taxable year in an amount equal to (i) the amount of cash so distributed to such ETOP Class D Units with respect to such taxable year, plus (ii) the amount of any aggregate net losses of ETOP allocated to such ETOP Class D Units in prior taxable years. For this purpose, amounts distributed in accordance with Ventas's dividend policy after the close of a taxable year, but declared prior to the close of such taxable year, will be taken into account in determining the federal taxable income to be allocated to the ETOP Class D Units with respect to such taxable year. The Class D Amendment may not include any provision adversely affecting the rights of any holder described above and must provide that such rights may not be amended with respect to a holder without such holder's consent.

Each Provident LTIP Unit holder agreed that, during the period from the date of the OP Contribution Agreement through the earlier of the effective time of the merger and the expiration date of the OP Contribution Agreement, such holder may not cause or permit any transfer of any of the contributed Provident LTIP Units to be effected without Ventas's prior written consent. Nonetheless, each Provident LTIP Unit holder may transfer all or a portion of the contributed Provident LTIP Units to any legal entity or trust (or other custodianship), the stockholders, partners, members or trustees, as the case may be, of which include and may include only the Provident LTIP Unit holder and (x) his spouse, (y) his parent or sibling or (z) the lineal descendants of the Provident LTIP Unit holder or of the spouse of such descendant, without Ventas's consent, provided that such transferee agrees to be bound by the OP Contribution Agreement as a holder.

Additionally, Ventas, ETOP and each Provident LTIP Unit holder agreed not to take any actions inconsistent with the applicable OP Contribution Agreement. Ventas, ETOP and each Provident LTIP Unit holder agreed to execute and deliver any additional agreements necessary or desirable, in Ventas's and Provident's reasonable opinion, to carry out the intent of the OP Contribution Agreement.

The OP Contribution Agreements also contain provisions relating to, among other things, representations and warranties by each party thereto and specific performance of the OP Contribution Agreements. The OP Contribution Agreements terminate upon the termination of the merger agreement in accordance with its terms.

The ETOP Class D Units to be issued pursuant to the OP Contribution Agreements and the shares of Ventas common stock to be issued upon conversion of such ETOP Class D Units will be restricted securities.

In addition, Ventas has agreed to enter into a registration rights agreement to register the shares of Ventas common stock into which the ETOP Class D Units will be convertible. See " Merger Agreement Principal Covenants Registration Rights."

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS OF THE MERGER

The following is a general discussion of certain material U.S. federal income tax consequences of the merger. Except as provided herein, the portion of this discussion pertaining to the merger is limited to "U.S. Shareholders" who hold their Provident common shares, and who will hold their shares of Ventas common stock received in the merger, as capital assets for U.S. federal income tax purposes (in general, as an asset held for investment). A "U.S. Shareholder" is a Provident shareholder that participates in the merger and that is (i) an individual who is a citizen or resident of the United States for U.S. federal income tax purposes; (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more U.S. fiduciaries have the authority to control all substantial decisions relating to the trust or a trust that has a valid election in effect under application U.S. federal income tax law to be treated as a U.S. person. A "Non-U.S. Shareholder" is a Provident shareholder who is not a U.S. Shareholder and who holds Provident common shares, and who will hold shares of Ventas common stock received in the merger, as capital assets for U.S. federal income tax purposes (in general, as an asset held for investment).

This discussion considers neither the specific facts and circumstances that may be relevant to a particular shareholder nor any U.S. state and local or non-U.S. tax consequences of the merger. Moreover, except as provided herein, this discussion does not address special situations, such as the following:

tax consequences to shareholders who may be subject to special tax treatment, such as tax-exempt entities, dealers in securities or currencies, banks, other financial institutions or "financial services entities," insurance companies, regulated investment companies, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, certain expatriates or former long-term residents of the United States or corporations that accumulate earnings to avoid U.S. federal income tax;

tax consequences to persons holding Provident common shares as part of a hedging, integrated, constructive sale or conversion transaction or a straddle or other risk reduction transaction; and

tax consequences to partnerships or similar pass-through entities or to persons who hold Provident common shares, through a partnership or similar pass-through entity.

If a partnership or other entity taxable as a partnership for U.S. federal income tax purposes holds Provident common shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Such partners are urged to consult their tax advisers. This discussion is based upon current provisions of the Code, existing and proposed regulations thereunder and current administrative rulings and court decisions, all as in effect on the date hereof. All of the foregoing are subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion.

ALL SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS REGARDING THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS TO THEIR PARTICULAR CIRCUMSTANCES.

Consequences to Provident's U.S. Shareholders of the Merger

Exchange of Provident Common Shares for Ventas Common Stock and Cash

Ventas and Provident intend that the merger qualify for U.S. federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Code. Neither Provident nor Ventas intends to request a ruling from the Internal Revenue Service (which we refer to in this proxy statement/prospectus as the IRS) regarding the U.S. federal income tax consequences of the merger. Consequently, there can be no certainty that the IRS will not challenge the characterization of the merger or that a court would not sustain such a challenge. See "Alternative Characterization" below.

Assuming that the merger is treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code, the material U.S. federal income tax consequences to a U.S. Shareholder of the exchange of Provident common shares for Ventas common stock and cash pursuant to the merger generally will be as follows:

A Provident shareholder will realize gain equal to the excess, if any, of the fair market value of the Ventas common stock and the amount of cash received over that shareholder's adjusted tax basis in the Provident common shares exchanged by the shareholder in the merger, but will recognize any such gain only to the extent of cash received in the merger (excluding cash received instead of fractional shares, which will be taxed as described below). For this purpose, a Provident shareholder must calculate gain or loss separately for each identifiable block of Provident common shares exchanged by the shareholder in the merger, and the Provident shareholder may not offset a loss realized on one block of its Provident common shares against a gain recognized on another block of its Provident common shares.

A Provident shareholder will not be permitted to recognize any loss realized in the merger (except possibly in connection with cash received instead of a fractional share, as discussed below).

The gain recognized by a Provident shareholder in the merger generally will constitute capital gain, unless, as discussed below, the shareholder's receipt of cash has the effect of a distribution of a dividend for U.S. federal income tax purposes, in which case the shareholder's gain will be treated as ordinary dividend income to the extent of the shareholder's ratable share of accumulated earnings and profits as calculated for U.S. federal income tax purposes.

Any capital gain recognized by a Provident shareholder generally will constitute short-term capital gain if the shareholder's holding period for the Provident common shares exchanged in the merger is one year or less as of the date of the merger.

The aggregate tax basis of the shares of Ventas common stock received by a Provident shareholder (including, for this purpose, any fractional share of Ventas common stock for which cash is received) in exchange for Provident common shares in the merger will be the same as the aggregate tax basis of the shareholder's Provident common shares, decreased by the amount of cash received by the shareholder in the merger (excluding any cash received instead of a fractional share) and increased by the amount of gain recognized by the shareholder in the merger (including any portion of the gain that is treated as a dividend and excluding any gain recognized as a result of cash received instead of a fractional share).

The holding period of the shares of Ventas common stock received by a Provident shareholder in the merger will include the holding period of the shareholder's Provident common shares.

Possible Treatment of Cash as a Dividend

In general, the determination of whether gain recognized by a Provident shareholder will be treated as capital gain or a dividend distribution will depend upon whether, and to what extent, the

merger reduces the Provident shareholder's deemed percentage stock ownership interest in Ventas. For purposes of this determination, a Provident shareholder will be treated as if the shareholder first exchanged all of its Provident common shares solely for Ventas common stock (instead of the combination of Ventas common stock and cash actually received) and then Ventas immediately redeemed a portion of that Ventas common stock in exchange for the cash the shareholder received in the merger. The gain recognized in the exchange followed by the deemed redemption will be treated as capital gain if, with respect to the Provident shareholder, the deemed redemption is "substantially disproportionate" or "not essentially equivalent to a dividend."

In general, the deemed redemption will be "substantially disproportionate" with respect to a Provident shareholder if the percentage described in (2) below is less than 80% of the percentage described in (1) below. Whether the deemed redemption is "not essentially equivalent to a dividend" with respect to a Provident shareholder will depend on the shareholder's particular circumstances. In order for the deemed redemption to be "not essentially equivalent to a dividend," the deemed redemption must result in a "meaningful reduction" in the Provident shareholder's deemed percentage stock ownership of Ventas common stock. In general, that determination requires a comparison of (1) the percentage of the outstanding voting stock of Ventas that the Provident shareholder is deemed actually and constructively to have owned immediately before the deemed redemption by Ventas and (2) the percentage of the outstanding voting stock of Ventas actually and constructively owned by the shareholder immediately after the deemed redemption by Ventas. In applying the foregoing tests, a shareholder may, under constructive ownership rules, be deemed to own stock in addition to stock actually owned by the shareholder, including stock owned by other persons and stock subject to an option held by such stockholder or by other persons. Because the constructive ownership rules are complex, each Provident shareholder should consult its own tax adviser as to the applicability of these rules.

The IRS has ruled that a minority stockholder in a publicly traded corporation whose relative stock interest is minimal and who exercises no control with respect to corporate affairs is considered to have a "meaningful reduction" if that stockholder has any reduction in its percentage stock ownership under the foregoing analysis. The analysis of that ruling appears equally applicable to a corporation having stock as widely held as Provident.

Cash Received in Lieu of a Fractional Share

A Provident shareholder that receives cash in lieu of a fractional share of Ventas common stock in the merger generally will recognize capital gain or loss based on the difference between the amount of cash in lieu of a fractional share received by the shareholder and the shareholder's basis in the fractional share.

Alternative Characterization

If the merger fails to qualify as a reorganization within the meaning of Section 368(a) of the Code, the material U.S. federal income tax consequences to a U.S. Shareholder of the exchange of Provident common shares for Ventas common stock and cash pursuant to the merger generally will be as follows:

regardless of Provident's status as a REIT, a Provident shareholder would recognize gain or loss, as applicable, equal to the difference between (i) the aggregate fair market value of the Ventas common stock and the cash received in the merger and (ii) that shareholder's adjusted tax basis in the Provident common shares exchanged by the shareholder in the merger;

if Ventas exercised an option under the merger agreement to convert the merger into a "reverse merger," Provident would not recognize a gain in the merger; and

if Ventas did not exercise the option described in the preceding point, whether or not Provident qualified as a REIT, Provident would generally recognize gain or loss on all or a significant portion of its assets deemed transferred to Ventas and Ventas, as its successor, would incur a very significant current tax liability.

If Provident were to fail to qualify as a REIT, but the merger were to qualify as a reorganization within the meaning of Section 368(a) of the Code, Ventas would be subject to tax if during the ten years following the merger Ventas were to dispose of any asset that was acquired from Provident in the merger. In this event, Ventas would generally be subject to tax at the highest regular corporate rate on the built-in gain, if any, that existed with respect to such asset at the time of the merger.

Backup Withholding

Backup withholding at the applicable rate (currently 28%) may apply with respect to certain payments, including cash received in the merger, unless a Provident shareholder (1) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (2) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A Provident shareholder who does not provide its correct taxpayer identification number may be subject to penalties imposed by the IRS. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the shareholder's U.S. federal income tax liability, provided the stockholder furnishes certain required information to the IRS.

Recordkeeping

A Provident shareholder will be required to retain records pertaining to the merger and will be required to file with such Provident shareholder's U.S. federal income tax return for the year in which the merger takes place a statement setting forth certain facts relating to the merger.

Pre-Merger Dividend

Provident will, immediately before the merger, pay a dividend to the holders of Provident common shares in the amount set forth in "The Merger Agreement and the OP Contribution Agreements Merger Agreement Principal Covenants Coordination of Dividends." These dividends will be includible in the U.S. Shareholder's taxable income in accordance with the normal rules applicable to dividends received from REITs.

Certain FIRPTA Withholding Matters Related to Non-U.S. Shareholders in the Merger

Under the provisions of the Foreign Investment in Real Property Tax Act of 1980 (which we refer to in this proxy statement/prospectus as FIRPTA), the merger consideration to be received by Non-U.S. shareholders in disposing of their Provident common shares in the merger will be subject to a 10% withholding tax, unless Provident is a "domestically controlled REIT." A REIT is a "domestically controlled REIT" if, at all times during the five-year period preceding the relevant testing date, less than 50% in value of its shares is held directly or indirectly by Non-U.S. Shareholders (taking into account those persons required to include the REIT's dividends in income for U.S. federal income tax purposes). In the merger agreement, Provident has represented to Ventas that Provident is a domestically controlled REIT. Included with the letter of transmittal to be sent to the holders of Provident common shares will be IRS Forms W-9, W-8BEN and W-8IMY and forms of affidavits of non-foreign status that complies with Treasury Regulation Section 1.1445-2(b). If Ventas determines, either based on the return of such completed forms or otherwise, that Provident may not be a domestically controlled REIT, then Ventas may withhold 10% of the merger consideration payable to

Non-U.S. Shareholders and remit such amounts to the IRS. Non-U.S. Shareholders are urged to consult with their tax advisors regarding the consequences to them from withholding under FIRPTA.

This discussion is not intended to be, and should not be construed to be, legal or tax advice to any particular Provident shareholder. Tax matters regarding the merger are very complicated, and the tax consequences of the merger to any particular Provident shareholder will depend on that shareholder's particular situation. Provident shareholders should consult their own tax advisers regarding the specific tax consequences of the merger, including tax return reporting requirements, the applicability of federal, state, local and foreign tax laws and the effect of any proposed change in the tax laws to them.

**CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS OF OWNING
VENTAS COMMON STOCK**

This section summarizes material U.S. federal income tax considerations that you may consider relevant as a holder of Ventas common stock. The discussion does not address all aspects of taxation that may be relevant to particular shareholders in light of their personal investment or tax circumstances, or to certain types of shareholders that are subject to special treatment under the federal income tax laws, such as insurance companies, tax-exempt organizations (except to the extent discussed below under "Taxation of Tax-Exempt Stockholders"), financial institutions, investors in pass-through entities or broker-dealers, and non-U.S. individuals and foreign corporations (except to the extent discussed below under "Taxation of Non-U.S. Stockholders").

The opinion of Willkie Farr & Gallagher LLP (which we refer to in this proxy statement/prospectus as the Tax Opinion) referred to below and the statements in this section are based on the current federal income tax laws governing qualification as a REIT, including certain REIT-related provisions contained in the American Jobs Creation Act of 2004 (which we refer to in this proxy statement/prospectus as the 2004 Jobs Act), which was enacted on October 22, 2004. The federal income tax laws governing the federal income tax treatment of REITs are highly technical and complex, and this summary is qualified in its entirety by the applicable provisions of the Code, rules and Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, as in effect on the date hereof. Ventas cannot assure you that new laws, interpretations of law or court decisions, any of which may take effect retroactively, will not cause any statement in this section to be inaccurate.

WE URGE YOU TO CONSULT YOUR OWN TAX ADVISER REGARDING THE SPECIFIC TAX CONSEQUENCES TO YOU OF THE PURCHASE, OWNERSHIP AND SALE OF VENTAS COMMON STOCK AND OF RISKS ASSOCIATED WITH QUALIFYING AS A REIT. SPECIFICALLY, YOU SHOULD CONSULT YOUR OWN TAX ADVISER REGARDING THE FEDERAL, STATE, LOCAL, FOREIGN, AND OTHER TAX CONSEQUENCES OF OWNING AND SELLING STOCK, AND REGARDING POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

Taxation of Ventas

Ventas elected REIT status beginning with the year ended December 31, 1999. Beginning with the 1999 tax year, Ventas believes that it has satisfied the requirements to qualify as a REIT. Ventas intends to continue to qualify as a REIT for U.S. federal income tax purposes. If Ventas continues to qualify for taxation as a REIT, it generally will not be subject to federal corporate income tax on net income that it currently distributes to its stockholders. This treatment substantially eliminates the "double taxation" (i.e., taxation at both the corporate and stockholder levels) that generally results from investment in a corporation.

The Tax Opinion from Willkie Farr & Gallagher LLP will be issued to Provident as a condition to Provident's obligation to consummate the merger. This opinion states that Ventas was organized and has operated in conformity with the requirements for qualification and taxation as a REIT under the Code for its taxable year ended December 31, 2004, and its proposed method of operation will enable Ventas to continue to meet the requirements for qualification and taxation as a REIT. This section discusses the laws governing the federal income tax treatment of a REIT and its shareholders.

You should be aware that the Tax Opinion will be based upon customary assumptions, is conditioned upon certain representations made by Ventas as to factual matters, including representations regarding the nature of Ventas's properties and the conduct of its business, and is not binding upon the IRS or any court. In addition, the Tax Opinion is based on current federal income tax law governing qualification as a REIT, which is subject to change either prospectively or retroactively. Moreover, Ventas's qualification and taxation as a REIT depends upon Ventas's ability to meet on a

continuing basis, through actual annual operating results, certain qualification tests set forth in the federal tax laws. Those qualification tests involve the percentage of income that Ventas earns from specified sources, the percentage of its assets that falls within specified categories, the diversity of its share ownership, and the percentage of its earnings that Ventas distributes. Willkie Farr & Gallagher LLP will not review Ventas's compliance with those tests on a continuing basis. Accordingly, no assurance can be given that the actual results of Ventas's operations for any particular taxable year will satisfy such requirements. For a discussion of the tax consequences of Ventas's failure to qualify as a REIT, see " Requirements for Qualification as a REIT Failure to Qualify" below.

If Ventas qualifies as a REIT, it generally will not be subject to federal income tax on the taxable income that it distributes to its stockholders. The benefit of that tax treatment is that it avoids the "double taxation," or taxation at both the corporate and stockholder levels, that generally results from owning shares in a corporation. However, Ventas will be subject to federal income tax in the following circumstances:

Ventas will pay federal income tax on taxable income, including net capital gain, that Ventas does not distribute to stockholders during, or within a specified time period after, the calendar year in which the income is earned.

Ventas may be subject to the "alternative minimum tax" on any items of tax preference that it does not distribute or allocate to stockholders.

Ventas will pay income tax at the highest corporate rate on net income from the sale or other disposition of property acquired through foreclosure (which we refer to in this proxy statement/prospectus as foreclosure property) that Ventas holds primarily for sale to customers in the ordinary course of business, and other non-qualifying income from foreclosure property.

Ventas will pay a 100% tax on net income from sales or other dispositions of property, other than foreclosure property, that Ventas holds primarily for sale to customers in the ordinary course of business.

If Ventas fails to satisfy the 75% gross income test or the 95% gross income test, as described below under " Requirements for Qualification as a REIT Income Tests," and nonetheless continues to qualify as a REIT because it meets other requirements, Ventas will pay a 100% tax on the greater of (a) the amount by which Ventas fails the 75% gross income test and (b) the excess of 90% of its gross income over the amount of the income attributable to sources that qualify under the 95% gross income test, multiplied by a fraction intended to reflect Ventas's profitability. Pursuant to the 2004 Jobs Act, the reference in clause (b) above to 90% of Ventas's gross income would be changed to 95% of its gross income, effective for its taxable years beginning with 2005.

If Ventas fails to satisfy the REIT asset tests, as described below under " Requirements for Qualification as a REIT Asset Tests," and such failure is due to reasonable cause and not willful neglect, then, in certain situations, Ventas will be subject to a tax equal to the greater of (i) \$50,000 and (ii) the product derived by multiplying the highest federal corporate income tax rate by the net income generated by the non-qualifying assets during the period of the failure. Pursuant to the 2004 Jobs Act, this provision is effective beginning with Ventas's 2005 taxable year.

If Ventas fails to satisfy one or more requirements for REIT qualification, other than the gross income tests and asset tests as described below under " Requirements for Qualification as a REIT," and such failure is due to reasonable cause and not willful neglect, then Ventas may avoid disqualification as a REIT if it pays a penalty of \$50,000 for each such failure. Pursuant to the 2004 Jobs Act, this provision is effective beginning with Ventas's 2005 taxable year.

If Ventas fails to distribute during a calendar year at least the sum of (i) 85% of Ventas's REIT ordinary income for the year, (ii) 95% of Ventas's REIT capital gain net income for the year, and (iii) any undistributed taxable income from earlier periods, Ventas will pay a 4% excise tax on the excess of the required distribution over the amount Ventas actually distributed.

Ventas may elect to retain and pay income tax on Ventas's net long-term capital gain. In that case, a U.S. stockholder would be taxed on its proportionate share of Ventas's undistributed long-term capital gain (to the extent that Ventas makes a timely designation of such gain to the stockholder) and would receive a credit or refund for its proportionate share of the tax Ventas paid.

Ventas will be subject to a 100% excise tax on transactions with a taxable REIT subsidiary that are not conducted on an arm's-length basis.

Ventas may also be subject to "Built-in Gains Tax" on any appreciated asset that it owns or acquires that was previously owned by a C corporation (i.e., a corporation generally subject to full corporate level tax). Ventas owns appreciated assets that it held on January 1, 1999, the effective date of Ventas's REIT election. These assets are subject to the Built-in Gains Tax rules because Ventas was a taxable C corporation prior to January 1, 1999. If Ventas disposes of any of these assets and recognizes gain on the disposition of such asset during the ten-year period following January 1, 1999, then Ventas generally will be subject to regular corporate income tax on the gain equal to the lower of (a) the recognized gain at the time of the disposition or (b) the built-in gain in that asset as of January 1, 1999. The total amount of gain on which Ventas can be taxed under the Built-in Gains Tax rules is limited to its net built-in gain at the time it became a REIT, i.e., the excess of the aggregate fair market value of Ventas's assets at the time it became a REIT over the adjusted tax bases of those assets at that time. In connection with the sale of any assets, all or a portion of such gain could be treated as ordinary income instead of capital gain and be subject to taxation and/or the minimum REIT distribution requirements.

Also, in connection with the merger, Ventas will receive from Provident assets it acquired from Brookdale. Provident inherited a carryover basis and a "built-in gain" in these assets and, thus, Ventas will be subject to tax at the highest corporate rate on the sale or disposition, directly or indirectly, of any such asset, if such asset is sold within ten years of its acquisition by Ventas. The amount of gain on which Ventas will pay tax is generally the lesser of (i) the amount of gain with respect to such asset that Ventas recognizes at the time of the sale or disposition and (ii) the amount of gain that Provident would have recognized if it had sold such asset at the time it was acquired from Brookdale (i.e., the built-in gain in the asset at the time of the Brookdale Acquisition (as defined herein)).

Ventas will also be subject to such corporate tax on any other asset that it acquires in the future from a C corporation, or a corporation that generally is subject to full corporate-level tax, in a merger or other transaction in which Ventas acquires a basis in the asset that is determined by reference either to the C corporation's basis in the asset or to another asset, if Ventas recognizes gain on the sale or disposition of the asset during the ten-year period after it acquires the asset.

Furthermore, any taxable gain on the sale of a carryover basis asset, and any depreciation deductions with respect to such asset that are allocable to Ventas, will be based on such asset's carryover basis.

Requirements for Qualification as a REIT

A REIT is a corporation, trust or association that meets each of the following requirements:

1. it is managed by one or more trustees or directors;

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2. its beneficial ownership is evidenced by transferable shares, or by transferable certificates of beneficial interest;
3. it would be taxable as a domestic corporation, but for the REIT provisions of the federal income tax laws;
4. it is neither a financial institution nor an insurance company subject to special provisions of the federal income tax laws;
5. at least 100 persons are beneficial owners of its shares or ownership certificates (determined without reference to any rules of attribution), other than during the first taxable year with respect to which a REIT election is made;
6. not more than 50% in value of its outstanding shares or ownership certificates is owned, directly or indirectly, by five or fewer individuals, which the federal income tax laws define to include certain entities, during the last half of any taxable year, other than during the first taxable year with respect to which a REIT election is made;
7. it elects to be a REIT, or has made such election for a previous taxable year, and satisfies all relevant filing and other administrative requirements established by the IRS that must be met to elect and maintain REIT status; and
8. it meets certain other qualification tests regarding the nature of its income and assets and minimum distribution requirements with respect to its REIT taxable income.

Ventas must meet requirements 1 through 4 during its entire taxable year and must meet requirement 5 during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. If Ventas complies with all the requirements for ascertaining information concerning the ownership of its outstanding shares in a taxable year and has no reason to know that it violated requirement 6, Ventas will be deemed to have satisfied requirement 6 for that taxable year. For purposes of determining share ownership under requirement 6, an "individual" generally includes a supplemental unemployment compensation benefits plan, a private foundation, or a portion of a trust permanently set aside or used exclusively for charitable purposes. An "individual," however, generally does not include a trust that is a qualified employee pension or profit sharing trust under the federal income tax laws, and beneficiaries of such a trust will be treated as holding Ventas's shares in proportion to their actuarial interests in the trust for purposes of requirement 6.

Ventas believes it has issued sufficient common shares with sufficient diversity of ownership to satisfy requirements 5 and 6. In addition, Ventas has placed certain restrictions on the transfer of shares that are intended to prevent further concentration of share ownership. However, such restrictions may not prevent Ventas from failing to meet these requirements, and thereby failing to qualify as a REIT.

In addition, to qualify as a REIT, a corporation may not have (as of the end of the taxable year) any earnings and profits that were accumulated in periods before it elected REIT status. Ventas believes that at December 31, 1999, it did not have any accumulated earnings and profits that are attributable to periods during which Ventas was not a REIT, although the IRS would be entitled to challenge that determination.

A corporation that is a "qualified REIT subsidiary" (which we refer to in this proxy statement/prospectus as a QRS) is not treated as a corporation separate from its parent REIT. All assets, liabilities, and items of income, deduction, and credit of a QRS are treated as assets, liabilities, and items of income, deduction, and credit of the REIT. A QRS is a corporation all of the capital stock of which is owned by the REIT. Thus, in applying the requirements described herein, any QRS that Ventas owns will be ignored, and all assets, liabilities, and items of income, deduction, and credit of such subsidiary will be treated as Ventas's assets, liabilities, and items of income, deduction, and credit.

An unincorporated domestic entity, such as a limited liability company, that has a single owner, generally is not treated as an entity separate from its parent for federal income tax purposes. An unincorporated domestic entity with two or more owners is generally treated as a partnership for federal income tax purposes. In the case of a REIT that is a partner in a partnership that has other partners, the REIT is generally treated as owning its proportionate share of the assets of the partnership and as earning its allocable share of the gross income of the partnership for purposes of the applicable REIT qualification tests. Thus, Ventas's proportionate share of the assets, liabilities and items of income of ETOP and any other partnership, joint venture, or limited liability company that is treated as a partnership for federal income tax purposes in which Ventas acquires an interest, directly or indirectly, will generally be treated as Ventas's assets and gross income for purposes of applying the various REIT qualification requirements.

A REIT is permitted to own up to 100% of the stock of one or more "taxable REIT subsidiaries" (which we refer to in this proxy statement/prospectus as a TRS). A TRS is a fully taxable corporation that may earn income that would not be qualifying income if earned directly by the parent REIT. The subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A TRS will pay income tax at regular corporate rates on any income that it earns. In addition, the TRS rules limit the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. Further, the rules impose a 100% excise tax on transactions between a TRS and its parent REIT or the REIT's tenants that are not conducted on an arm's-length basis. A TRS may not operate or manage a healthcare facility. For purposes of this rule, a healthcare facility means a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility, or other licensed facility which extends medical or nursing or ancillary services to patients and which is operated by a provider which is eligible for participation in the Medicare program under Title XVIII of the Social Security Act with respect to such facility.

On March 26, 2002, Ventas formed a TRS, Ventas Capital Corporation, a Delaware corporation. On November 8, 2002, Ventas formed another TRS, Ventas TRS, LLC, a Delaware limited liability company. Both companies are owned 100% by Ventas Realty. As of March 31, 2005, neither Ventas Capital Corporation nor Ventas TRS, LLC owned any of Ventas's assets. Due to the acquisition of ElderTrust, on February 5, 2004, Ventas also owns substantially all of ET Capital Corporation. ET Capital Corporation is a TRS 100% owned by ETOP. As of March 31, 2005, ET Capital Corporation's only assets were intercompany loans.

Income Tests

Ventas must satisfy two gross income tests annually to maintain its qualification as a REIT. First, at least 75% of its gross income for each taxable year must consist of defined types of income that it derives, directly or indirectly, from investments relating to real property or mortgages on real property or qualified temporary investment income. Qualifying income for purposes of the 75% gross income test generally includes:

rents from real property;

interest on debt secured by mortgages on real property, or on interests in real property;

dividends or other distributions on, and gain from the sale of, shares in other REITs;

gain from the sale of real estate assets; and

income derived from the temporary investment of new capital that is attributable to the issuance of Ventas's shares of beneficial interest or a public offering of Ventas's debt with a maturity date of at least five years and that Ventas receives during the one-year period beginning on the date on which Ventas received such new capital.

Second, in general, at least 95% of Ventas's gross income for each taxable year must consist of income that is qualifying income for purposes of the 75% gross income test, other types of interest and dividends, gain from the sale or disposition of stock or securities or any combination of these. Gross income from Ventas's sale of property that Ventas holds primarily for sale to customers in the ordinary course of business is excluded from both the numerator and the denominator in both income tests. Pursuant to the 2004 Jobs Act, income from certain hedging instruments is excluded from both the numerator and denominator for purposes of the 95% income test. The following paragraphs discuss the specific application of the gross income tests to Ventas.

Rents from Real Property

Rent that Ventas receives from its real property will qualify as "rents from real property," which is qualifying income for purposes of the 75% and 95% gross income tests, only if the following conditions are met.

First, the rent must not be based in whole or in part on the income or profits of any person. Participating rent, however, will qualify as "rents from real property" if it is based on percentages of receipts or sales and the percentages:

are fixed at the time the leases are entered into;

are not renegotiated during the term of the leases in a manner that has the effect of basing rent on income or profits; and

conform with normal business practice.

More generally, the rent will not qualify as "rents from real property" if, considering the leases and all the surrounding circumstances, the arrangement does not conform with normal business practice, but in reality is used as a means of basing the rent on income or profits. In connection with the issuance of the Tax Opinion, Ventas will represent to Willkie Farr & Gallagher LLP that it intends to set and accept rents which are not to any extent determined by reference to any person's income or profits, in compliance with the rules above.

Second, Ventas must not own, actually or constructively, 10% or more of the stock or the assets or net profits of any lessee (which we refer to in this proxy statement/prospectus as a related party tenant) other than a TRS. The constructive ownership rules generally provide that, if 10% or more in value of Ventas's shares is owned, directly or indirectly, by or for any person, Ventas is considered as owning the stock owned, directly or indirectly, by or for such person. Ventas does not own any stock or any assets or net profits of any lessee directly. In addition, Ventas's certificate of incorporation prohibits transfers of Ventas's shares that would cause Ventas to own, actually or constructively, 10% or more of the ownership interests in a lessee. Ventas should, therefore, never own, actually or constructively, 10% or more of any lessee other than a TRS. In connection with the issuance of the Tax Opinion, Ventas will represent to Willkie Farr & Gallagher LLP that it will not rent any property to a related party tenant. However, because the constructive ownership rules are broad and it is not possible to monitor continually direct and indirect transfers of Ventas's shares, no absolute assurance can be given that such transfers or other events of which Ventas has no knowledge will not cause it to own constructively 10% or more of a lessee other than a TRS at some future date.

As described above, Ventas currently owns up to 100% of the stock of two TRSs and may in the future own more. Under an exception to the related party tenant rule described in the preceding paragraph, rent that Ventas receives from a TRS will qualify as "rents from real property" as long as (1) at least 90% of the leased space in the property is leased to persons other than TRSs and related party tenants, and (2) the amount paid by the TRS to rent space at the property is substantially comparable to rents paid by other tenants of the property for comparable space. If in the future Ventas receives rent from a TRS, Ventas will seek to comply with this exception.

Third, the rent attributable to the personal property leased in connection with a lease of real property must not be greater than 15% of the total rent received under the lease. The rent attributable to personal property under a lease is the amount that bears the same ratio to total rent under the lease for the taxable year as the average of the fair market values of the leased personal property at the beginning and at the end of the taxable year bears to the average of the aggregate fair market values of both the real and personal property covered by the lease at the beginning and at the end of such taxable year (which we refer to in this proxy statement/prospectus as the personal property ratio). With respect to each of Ventas's leases, Ventas believes that the personal property ratio generally is less than 15%. Where that is not, or may in the future not be, the case, Ventas believes that any income attributable to personal property will not jeopardize its ability to qualify as a REIT. There can be no assurance, however, that the IRS would not challenge Ventas's calculation of a personal property ratio, or that a court would not uphold such assertion. If such a challenge were successfully asserted, Ventas could fail to satisfy the 75% or 95% gross income test and possibly lose its REIT status or be subject to additional tax.

Fourth, Ventas cannot furnish or render noncustomary services to the tenants of its properties, or manage or operate its properties, other than through an independent contractor who is adequately compensated and from whom Ventas does not derive or receive any income. However, Ventas need not provide services through an "independent contractor," but instead may provide services directly to Ventas's tenants, if the services are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not considered to be provided for the tenants' convenience. In addition, Ventas may provide a minimal amount of "noncustomary" services to the tenants of a property, other than through an independent contractor, as long as Ventas's income from the services does not exceed 1% of Ventas's income from the related property. Finally, Ventas may own up to 100% of the stock of one or more TRSs, which may provide noncustomary services to Ventas's tenants without tainting Ventas's rents from the related properties. Ventas does not intend to perform any noncustomary services for Ventas's lessees, other than services provided through independent contractors or TRSs. In connection with the issuance of the Tax Opinion, Ventas will represent to Willkie Farr & Gallagher LLP that it will not perform noncustomary services which would jeopardize its REIT status.

If a portion of the rent Ventas receives from a property does not qualify as "rents from real property" because the rent attributable to personal property exceeds 15% of the total rent for a taxable year, the portion of the rent attributable to personal property will not be qualifying income for purposes of either the 75% or 95% gross income test. If rent attributable to personal property, plus any other income that is nonqualifying income for purposes of the 95% gross income test, during a taxable year exceeds 5% of Ventas's gross income during the year, Ventas could lose its REIT status. By contrast, in the following circumstances, none of the rent from a lease of property would qualify as "rents from real property:" (1) the rent is considered based on the income or profits of the lessee; (2) the lessee is a related party tenant or fails to qualify for the exception to the related party tenant rule for qualifying TRSs; or (3) Ventas furnishes more than a de minimis amount of noncustomary services to the tenants of the property, or manages or operates the property, other than through a qualifying independent contractor or a TRS. In any of these circumstances, Ventas could lose its REIT status because it would be unable to satisfy either the 75% or 95% gross income test.

Tenants may be required to pay, besides base rent, reimbursements for certain amounts Ventas is obligated to pay to third parties (such as a lessee's proportionate share of a property's operational or capital expenses), penalties for nonpayment or late payment of rent or additions to rent. These and other similar payments should qualify as "rents from real property." To the extent they do not, they should be treated as interest that qualifies for the 95% gross income test.

Ventas does not believe that it has, nor does it anticipate that it will in the future, (i) charged/charge rent that is based in whole or in part on the income or profits of any person (except by reason

of being based on a fixed percentage or percentages of receipts or sales consistent with the rule described above), (ii) derived/derive rent attributable to personal property leased in connection with real property that exceeds 15% of the total rents, (iii) derived/derive rent attributable to a related party tenant, or (iv) provided/provide any noncustomary services to tenants other than through qualifying independent contractors, except as permitted by the 1% de minimis exception or to the extent that the amount of resulting nonqualifying income would not cause Ventas to fail to satisfy the 95% and 75% gross income tests. Ventas believes that it has been and will continue to be in compliance with the gross income tests. However, Ventas cannot assure you that it is or will continue to be in compliance with the gross income tests.

Interest

The term "interest" generally does not include any amount received or accrued, directly or indirectly, if the determination of the amount depends in whole or in part on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term "interest" solely because it is based on a fixed percentage or percentages of receipts or sales. Furthermore, interest income from a loan based on the residual cash proceeds from the sale of property securing a loan which constitutes a "shared appreciation provision" and which is attributable to such a participation feature will be treated as gain from the sale of the secured property.

Prohibited Transactions

A REIT will incur a 100% tax on the net income derived from any sale or other disposition of property, other than foreclosure property, that the REIT holds primarily for sale to customers in the ordinary course of a trade or business. Ventas believes that none of its assets will be held primarily for sale to customers and that a sale of any of Ventas's assets will not be in the ordinary course of Ventas's business. Whether a REIT holds an asset "primarily for sale to customers in the ordinary course of a trade or business" depends, however, on the facts and circumstances in effect from time to time, including those related to a particular asset. Nevertheless, Ventas will attempt to comply with the terms of safe-harbor provisions in the federal income tax laws prescribing when an asset sale will not be characterized as a prohibited transaction. Ventas cannot assure you, however, that it can comply with the safe-harbor provisions or that it will avoid owning property that may be characterized as property that it holds "primarily for sale to customers in the ordinary course of a trade or business." Ventas may, however, form or acquire a TRS to hold and dispose of those properties Ventas concludes may not fall within the safe-harbor provisions. This is most likely to occur if Ventas acquires a portfolio of properties, some of which are redundant or inappropriate for Ventas's investment strategy, in circumstances where Ventas is not free to choose only the properties it desires from the portfolio.

Foreclosure Property

Ventas will be subject to tax at the maximum corporate rate on any income from foreclosure property, other than income that otherwise would be qualifying income for purposes of the 75% gross income test, less expenses directly connected with the production of that income. However, gross income from foreclosure property will qualify under the 75% and 95% gross income tests. Foreclosure property is any real property, including interests in real property, and any personal property incident to such real property acquired by a REIT as the result of the REIT's having bid on the property at foreclosure, or having otherwise reduced such property to ownership or possession by agreement or process of law after actual or imminent default on a lease of the property or on indebtedness secured by the property (which agreement or proceeding we refer to in this proxy statement/prospectus as a Repossession Action). Property acquired by a Repossession Action generally will not be considered "foreclosure property" if (a) the REIT acquired the property as a result of indebtedness arising from the sale or other disposition of property held for sale to customers in the ordinary course of business

or (b) the lease or loan was acquired or entered into with intent to take Repossession Action or in circumstances where the REIT had reason to know a default would occur. The determination of such intent or reason to know must be based on all relevant facts and circumstances. In no case will property be considered "foreclosure property" unless the REIT makes a proper election to treat the property as foreclosure property.

A REIT will not be considered to have foreclosed on a property where the REIT takes control of the property as a mortgagee-in-possession and cannot receive any profit or sustain any loss except as a creditor of the mortgagor. Property generally ceases to be foreclosure property at the end of the third taxable year following the taxable year in which the REIT acquired the property (or longer if an extension is granted by the Secretary of the Treasury). This period (as extended, if applicable) terminates, and foreclosure property ceases to be foreclosure property on the first day:

on which a lease is entered into for the property that, by its terms, will give rise to income that does not qualify for purposes of the 75% gross income test, or any amount is received or accrued, directly or indirectly, pursuant to a lease entered into on or after such day that will give rise to income that does not qualify for purposes of the 75% gross income test;

on which any construction takes place on the property, other than completion of a building or any other improvement, where more than 10% of the construction was completed before default became imminent; or

which is more than 90 days after the day on which the REIT acquired the property and the property is used in a trade or business which is conducted by the REIT, other than through an independent contractor from whom the REIT itself does not derive or receive any income.

Foreclosure property also includes any "qualified health care property," as defined in Code Section 856(e)(6), acquired by Ventas as the result of the termination or expiration of a lease of such property (other than a termination by reason of a default or the imminence of a default on a lease). In general, Ventas may operate a qualified healthcare facility acquired in this manner through, and in certain circumstances may derive income from, an independent contractor for two years (or longer if an extension is granted). For purposes of this rule, a "qualified healthcare property" means a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility, or other licensed facility which extends medical or nursing or ancillary services to patients and which is operated by a provider which is eligible for participation in the Medicare program under Title XVIII of the Social Security Act with respect to such facility or any real property or personal property necessary or incidental to the use of any such facility.

Hedging Transactions

From time to time, Ventas may enter into hedging transactions with respect to one or more of its assets or liabilities. Ventas's hedging activities may include entering into interest rate swaps, caps, and floors, options to purchase such items, and futures and forward contracts. At the present time, any periodic income or gain from the disposition of any financial instrument for these or similar transactions to hedge indebtedness Ventas incurs to acquire or carry "real estate assets" should be qualifying income for purposes of the 95% gross income test, but not the 75% gross income test. However, for Ventas's taxable years beginning with 2005, the 2004 Jobs Act provides that such income or gain will not be qualifying income for purposes of the 95% gross income test. However, provided Ventas enters into a financial contract in order to hedge indebtedness incurred or to be incurred to purchase or carry a "real estate asset" and identify such a financial contract as a hedge on the date Ventas enters into it, any periodic income or gain from the disposition of the financial contract will not be treated as gross income for purposes of applying the 95% test (that is, it will be excluded for purposes of such test from both the numerator and denominator). The 2004 Jobs Act does not alter the treatment of such periodic income or gain as nonqualifying gross income for purposes of the 75%

gross income test. Since the financial markets continually introduce new and innovative instruments related to risk-sharing or trading, it is not always entirely clear which such instruments will generate income which will be considered qualifying income for purposes of either of the gross income tests. Ventas intends to structure any hedging or similar transactions so as not to jeopardize its status as a REIT.

Failure to Satisfy Gross Income Tests

If Ventas fails to satisfy one or both of the gross income tests for any taxable year, it nevertheless may qualify as a REIT for that year if it qualifies for relief under certain provisions of the federal income tax laws. Those relief provisions generally will be available if:

Ventas's failure to meet these tests is due to reasonable cause and not to willful neglect;

Ventas attaches a schedule of the sources of Ventas's income to Ventas's tax return; and

any incorrect information on the schedule is not due to fraud with intent to evade tax.

Ventas cannot with certainty predict whether any failure to meet these tests will qualify for the relief provisions. As discussed above under "Taxation of Ventas," even if the relief provisions apply, Ventas would incur a 100% tax on the gross income attributable to the greater of (a) the amount by which it fails the 75% gross income test and (b) the excess of 90% (which percentage will be increased to 95% beginning with Ventas's 2005 taxable year) of its gross income over the amount of the income attributable to sources that qualify under the 95% gross income test, multiplied by a fraction intended to reflect its profitability.

Asset Tests

To maintain its qualification as a REIT, Ventas also must satisfy the following asset tests at the end of each quarter of each taxable year.

First, at least 75% of the value of Ventas's total assets must consist of:

cash or cash items, including certain receivables;

government securities;

interests in real property, including leaseholds and options to acquire real property and leaseholds;

interests in mortgages on real property;

stock in other REITs; and

investments in stock or debt instruments during the one-year period following Ventas's receipt of new capital that it raises through equity offerings or offerings of debt with at least a five-year term.

Second, of its investments not included in the 75% asset class, the value of Ventas's interest in any one issuer's securities may not exceed 5% of the value of its total assets.

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Third, Ventas may not own more than 10% of the voting power or value of any one issuer's outstanding securities.

Fourth, no more than 20% of the value of Ventas's total assets may consist of the securities of one or more TRSs.

Fifth, no more than 25% of the value of Ventas's total assets may consist of the securities of TRSs and other non-TRS taxable subsidiaries and other assets that are not qualifying assets for purposes of the 75% asset test.

For purposes of the second and third asset tests, the term "securities" does not include stock in another REIT, equity or debt securities of a qualified REIT subsidiary or TRS, mortgage loans that constitute real estate assets, or equity interests in a partnership. The term "securities," however, generally includes debt securities issued by a partnership or another REIT, except that certain "straight debt" securities and, pursuant to the 2004 Jobs Act, certain other securities (e.g., certain securities issued by a state government) are not treated as "securities" for purposes of the 10% value test.

Ventas will monitor the status of Ventas's assets for purposes of the various asset tests and will manage its portfolio in order to comply at all times with such tests. If Ventas fails to satisfy the asset tests at the end of a calendar quarter, Ventas will not lose its REIT status if:

Ventas satisfied the asset tests at the end of the preceding calendar quarter; and

the discrepancy between the value of Ventas's assets and the asset test requirements arose from changes in the market values of its assets and was not wholly or partly caused by the acquisition of one or more non-qualifying assets.

If Ventas did not satisfy the condition described in the second item, above, it still could avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose.

Furthermore, pursuant to the 2004 Jobs Act, Ventas will not lose its REIT status as the result of a failure to satisfy the 5% test, the 10% vote test or the 10% value test if (i) the value of the assets causing the violation did not exceed the lesser of (A) 1% of the value of Ventas's assets at the end of the quarter in which the violation occurred, or (B) \$10,000,000, and (ii) Ventas were to cure the violation by disposing of assets within six months of the end of the quarter in which Ventas identified the failure. For a failure of the 5% test, the 10% vote test or the 10% value test that is larger than this amount, and for a failure of the 75% test or the 20% test, Ventas would not lose its status as a REIT if the failure were for reasonable cause and not due to willful neglect and Ventas were to (i) file a schedule with the IRS describing the assets causing the violation, (ii) cure the violation by disposing of assets within six months of the end of the quarter in which Ventas identified the failure and (iii) pay a tax equal to the greater of (A) \$50,000, or (B) the product derived by multiplying the highest federal corporate income tax rate by the net income generated by the non-qualifying assets during the period of the failure. It is not possible to state whether in all cases Ventas would be entitled to these relief provisions. The relief provisions added by the 2004 Jobs Act described in this paragraph are effective beginning with Ventas's 2005 taxable year.

Distribution Requirements

Each taxable year, Ventas must distribute dividends, other than capital gain dividends and deemed distributions of retained capital gain, to its shareholders in an aggregate amount not less than:

the sum of:

90% of Ventas's "REIT taxable income," computed without regard to the dividends-paid deduction or Ventas's net capital gain or loss; and

90% of Ventas's after-tax net income, if any, from foreclosure property; minus

the sum of certain items of non-cash income.

Ventas must pay such distributions in the taxable year to which they relate, or in the following taxable year if Ventas declares the distribution before it timely files its federal income tax return for the year and pay the distribution on or before the first regular dividend payment date after such declaration.

Ventas will pay federal income tax on taxable income, including net capital gain, it does not distribute to shareholders. In addition, Ventas will incur a 4% nondeductible excise tax on the excess of a specified required distribution over amounts it actually distributes if it distributes an amount less than the required distribution during a calendar year, or by the end of January following the calendar year in the case of distributions with declaration and record dates falling in the last three months of the calendar year. The required distribution must not be less than the sum of:

85% of Ventas's REIT ordinary income for the year;

95% of Ventas's REIT capital gain income for the year; and

any undistributed taxable income from prior periods.

Ventas may elect to retain and pay income tax on the net long-term capital gain it receives in a taxable year. See " U.S. Federal Taxation of Taxable U.S. Stockholders." If Ventas so elects, it will be treated as having distributed any such retained amount for purposes of the 4% excise tax described above. Ventas intends to make timely distributions sufficient to satisfy the annual distribution requirements and to avoid corporate income tax and the 4% excise tax.

It is possible that, from time to time, Ventas may experience timing differences between the actual receipt of income and actual payment of deductible expenses and the inclusion of that income and deduction of such expenses in arriving at Ventas's REIT taxable income. For example, Ventas may be allocated a share of net capital gain attributable to the sale of depreciated property that exceeds Ventas's allocable share of cash attributable to that sale. Accordingly, Ventas may have less cash than is necessary to distribute all of its taxable income and thereby avoid corporate income tax and the excise tax imposed on certain undistributed income. In such a situation, Ventas may need to borrow funds or issue additional common or preferred shares.

Ventas believes that it has satisfied the annual distribution requirements for the year of its REIT election and each year thereafter. However, Ventas cannot assure you that it has satisfied the distribution requirements for the year of its REIT election and subsequent years. Although Ventas intends to continue meeting the annual distribution requirements to qualify as a REIT for federal income tax purposes for the year ended December 31, 2004 and subsequent years, it is possible that economic, market, legal, tax or other considerations may limit Ventas's ability to meet such requirements. As a result, if Ventas were not able to meet the annual distribution requirement, Ventas would fail to qualify as a REIT.

Under certain circumstances, Ventas may be able to correct a failure to meet the distribution requirement for a year by paying "deficiency dividends" to its shareholders in a later year. Ventas may include such deficiency dividends in its deduction for dividends paid for the earlier year. Although Ventas may be able to avoid income tax on amounts distributed as deficiency dividends, Ventas will be required to pay interest based upon the amount of any deduction Ventas takes for deficiency dividends.

Recordkeeping Requirements

Ventas must maintain certain records in order to qualify as a REIT. In addition, to avoid paying a penalty, Ventas must request on an annual basis information from Ventas's stockholders designed to disclose the actual ownership of outstanding Ventas common stock. Ventas intends to put procedures in place to effectively comply with these requirements.

Failure to Qualify

If Ventas failed to qualify as a REIT in any taxable year and no relief provision applied, Ventas would have the following consequences. Ventas would be subject to federal income tax and any applicable alternative minimum tax at rates applicable to regular C corporations on Ventas's taxable income, determined without reduction for amounts distributed to stockholders. Ventas would not be required to make any distributions to stockholders, and any distributions to stockholders would be taxable as ordinary income to the extent of Ventas's current and accumulated earnings and profits (unless the lower 15% dividend rate applied, as described below in " U.S. Federal Taxation of Taxable U.S. Stockholders Jobs and Growth Tax Relief Reconciliation Act of 2003"). Corporate stockholders could be eligible for a dividends-received deduction if certain conditions are satisfied. Unless Ventas qualified for relief under specific statutory provisions, Ventas would not be permitted to elect taxation as a REIT for the four taxable years following the year during which Ventas ceased to qualify as a REIT.

Pursuant to the 2004 Jobs Act, Ventas should not lose Ventas's REIT status as the result of a failure to satisfy a REIT requirement, other than the gross income or asset tests, which relief provisions have been described above, if the failure was due to reasonable cause and not willful neglect and Ventas were to pay a tax of \$50,000 for each failure. It is not possible to state whether in all cases Ventas would be entitled to this statutory relief. This provision is effective beginning with Ventas's 2005 taxable year.

U.S. Federal Taxation of Taxable U.S. Stockholders

As long as Ventas qualifies as a REIT, a taxable "U.S. Stockholder" will be required to take into account as ordinary income distributions made out of Ventas's current or accumulated earnings and profits that Ventas does not designate as capital gain dividends or retained long-term capital gain. A U.S. Stockholder generally will not qualify for the dividends-received deduction applicable to corporations. The term "U.S. Stockholder" means a holder of Ventas common stock that, for U.S. federal income tax purposes, is:

a citizen or resident of the United States for U.S. federal income tax purposes;

a corporation or partnership (including an entity treated as a corporation or partnership for U.S. federal income tax purposes) created or organized under the laws of the United States or of a political subdivision of the United States;

an estate whose income is subject to U.S. federal income taxation regardless of its source; or

any trust if (1) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person.

Distributions to a U.S. Stockholder which Ventas designates as capital gain dividends will generally be treated as long-term capital gain, without regard to the period for which the U.S. Stockholder has held its Ventas common stock. Ventas generally will designate its capital gain dividends as either 15%, 20% or 25% rate distributions. A corporate U.S. Stockholder, however, may be required to treat up to 20% of certain capital gain dividends as ordinary income.

Ventas may elect to retain and pay income tax on the net long-term capital gain that it receives in a taxable year. In that case, a U.S. Stockholder would be taxed on its proportionate share of Ventas's undistributed long-term capital gain. The U.S. Stockholder would receive a credit or refund for its proportionate share of the tax Ventas paid. The U.S. Stockholder would increase the basis in its Ventas common stock by the amount of its proportionate share of Ventas's undistributed long-term capital gain, minus its share of the tax Ventas paid.

A U.S. Stockholder will not incur tax on a distribution in excess of Ventas's current and accumulated earnings and profits if the distribution does not exceed the adjusted basis of the U.S. Stockholder's Ventas common stock. Instead, the distribution will reduce the adjusted basis of the Ventas common stock, and any amount in excess of both Ventas's current and accumulated earnings and profits and the adjusted basis will be treated as capital gain, long-term if the shares of Ventas common stock have been held for more than one year, provided the shares are a capital asset in the hands of the U.S. Stockholder. In addition, any distribution Ventas declares in October, November, or December of any year that is payable to a U.S. Stockholder of record on a specified date in any of those months will be treated as paid by Ventas and received by the U.S. Stockholder on December 31 of the year, provided Ventas actually pays the distribution during January of the following calendar year.

Stockholders may not include in their individual income tax returns any of Ventas's net operating losses or capital losses. Instead, these losses are generally carried over by Ventas for potential offset against Ventas's future income. Taxable distributions from Ventas and gain from the disposition of Ventas common stock will not be treated as passive activity income; stockholders generally will not be able to apply any "passive activity losses," such as losses from certain types of limited partnerships in which the stockholder is a limited partner, against such income. In addition, taxable distributions from Ventas and gain from the disposition of Ventas common stock generally will be treated as investment income for purposes of the investment interest limitations. Ventas will notify stockholders after the close of its taxable year as to the portions of the distributions attributable to that year that constitute ordinary income, return of capital, and capital gain.

The characterization of income as capital or ordinary may affect the deductibility of capital losses. Capital losses not offset by capital gains generally may be deducted against a non-corporate taxpayer's ordinary income only up to a maximum annual amount of \$3,000. Non-corporate taxpayers may carry forward their unused capital losses. All net capital gain of a corporate taxpayer is subject to tax at ordinary corporate rates. A corporate taxpayer can deduct capital losses only to the extent of capital gains, with unused losses being carried back three years and forward five years.

Taxation of U.S. Stockholders on the Disposition of Shares of Common Stock

In general, a U.S. Stockholder who is not a dealer in securities must treat any gain or loss realized upon a taxable disposition of Ventas common stock as long-term capital gain or loss if the U.S. Stockholder has held the shares for more than one year, and otherwise as short-term capital gain or loss. However, a U.S. Stockholder must treat any loss upon a sale or exchange of shares of Ventas common stock held for six months or less as a long-term capital loss to the extent of capital gain dividends and any other actual or deemed distributions from Ventas which the U.S. Stockholder treats as long-term capital gain. All or a portion of any loss that a U.S. Stockholder realizes upon a taxable disposition of Ventas common stock may be disallowed if the U.S. Stockholder purchases other shares of Ventas common stock within 30 days before or after the disposition.

Jobs and Growth Tax Relief Reconciliation Act of 2003

The Jobs and Growth Tax Relief Reconciliation Act of 2003 was enacted on May 28, 2003. This statute reduced the maximum individual tax rate for long-term capital gains generally from 20% to 15% (for sales occurring after May 5, 2003 through December 31, 2008) and for qualified corporate dividends generally from 38.6% to 15% (for tax years from 2003 through 2008). Without future congressional action, the maximum tax rate on long-term capital gains will return to 20% in 2009, and the maximum rate on corporate dividends will move to 35% in 2009 and 39.6% in 2011. Because Ventas is not generally subject to federal income tax on the portion of Ventas's REIT taxable income or capital gains distributed to its stockholders, Ventas's dividends will generally not be eligible for the new 15% tax rate on dividends. As a result, Ventas's ordinary REIT dividends will continue to be taxed

at the higher tax rates applicable to ordinary income. However, the 15% tax rate for long-term capital gains and dividends will generally apply to:

Ventas's stockholders' long-term capital gains, if any, recognized on the disposition of shares of Ventas common stock;

Ventas's distributions designated as long-term capital gain dividends (except to the extent attributable to "unrecaptured Section 1250 gain," in which case such distributions would continue to be subject to a 25% tax rate), as well as to net capital gains retained by Ventas but deemed distributed to Ventas's stockholders;

Ventas's dividends attributable to dividends received by Ventas from non-REIT corporations, such as taxable REIT subsidiaries; and

Ventas's dividends to the extent attributable to income upon which Ventas has paid corporate income tax (e.g., to the extent that Ventas distributes less than 100% of its taxable income).

Although this legislation does not adversely affect the taxation of REITs or dividends paid by REITs, the more favorable treatment of regular corporate dividends could cause investors who are individuals to consider stocks of other corporations that pay dividends as more attractive relative to stocks of REITs.

Information Reporting Requirements and Backup Withholding

Ventas will report to its stockholders and to the IRS the amount of distributions Ventas pays during each calendar year and the amount of tax it withholds, if any, as well as the amount of any net capital gains retained by Ventas and the amount of tax paid by Ventas thereon. A stockholder may be subject to backup withholding (currently at a rate of 28%) with respect to distributions unless the holder:

is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact; or

provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with the applicable requirements of the backup withholding rules.

A stockholder who does not timely provide Ventas with its correct taxpayer identification number also may be subject to penalties imposed by the IRS. Any amount paid as backup withholding will be creditable against the U.S. Stockholder's U.S. federal income tax liability and may entitle the U.S. Stockholder to a refund, provided that the required information is timely furnished to the IRS. In addition, Ventas may be required to withhold a portion of capital gain distributions to any stockholders who fail to certify their non-foreign status to Ventas. For a discussion of the withholding rules as applied to non-U.S. Stockholders, see "Taxation of Non-U.S. Stockholders." U.S. Stockholders should consult their own tax advisers regarding their qualifications for an exemption from backup withholding and the procedure for obtaining such an exemption.

Taxation of Tax-Exempt Stockholders

Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts (which we refer to in this proxy statement/prospectus as pension trusts), generally are exempt from federal income taxation. However, they are subject to taxation on their "unrelated business taxable income" (which we refer to in this proxy statement/prospectus as UBTI). While many investments in real estate generate UBTI, the IRS has issued a published ruling that dividend distributions by a REIT to an exempt employee pension trust do not constitute UBTI, provided that the shares of the REIT are not otherwise used in an unrelated trade or business of the exempt employee pension trust. Based on that ruling, and subject to the exceptions discussed below, amounts

distributed by Ventas to pension trusts generally should not constitute UBTI. However, if a pension trust finances its acquisition of Ventas's common stock with debt, a portion of its income from Ventas will constitute UBTI pursuant to the "debt-financed property" rules. Furthermore, social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts and qualified group legal services plans that are exempt from taxation under paragraphs (7), (9), (17) and (20), respectively, of Section 501(c) of the Code are subject to different UBTI rules, which generally will require them to characterize distributions from Ventas as UBTI.

In certain circumstances, however, a "qualified trust" that owns more than 10% (by value) of the shares of Ventas common stock of beneficial interest must treat a portion of the dividends it receives from Ventas as UBTI. In general, a "qualified trust" is a pension trust described in Code Section 401(a) and exempt from taxation under Code Section 501(a). This rule applies to a qualified trust holding more than 10% of Ventas's shares only if:

the percentage of Ventas's dividends which the tax-exempt trust must treat as unrelated business taxable income is at least 5%; and

Ventas is a "pension-held REIT."

Ventas will not be a "pension-held REIT" unless Ventas qualifies as a REIT by reason of the modification of the rule requiring that no more than 50% of shares of beneficial interest of Ventas common stock be owned by five or fewer individuals, which modification allows the beneficiaries of the pension trust to be treated as holding shares in proportion to their actual interests in the pension trust; and either of the following applies:

one pension trust owns more than 25% of the value of Ventas's shares of beneficial interest; or

a group of pension trusts each holding more than 10% of the value of Ventas's shares of beneficial interest collectively owns more than 50% of the value of Ventas's shares of beneficial interest.

Due to the ownership limitations contained in Ventas's certificate of incorporation, which provides that no person may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9% (by value or vote, whichever is more restrictive) of outstanding shares of beneficial interest of Ventas common stock or more than 9% (by value or vote, whichever is more restrictive) of outstanding shares of Ventas common stock, Ventas does not expect to be a "pension-held REIT" within the meaning of the Code. However, Ventas's certificate of incorporation does not contain any restrictions specifically intended to prevent Ventas from becoming a "pension-held REIT" and, in certain circumstances, Ventas's board of directors is permitted to waive the ownership limitations contained in Ventas's certificate of incorporation. Accordingly, there can be no guarantee that Ventas will not, at some point in the future, become a "pension-held REIT."

Taxation of Non-U.S. Stockholders

The rules governing U.S. federal income taxation of nonresident alien individuals, foreign corporations, foreign partnerships, and other foreign stockholders (which we refer to in this proxy statement/prospectus as Non-U.S. Stockholders) are complex. This section is only a summary of such rules. We urge Non-U.S. Stockholders to consult their own tax advisers to determine the impact of federal, state, and local income tax laws on ownership of common shares, including any reporting requirements.

A Non-U.S. Stockholder that receives a distribution which (a) is not attributable to gain from Ventas's sale or exchange of U.S. real property interests (as defined below) and (b) Ventas does not designate as a capital gain dividend (or retained capital gain), will recognize ordinary income to the extent of Ventas's current or accumulated earnings and profits. A withholding tax equal to 30% of the gross amount of the distribution ordinarily will apply unless an applicable tax treaty reduces or

eliminates the tax. However, a Non-U.S. Stockholder generally will be subject to federal income tax at graduated rates on any distribution treated as effectively connected with the Non-U.S. Stockholder's conduct of a U.S. trade or business, in the same manner as U.S. Stockholders are taxed on distributions. A corporate Non-U.S. Stockholder may, in addition, be subject to the 30% branch profits tax. Ventas plans to withhold U.S. income tax at the rate of 30% on the gross amount of any distribution paid to a Non-U.S. Stockholder unless:

a lower treaty rate applies and the Non-U.S. Stockholder files an IRS Form W-8BEN evidencing eligibility for that reduced rate with Ventas; or

the non-U.S. stockholder files an IRS Form W-8ECI with Ventas claiming that the distribution is effectively connected income.

A Non-U.S. Stockholder will not incur tax on a distribution in excess of Ventas's current and accumulated earnings and profits if the excess portion of the distribution does not exceed the adjusted basis of the stockholder's shares of Ventas common stock. Instead, the excess portion of the distribution will reduce the adjusted basis of the shares. A Non-U.S. Stockholder will be subject to tax on a distribution that exceeds both Ventas's current and accumulated earnings and profits and the adjusted basis of its shares, if the Non-U.S. Stockholder otherwise would be subject to tax on gain from the sale or disposition of shares of Ventas common stock, as described below. Because Ventas generally cannot determine at the time it makes a distribution whether or not the distribution will exceed its current and accumulated earnings and profits, Ventas normally will withhold tax on the entire amount of any distribution at the same rate as it would withhold on a dividend. However, a Non-U.S. Stockholder may obtain a refund of amounts Ventas withholds if Ventas later determines that a distribution in fact exceeded Ventas's current and accumulated earnings and profits.

For any year in which Ventas qualifies as a REIT, a Non-U.S. Stockholder will incur tax on distributions attributable to gain from Ventas's sale or exchange of "U.S. real property interests" under the "FIRPTA" provisions of the Code. The term "U.S. real property interests" includes interests in real property and shares in corporations at least 50% of whose assets consist of interests in real property. Under the FIRPTA rules, a Non-U.S. Stockholder is taxed on distributions attributable to gain from sales of U.S. real property interests as if the gain were effectively connected with the conduct of a U.S. business of the Non-U.S. Stockholder. A Non-U.S. Stockholder thus would be taxed on such a distribution at the normal capital gain rates applicable to U.S. Stockholders, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of a nonresident alien individual. A corporate Non-U.S. Stockholder not entitled to treaty relief or exemption also may be subject to the 30% branch profits tax on such a distribution. Ventas must withhold 35% of any distribution that Ventas could designate as a capital gain dividend. A Non-U.S. Stockholder may receive a credit against its tax liability for the amount Ventas withholds and a refund to the extent that amounts Ventas withholds exceed such stockholder's U.S. tax liability with respect to such capital gain dividends.

Notwithstanding the foregoing, the 2004 Jobs Act provides, for taxable years beginning after October 22, 2004, that capital gain dividends paid to a Non-U.S. Stockholder are not subject to FIRPTA if the capital gain dividends are paid with respect to a class of REIT stock that is regularly traded on an established securities market in the U.S., as long as the Non-U.S. Stockholder has not owned more than 5% of such class of stock at any time during the taxable year in which the dividend is received. Such capital gain dividends would instead be treated with respect to qualifying Non-U.S. Stockholders as ordinary dividends, subject to withholding, as described above, at a 30% rate or lower treaty rate if applicable. Furthermore, such qualifying Non-U.S. Stockholders that are corporations should no longer be subject to the branch profits tax. It is currently anticipated that Ventas common stock will in the future be regularly traded on an established securities market within the meaning of this provision.

A non-U.S. stockholder generally will not incur tax under FIRPTA with respect to gain on a sale of common shares as long as Ventas qualifies as a domestically-controlled REIT. A REIT is "domestically-controlled" if, at all times during a specified testing period, less than 50% in value of the REIT's shares are held, directly or indirectly, by non-U.S. persons. Ventas cannot assure you that it will qualify at all times as a domestically-controlled REIT, and Ventas's certificate of incorporation does not contain any restrictions specifically intended to ensure that Ventas qualifies at all times as a domestically-controlled REIT. In addition, a Non-U.S. Stockholder that owned, actually or constructively, 5% or less of the outstanding shares of Ventas common stock at all times during a specified testing period will not incur tax under FIRPTA on gain from a sale of shares of Ventas common stock if the shares are "regularly traded" on an established securities market. It is currently anticipated that Ventas common stock will, in the future, continue to be regularly traded on an established securities market within the meaning of this provision. Any gain subject to tax under FIRPTA will be treated in the same manner as it would be in the hands of U.S. Stockholders subject to alternative minimum tax, but under a special alternative minimum tax in the case of nonresident alien individuals and with the possible application of the 30% branch profits tax in the case of non-U.S. corporations.

A Non-U.S. Stockholder generally will incur tax on gain not subject to FIRPTA if:

the gain is effectively connected with the conduct of the Non-U.S. Stockholder's U.S. trade or business, in which case the Non-U.S. Stockholder will be subject to the same treatment as U.S. Stockholders with respect to the gain; or

the Non-U.S. Stockholder is a nonresident alien individual who was present in the U.S. for 183 days or more during the taxable year and has a "tax home" in the United States, in which case the Non-U.S. Stockholder will incur a 30% tax on capital gains.

Other Tax Consequences

State and Local Taxes

Ventas and/or its stockholders may be subject to taxation by various states and localities, including those in which Ventas or a stockholder transacts business, owns property or resides. The state and local tax treatment may differ from the federal income tax treatment described above. Consequently, stockholders should consult their own tax advisers regarding the effect of state and local tax laws, in addition to the federal, foreign and other tax laws, upon an investment in Ventas common stock.

Possible Legislative or Other Actions Affecting Tax Consequences

You should recognize that Ventas's present federal income tax treatment may be modified by future legislative, judicial and administrative actions or decisions at any time, which may be retroactive in effect, and which could adversely affect the tax consequences of an investment in shares of Ventas common stock. The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the Treasury Department, resulting in statutory changes as well as promulgation of new, or revisions to existing, regulations and revised interpretations of established concepts. No prediction can be made as to the likelihood of passage of any new tax legislation or other provisions either directly or indirectly affecting Ventas or its stockholders or the value of an investment in Ventas common stock.

DESCRIPTION OF VENTAS

Business and Properties of Ventas

General

Ventas is a healthcare REIT incorporated in Delaware in 1985. Ventas owns a geographically diverse portfolio of healthcare and senior housing facilities which, as of March 31, 2005, consisted of 201 skilled nursing facilities, 41 hospitals and 50 senior housing and other facilities in 39 states. Except with respect to its medical office buildings, Ventas leases these facilities to healthcare operating companies under "triple-net" or "absolute-net" leases. As of March 31, 2005, Kindred leased 225 of Ventas's facilities. Ventas also had real estate loan investments relating to 34 healthcare and senior housing facilities as of March 31, 2005. For the three months ended March 31, 2005, Ventas had rental income of \$62.7 million.

Ventas operates through one segment, which consists of financing, owning and leasing healthcare-related and senior housing facilities. See Ventas's consolidated financial statements and notes thereto, including "Note 2 Summary of Significant Accounting Policies" of the notes to Ventas's audited consolidated financial statements, included elsewhere in this proxy statement/prospectus.

Ventas's business strategy is comprised of two primary objectives: diversifying its portfolio of properties and increasing its earnings. Ventas intends to continue to diversify its real estate portfolio by operator, facility type and reimbursement source. Ventas intends to invest in or acquire additional healthcare-related and/or senior housing assets across a wide spectrum.

Portfolio of Properties

As of March 31, 2005, Ventas conducted substantially all of its business through Ventas Realty, Ventas Finance and ETOP. As of March 31, 2005 Ventas Realty owned 39 of Ventas's hospitals, 157 of Ventas's skilled nursing facilities and 27 of its senior housing and other facilities; Ventas Finance owned 39 of Ventas's skilled nursing facilities; and ETOP owned five of Ventas's skilled nursing facilities and 13 of Ventas's senior housing and other facilities. Ventas and certain of its other subsidiaries owned the remaining 12 facilities.

The following tables provide an overview of Ventas's portfolio of healthcare properties and investments as of and for the three months ended March 31, 2005 and the year ended December 31, 2004:

As of and For the Three Months Ended March 31, 2005

Portfolio by Type	Number of Properties	Number of Beds/Units	Revenue(1)	Percent of Total Revenues	Original Investment	Percent of Original Investment	Original Investment Per Bed/Unit	Number of States(2)
(dollars in thousands)								
Healthcare Properties								
Skilled nursing facilities	201	25,532	\$ 35,773	55.9%	\$ 833,088	53.6%	\$ 32.6	31
Hospitals	41	3,859	18,165	28.4	338,704	21.8	87.8	19
Senior housing facilities	31	3,801	7,804	12.2	330,337	21.3	\$ 86.9	14
Other facilities	19	122	997	1.5	53,331	3.3	nm	5
Total healthcare properties	292	33,314	62,739	98.0	\$ 1,555,460	100.0%		39
Other Real Estate Investments								
Loans receivable	34	2,626	652(3)	1.0				
Total	326	35,940	\$ 63,391	99.0%(4)				

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As of and For the Three Months Ended March 31, 2005

(1)

Includes (i) revenue of \$0.6 million related to the amortization of deferred revenue recorded as a result of Ventas's receipt of Kindred common stock in connection with Kindred's emergence from bankruptcy on April 20, 2001 and the amortization of the deferred revenue recorded from the receipt of \$4.5 million of

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additional future rent under its leases with Kindred and (ii) less than \$0.1 million from subleases under its leases with Kindred.

(2) As of March 31, 2005, Ventas owned healthcare properties located in 39 states operated by 12 different operators.

(3) Interest income from Ventas's mezzanine loan made to Trans Healthcare, Inc. (which we refer to in this proxy statement/prospectus as THI) on November 4, 2002 (which we refer to in this proxy statement/prospectus as the THI Mezzanine Loan).

(4) The remainder of Ventas's total revenues is interest and other income.

nm
Not meaningful.

As of and For the Year Ended December 31, 2004

Portfolio by Type	Number of Properties	Number of Beds/Units	Revenue(1)	Percent of Total Revenues	Original Investment	Percent of Original Investment	Original Investment Per Bed/Unit	Number of States(2)
(dollars in thousands)								
Healthcare Properties								
Skilled nursing facilities	201	25,532	\$ 135,854	57.4%	\$ 833,088	55.1%	\$ 32.6	31
Hospitals	40	3,557	70,517	29.8	319,298	21.1	89.8	19
Senior housing facilities	30	3,684	22,364	9.4	319,386	21.1	\$ 86.7	13
Other facilities	16	122	4,176	1.7	40,439	2.7	nm	4
Total healthcare properties	287	32,895	232,911	98.3	\$ 1,512,211	100.0%		39
Other Real Estate Investments								
Loan receivable	25	1,983	2,958(3)	1.3				
Total	312	34,878	\$ 235,869	99.6%(4)				

(1) Includes (i) revenue of \$2.3 million related to the amortization of deferred revenue recorded as a result of Ventas's receipt of Kindred common stock in connection with Kindred's emergence from bankruptcy on April 20, 2001 and the amortization of the deferred revenue recorded from the receipt of \$4.5 million of additional future rent under its leases with Kindred and (ii) \$0.1 million from subleases under its leases with Kindred.

(2) As of December 31, 2004, Ventas owned healthcare properties located in 39 states operated by 11 different operators.

(3) Interest income from the THI Mezzanine Loan.

(4)

The remainder of Ventas's total revenues is interest and other income.

nm

Not meaningful.

Healthcare Facilities

Skilled Nursing Facilities. Ventas's skilled nursing facilities typically provide nursing care services to the elderly and rehabilitation and restoration services, including physical, occupational and speech therapies, and other medical treatment for patients and residents who do not require the high technology, care-intensive setting of an acute care or rehabilitation hospital.

Hospitals. Ventas's hospitals generally are long-term acute care hospitals that serve medically complex, chronically ill patients who require a high level of monitoring and specialized care, but whose conditions do not necessitate the continued services of an intensive care unit. The operator of these hospitals has the capability to treat patients who suffer from multiple systemic failures or conditions such as neurological disorders, head injuries, brain stem and spinal cord trauma, cerebral vascular accidents, chemical brain injuries, central nervous system disorders, developmental anomalies and cardiopulmonary disorders. Chronic patients are often dependent on technology for continued life support, such as mechanical ventilators, total parenteral nutrition, respiration or cardiac monitors and dialysis machines, and, therefore, due to their severe medical conditions, these patients generally are

not clinically appropriate for admission to a nursing facility or rehabilitation hospital. Ventas's one 29-bed rehabilitation hospital provides high intensity physical, respiratory, neurological, orthopedic and other treatment protocols for patients during recovery.

Senior Housing Facilities. Ventas's assisted and independent living facilities offer residential units on a month-to-month basis primarily to elderly individuals with various levels of assistance requirements. Residents of these facilities are provided meals in a central dining area and engage in group activities organized by the staff. Assisted living residents may also be provided personal supervision and daily assistance with eating, bathing, grooming and administering medication that make it possible for them to live independently.

Other Facilities

Ventas's other facilities consist of medical office buildings, which offer office space primarily to physicians and other healthcare-related businesses, and personal care facilities, which provide specialized care, including supported living services, neurorehabilitation, neurobehavioral management and vocational programs, for persons with acquired or traumatic brain injury.

Corporate Offices

Ventas leases its corporate offices in Louisville, Kentucky and Chicago, Illinois.

Other Real Estate Investments

Ventas's THI Mezzanine Loan is secured by equity pledges in entities that own and operate 17 healthcare properties plus liens on four other healthcare properties and interests in three additional properties and a physical therapy business. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

During the three months ended March 31, 2005, Ventas extended a first mortgage loan in the amount of \$6.4 million and invested in a portfolio of eight distressed mortgage loans for an aggregate purchase price of \$21.4 million. The mortgage loans are secured by eight senior housing facilities. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

Geographic Diversification

Ventas's portfolio is broadly diversified by geographic location, with facilities in one state comprising more than 10% percent of its 2004 total revenues. The following tables show Ventas's rental

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income derived by geographic location for the three months ended March 31, 2005 and the year ended December 31, 2004:

For the Three Months Ended March 31, 2005		
	Rental Income(1)	Percent of Total Revenues
(dollars in thousands)		
State		
Massachusetts	\$ 6,857	10.7%
California	6,247	9.8
Florida	4,372	6.8
Illinois	3,943	6.2
Ohio	3,910	6.1
Indiana	3,654	5.7
Pennsylvania	3,353	5.2
Kentucky	3,210	5.0
North Carolina	2,700	4.2
Texas	2,544	4.0
Other (29 states)	21,949	34.3
Total	\$ 62,739	98.0%(2)

- (1) Includes (i) revenue of \$0.6 million related to the amortization of deferred revenue recorded as a result of our receipt of Kindred common stock and the amortization of the deferred revenue recorded from the receipt of \$4.5 million of additional future rent under our leases with Kindred and (ii) less than \$0.1 million from subleases under our leases with Kindred.
- (2) The remainder of Ventas's total revenues is interest from loans receivable and interest and other income.

For the Year Ended December 31, 2004		
	Rental Income(1)	Percent of Total Revenues
(dollars in thousands)		
State		
California	\$ 24,079	10.2%
Massachusetts	23,390	9.9
Indiana	15,762	6.7
Florida	14,453	6.1
Kentucky	13,857	5.9
Ohio	13,837	5.8
North Carolina	12,420	5.2
Illinois	11,180	4.7
Texas	10,682	4.5
Wisconsin	8,882	3.7
Other (29 states)	84,369	35.6

	For the Year Ended December 31, 2004	
Total	\$ 232,911	98.3%(2)

(1) Includes (i) revenue of \$2.3 million related to the amortization of deferred revenue recorded as a result of Ventas's receipt of Kindred common stock and the amortization of the deferred revenue recorded from the receipt of \$4.5 million of additional future rent under Ventas's leases with Kindred and (ii) \$0.1 million from subleases under Ventas's leases with Kindred.

(2) The remainder of Ventas's total revenues is interest from a loan receivable and interest and other income.

Ventas believes that the geographic diversity of its properties makes its portfolio less susceptible to adverse changes in state reimbursement and regulation and regional economic downturns.

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The following table sets forth certain information regarding the facilities owned by Ventas as of March 31, 2005 for each state in which Ventas owns property:

State	Skilled Nursing Facilities		Hospitals		Senior Housing Facilities		Other Facilities
	Number of Facilities	Licensed Beds	Number of Facilities	Licensed Beds	Number of Facilities	Units	
Alabama	3	443					
Arizona	5	723	2	109			
California	11	1,341	5	417	1	117	
Colorado	4	515	1	68			
Connecticut	6	736			1	81	
Florida			6	491	2	279	4
Georgia	5	685					
Idaho	8	791					
Illinois			4	431	2	297	
Indiana	15	2,313	1	59			
Kansas					1	276	
Kentucky	11	1,375	2	676			1
Louisiana			1	168			
Maine	10	801					
Maryland	3	462					
Massachusetts	27	2,934	2	109	6	736	
Michigan	1		1	160	2	267	
Minnesota	1	140					
Missouri			2	227	1	173	
Montana	2	331					
Nebraska	1	163					
Nevada	2	180	1	52	1	152	
New Hampshire	3	512					
New Jersey	1	153					1
New Mexico			1	61	1	200	
North Carolina	19	2,339	1	124			
Ohio	16	2,127	1	29	5	479	
Oklahoma			1	59			
Oregon	2	254					
Pennsylvania	5	731	2	115	6	508	2
Rhode Island	2	201					
Tennessee	4	681	1	49			
Texas			6	455	1	138	11
Utah	5	620					
Vermont	1	160					
Virginia	4	629			1	98	
Washington	9	885					
Wisconsin	11	1,856					
Wyoming	4	451					
Total	201	25,532	41	3,859	31	3,801	19

Certificates of Need

As a result of the geographic diversification of Ventas's portfolio, a majority of its skilled nursing facilities and hospitals are located in states that have certificate of need (which we refer to in this proxy statement/prospectus as CON) requirements. A CON, which is issued by governmental agencies with

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jurisdiction over healthcare facilities, is at times required for expansion of existing facilities, construction of new facilities, addition of beds, acquisition of major items of equipment or introduction of new services. The CON rules and regulations may restrict an operator's ability to expand Ventas's properties in certain circumstances.

The following table shows the percentage of Ventas's revenues derived by skilled nursing facilities and hospitals in states with and without CON requirements for the three months ended March 31, 2005 and the year ended December 31, 2004:

	For the Three Months Ended March 31, 2005			For the Year Ended December 31, 2004		
	Skilled Nursing Facilities	Hospitals	Total	Skilled Nursing Facilities	Hospitals	Total
States with CON requirements	69.3%	54.9%	64.3%	68.8%	53.7%	63.6%
States without CON requirements	30.7	45.1	35.7	31.2	46.3	36.4
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Dependence on Kindred

For the three months ended March 31, 2005, Kindred accounted for approximately 76.0% of Ventas's total revenues, and for the years ended December 31, 2004 and 2003, Kindred accounted for approximately 81.2% and 93.5%, respectively, of Ventas's total revenues. Ventas's reliance on Kindred is a result of the 1998 Spin Off, in which it transferred to Kindred its previous hospital, nursing facility and ancillary services businesses and it retained substantially all of the real property which it leased to Kindred.

Kindred Master Leases

As of March 31, 2005, Ventas leased 225 of its facilities to Kindred pursuant to the Kindred Master Leases. Ventas Realty is the lessor under each Kindred Master Lease, except for the Kindred Master Lease entered into with Ventas Finance (which we refer to in this proxy statement/prospectus as the Kindred CMBS Master Lease).

Each Kindred Master Lease is a "triple-net lease" pursuant to which Kindred is required to pay all insurance, taxes, utilities, maintenance and repairs related to the properties.

Under each Kindred Master Lease, the aggregate annual rent is referred to as Base Rent (as defined in the applicable Kindred Master Lease). Base Rent escalates on May 1 of each year at an annual rate of 3.5% over the Prior Period Base Rent (as defined in the applicable Kindred Master Lease) if certain Kindred revenue parameters are met. Assuming such Kindred revenue parameters are met, Base Rent due under the Kindred Master Leases will be \$198.9 million from May 1, 2005 to April 30, 2006. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

The properties leased to Kindred pursuant to each Kindred Master Lease are grouped into bundles, with each bundle containing a varying number of properties. All properties within a bundle have primary terms ranging from ten to 15 years, commencing May 1, 1998, plus renewal options totaling 15 years. Properties are renewable only in bundles.

Ventas has a one-time right under each Kindred Master Lease (which we refer to in this proxy statement/prospectus as the Reset Right), exercisable by notice (which we refer to in this proxy statement/prospectus as the Reset Notice) given by Ventas on or after January 20, 2006 and on or before July 19, 2007, to increase the base annual rent to a then fair market rental rate, commencing as early as July 19, 2006, for a total fee of \$4.6 million payable on a pro-rata basis at the time of exercise under the applicable Kindred Master Lease. Ventas currently intends to give the Reset Notice on January 20, 2006 in the absence of an earlier consensual agreement between Ventas and Kindred regarding the Reset Right. The Reset Right generally applies on a lease-by-lease basis, except that the Reset Rights under Master Lease No. 1, Master Lease No. 1A and the Kindred CMBS Master Lease can only be exercised together. If the Reset Right is exercised for any Kindred Master Lease, the annual escalations currently applicable to that particular Kindred Master Lease may be altered, depending on market conditions at the time.

Ventas estimates that, based on information currently available to it, reports of third party experts and current market conditions, if Ventas were currently entitled to, and did, exercise the Reset Right, the base rent under the Kindred Master Leases would increase by at least \$35 million per year. The Reset Right is highly speculative and its value is dependent on and may be influenced by a variety of factors and market conditions including, without limitation, Medicare and Medicaid rules and regulations, market earnings before interest, income taxes, depreciation, amortization, rent and management fees (EBITDARM) to rent coverage ratios and the terms of the Kindred Master Leases. Changes in one or any combination of these or other factors could have a material impact on the value of the Reset Right. In addition, if Ventas and Kindred do not consensually agree on the Reset Right, the value of the Reset Right determined by the appraiser selected under the Kindred Master Leases could differ materially from Ventas's estimate. The determination of the value of the Reset Right by the independent appraiser selected under the Kindred Master Leases is final. However, in no event will the base rent under the Kindred Master Leases decrease below the then current base rent payable under the Kindred Master Leases as a result of the Reset Right. There can be no assurances as to the value of the Reset Right or that the value of the Reset Right will not be less than Ventas's estimate. See "Risk Factors Risks Relating to Ventas Ventas is dependent on Kindred; Kindred's inability or unwillingness to satisfy its obligations under its agreements with Ventas could significantly harm Ventas and its ability to service its indebtedness and other obligations and to make distributions to Ventas's stockholders as required to continue to qualify as a REIT."

Recent Developments

From April 1, 2005 through April 28, 2005, Ventas purchased nine independent and assisted living facilities for an aggregate purchase price of \$58.9 million, and made additional loans of \$12.0 million, secured by two assisted living facilities. The initial cash yield on these investments exceeds 9%.

Competition

Ventas competes for real property investments with healthcare providers, other healthcare-related REITs, healthcare lenders, real estate partnerships, banks, insurance companies and other investors. Some of its competitors are significantly larger and have greater financial resources and lower cost of capital than it does. Ventas's ability to continue to compete successfully for real property investments will be determined by numerous factors, including its ability to identify suitable acquisition or investment targets, its ability to negotiate acceptable terms for any such acquisition and the availability and cost of capital to Ventas. See "Risk Factors Risks Relating to Ventas Ventas may encounter certain risks when implementing its business strategy to pursue investments in, and/or acquisitions or development of, additional healthcare-related and/or senior housing assets" and the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

The operators of Ventas's properties compete on a local and regional basis with other healthcare operators. Their ability to compete successfully for patients at Ventas's facilities depends upon several

factors, including the quality of care at the facility, the scope of services provided, the operational reputation of the operator, physician referral patterns, physical appearance of the facilities, other competitive systems of healthcare delivery within the community, population and demographics, and the financial condition of the operator. Private, federal and state reimbursement programs and the effect of other laws and regulations also may have a significant impact on the ability of Ventas's operators to compete successfully for patients at the properties. See "Risk Factors Risks Relating to Ventas Changes in the reimbursement rates or methods of payment from third-party payors, including the Medicare and Medicaid programs, could have a material adverse effect on Ventas's tenants."

Employees

As of March 31, 2005, Ventas had 26 full-time employees and one part-time employee. Ventas considers the relationship with its employees to be good.

Insurance

Ventas maintains and/or requires in its existing leases that its tenants maintain liability and casualty insurance on the properties and their operations. Under the Kindred Master Leases, Kindred is required to maintain, at its expense, certain insurance coverage related to the properties under the Kindred Master Leases and Kindred's operations at the related facilities. See "Risk Factors Risks Relating to Ventas Ventas is dependent on Kindred; Kindred's inability or unwillingness to satisfy its obligations under its agreements with Ventas could significantly harm Ventas and its ability to service its indebtedness and other obligations and to make distributions to Ventas's stockholders as required to continue to qualify as a REIT." However, Ventas cannot assure you that Kindred and its other tenants will maintain such insurance, and any failure by Kindred or its other tenants to do so could have a material adverse effect on Ventas's business, financial condition, results of operation and liquidity, on Ventas's ability to service its indebtedness and on its ability to make distributions to its stockholders as required to continue to qualify as a REIT. Ventas believes that Kindred and its other tenants are in substantial compliance with the insurance requirements contained in their respective leases with Ventas.

Ventas believes that the amount and scope of insurance coverage provided by its own and its tenants' policies is customary for similarly situated companies in its industry. Ventas cannot assure you that in the future such insurance will be available at a reasonable price or that its will be able to maintain adequate levels of insurance coverage.

Due to the increase in the number and severity of professional liability claims against healthcare providers, the availability of professional liability insurance has been severely restricted and the premiums for such insurance coverage has increased dramatically. As a result, many healthcare providers may incur large funded and unfunded professional liability expense, which could have a material adverse effect on their liquidity, financial condition and results of operations. In addition, many healthcare providers are pursuing different organizational and corporate structures coupled with insurance programs that provide less insurance coverage. Therefore, Ventas cannot assure you that its tenants will continue to carry the insurance coverage required under the terms of their leases with Ventas or that Ventas will continue to require the same levels of insurance under its leases.

Mortgage Liens

Ventas Realty has granted mortgage liens on certain of its properties to secure borrowings under Ventas's revolving credit facility, and Ventas Finance has granted mortgage liens on all of the properties covered by the Kindred CMBS Master Lease to secure a loan in the original principal amount of \$225.0 million from Merrill Lynch Mortgage Lending, Inc. In addition, certain subsidiaries of Ventas have mortgage debt secured by that subsidiary's facility.

Legal Proceedings

See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus for a description of material pending legal proceedings affecting Ventas. Except as set forth therein, Ventas is not a party to, nor is any of its property the subject of, any material pending legal proceedings.

Additional Information

Ventas maintains a website at www.ventasreit.com. The information on its website is not incorporated by reference in this proxy statement/prospectus, and its web address is included as an inactive textual reference only. Ventas makes available, free of charge, through its website its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13 or 15(d) of the Exchange Act as soon as reasonably practicable after Ventas electronically files such material with, or furnishes it to, the SEC. In addition, Ventas's Guidelines on Governance, the charters for each of its Audit and Compliance, Nominating and Governance and Executive Compensation Committees and its Code of Ethics and Business Conduct are available on its website, and Ventas will mail copies of the foregoing documents to stockholders, free of charge, upon request to Corporate Secretary, Ventas, Inc., 10350 Ormsby Park Place, Suite 300, Louisville, KY 40223.

Regulatory Matters

Healthcare Regulation

General

The operators of Ventas's properties derive a substantial portion of their revenues from third-party payors, including the Medicare and Medicaid programs. Medicare is a federal program that provides certain hospital and medical insurance benefits to persons age 65 and over, certain disabled persons and persons with end-stage renal disease, and those suffering from Lou Gehrig's Disease. Medicaid is a medical assistance program jointly funded by federal and state governments and administered by each state pursuant to which benefits are available to certain indigent patients. The Medicare and Medicaid statutory framework is subject to administrative rulings, interpretations and discretion that affect the amount and timing of reimbursement made under Medicare and Medicaid. The amounts of program payments received by Ventas's operators and tenants can be changed by legislative or regulatory actions and by determinations by agents for the programs. See "Healthcare Reform." In addition, private payors, including managed care payors, increasingly are demanding discounted fee structures and the assumption by healthcare providers of all or a portion of the financial risk. Efforts to impose greater discounts and more stringent cost controls upon operators by private payors are expected to continue. Ventas cannot assure you that adequate reimbursement levels will continue to be available for services to be provided by the operators of its properties which currently are being reimbursed by Medicare, Medicaid and private payors. Significant limits on the scope of services reimbursed and on reimbursement rates and fees could have a material adverse effect on these operators' liquidity, financial condition and results of operations, which could affect adversely their ability to make rental payments to Ventas.

The operators of Ventas's properties are subject to other extensive federal, state and local laws and regulations including, but not limited to, laws and regulations relating to licensure, conduct of operations, ownership of facilities, addition of facilities, services, prices for services, billing for services, and the confidentiality and security of health-related information. These laws authorize periodic inspections and investigations, and identification of deficiencies that, if not corrected, can result in sanctions that include loss of licensure to operate and loss of rights to participate in the Medicare and Medicaid programs. Regulatory agencies have substantial powers to affect the actions of operators of Ventas's properties if the agencies believe that there is an imminent threat to patient welfare, and in

some states these powers can include assumption of interim control over facilities through receiverships.

Certificates of Need

Some states require state approval for development and expansion of healthcare facilities and services, including findings of need for additional or expanded healthcare facilities or services. A CON is issued by governmental agencies with jurisdiction over healthcare facilities and is at times required for expansion of existing facilities, construction of new facilities, addition of beds, and acquisition of major items of equipment or introduction of new services. The CON rules and regulations may restrict an operator's ability to expand Ventas's properties in certain circumstances.

In the last several years, in response to mounting Medicaid budget deficits, many states have begun to tighten CON controls, including the imposition of moratoriums on new nursing facilities and hospitals. Some states have also increased controls over licensing and change-of-ownership rules.

In the event that any operator of Ventas's properties fails to make rental payments to Ventas or to comply with the applicable healthcare regulations, and, in either case, the operator or its lenders fail to cure the default prior to the expiration of the applicable cure period, Ventas's ability to evict that operator and substitute another operator or operators may be materially delayed or limited by various state licensing, receivership, CON or other laws, as well as by Medicare and Medicaid change-of-ownership rules. Such delays and limitations could have a material adverse effect on Ventas's ability to collect rent, to obtain possession of leased properties, or otherwise to exercise remedies for tenant default. In addition, Ventas may also incur substantial additional expenses in connection with any such licensing, receivership or change-of-ownership proceedings.

Fraud and Abuse

There are extensive federal and state laws and regulations prohibiting fraud and abuse in the healthcare industry that can result in significant criminal and civil penalties that can materially affect the operators of Ventas's properties. The federal laws include:

The anti-kickback statute (Section 1128B(b) of the Social Security Act), which prohibits certain business practices and relationships that might affect the provision and cost of healthcare services reimbursable under Medicare, Medicaid and other federal healthcare programs, including the payment or receipt of remuneration for the referral of patients whose care will be paid by Medicare or other governmental programs;

The physician self-referral prohibition (Ethics in Patient Referral Act of 1989, as amended, commonly referred to as the Stark Law, Section 1877 of the Social Security Act), which prohibits referrals by physicians of Medicare or Medicaid patients to providers of a broad range of designated healthcare services in which the physicians (or their immediate family members) have ownership interests or with which they have certain other financial arrangements;

The False Claims Act, which prohibits any person from knowingly presenting or causing to be presented false or fraudulent claims for payment to the federal government (including the Medicare and Medicaid programs);

The Civil Monetary Penalties Law, which authorizes the United States Department of Health and Human Services to impose civil penalties administratively for fraudulent acts; and

The Health Insurance Portability and Accountability Act of 1996 (commonly referred to as HIPAA), which among other things, protects the privacy and security of individually identifiable health information by limiting its use and disclosure.

Sanctions for violating these federal laws include criminal and civil penalties that range from punitive sanctions, damage assessments, money penalties, imprisonment, denial of Medicare and Medicaid payments, and/or exclusion from the Medicare and Medicaid programs. These laws also

impose an affirmative duty on operators to ensure that they do not employ or contract with persons excluded from the Medicare and other government programs.

Many states have adopted or are considering legislative proposals similar to the federal fraud and abuse laws, some of which extend beyond the Medicare and Medicaid programs to prohibit the payment or receipt of remuneration for the referral of patients and physician self-referrals regardless of whether the service was reimbursed by Medicare or Medicaid. Many states have also adopted or are considering legislative proposals to increase patient protections, such as minimum staffing levels, criminal background checks, and limiting the use and disclosure of patient specific health information. These state laws also impose criminal and civil penalties similar to the federal laws.

In the ordinary course of their business, the operators of Ventas's properties have been and are subject regularly to inquiries, investigations and audits by federal and state agencies that oversee these laws and regulations. Recent federal and state legislation has greatly increased funding for investigations and enforcement actions which have increased dramatically over the past several years. This trend is expected to continue. Private enforcement of healthcare fraud also has increased due in large part to amendments to the civil False Claims Act in 1986 that were designed to encourage private persons to sue on behalf of the government. These whistleblower suits by private persons, known as *qui tam* relators, may be filed by almost anyone, including present and former patients or nurses and other employees, and even competitors. HIPAA also created a series of new healthcare related crimes.

As federal and state budget pressures continue, federal and state administrative agencies may also continue to escalate investigation and enforcement efforts to root out waste and to control fraud and abuse in governmental healthcare programs. A violation of any of these federal and state fraud and abuse laws and regulations could have a material adverse effect on Ventas's operators' liquidity, financial condition and results of operations, which could affect adversely their ability to make rental payments to Ventas.

Long-Term Acute Care Hospitals

Substantially all of Ventas's hospitals are operated as long-term acute care hospitals (which we refer to in this proxy statement/prospectus as LTACs), which are hospitals that have a Medicare average length of stay greater than 25 days. Ventas's hospitals are freestanding facilities and it does not own any "hospitals within hospitals." In order to receive Medicare and Medicaid reimbursement, each hospital must meet the applicable conditions of participation set forth by the U.S. Department of Health and Human Services relating to the type of hospital, its equipment, personnel and standard of medical care, as well as comply with state and local laws and regulations. Hospitals undergo periodic on-site licensure surveys, which generally are limited if the hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations or other recognized accreditation organizations. A loss of licensure or certification could preclude a hospital from requesting or receiving payments from the Medicare and Medicaid programs, which could in turn adversely impact the operator's ability to make rental payments under its leases with Ventas.

Skilled Nursing Facilities

The operators of Ventas's skilled nursing facilities (which we refer to in this proxy statement/prospectus as SNFs) generally are licensed on an annual or bi-annual basis and certified annually for participation in the Medicare and Medicaid programs through various regulatory agencies which determine compliance with federal, state and local laws. These legal requirements relate to the quality of the nursing care provided, qualifications of the administrative personnel and nursing staff, the adequacy of the physical plant and equipment and continuing compliance with the laws and regulations governing the operation of nursing facilities. A loss of licensure or certification could preclude a nursing facility from requesting or receiving payments from the Medicare and Medicaid programs, which could in turn adversely impact the operator's ability to make rental payments under its leases with Ventas.

Assisted Living Facilities

Assisted living facilities (which we refer to in this proxy statement/prospectus as ALFs) provide services to aid in activities of daily living, such as bathing, meals, security, transportation, recreation, medication supervision and limited therapeutic programs. More intensive medical needs of the resident are often met within ALFs by home health providers, close coordination with the resident's physician and skilled nursing facilities. ALFs are subject to relatively few federal regulations. Instead, they are regulated mainly by state and local laws which govern the licensing of beds, the provision of services, staffing requirements and other operational matters. However, these laws vary greatly from one state to another.

The recent increase in the number of ALFs around the country has attracted the attention of various federal agencies which believe there should be more federal regulation of ALFs. So far Congress has deferred to state regulation of ALFs. As a result of the increased federal scrutiny along with the rapid increase in the number of ALFs, some states have revised and strengthened their regulation of ALFs. More states are expected to do the same in the future, and further federal regulation remains a possibility.

Any significant expansion in the number or type of, or a violation of any of, these federal, state or local laws and regulations could have a material adverse effect on Ventas's operators' liquidity, financial condition and results of operations, which could affect adversely their ability to make rental payments to Ventas.

Healthcare Reform

Healthcare is one of the largest industries in the United States and continues to attract much legislative interest and public attention. In an effort to reduce federal spending on healthcare, in 1997 the federal government enacted the Balanced Budget Act, which contained extensive changes to the Medicare and Medicaid programs, including substantial reimbursement reductions for healthcare operations. For certain healthcare providers, including hospitals and SNFs, implementation of the Balanced Budget Act resulted in more drastic reimbursement reductions than had been anticipated. In addition to its impact on Medicare, the Balanced Budget Act also afforded states more flexibility in administering their Medicaid plans, including the ability to shift most Medicaid enrollees into managed care plans without first obtaining a federal waiver.

The following key legislative and regulatory changes have been made to the Balanced Budget Act to provide some relief from the drastic reductions in Medicare and Medicaid reimbursement resulting from implementation of the Balanced Budget Act:

The Balanced Budget Refinement Act of 1999;

The Medicare, Medicaid, and State Child Health Insurance Program Benefits Improvement and Protection Act of 2000 (which we refer to in this proxy statement/prospectus as BIPA);

Beginning on October 1, 2003, the Center for Medicare & Medicaid Services (which we refer to in this proxy statement/prospectus as CMS) instituted a one-time "administrative fix" to increase SNF payment rates by 3.26%; and

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (which we refer to in this proxy statement/prospectus as the Medicare Modernization Act and which is sometimes referred to as the Drug Bill).

For the last several years, many states have announced actual or potential budget shortfalls. As a result of these budget shortfalls, many states have announced that they are implementing or considering implementing "freezes" or cuts in Medicaid rates paid to providers, including hospitals and nursing homes.

The Medicare and Medicaid programs, including payment levels and methods, are in a state of change and are less predictable following the enactment of the Balanced Budget Act and the subsequent reform activities. Ventas cannot assure you that future healthcare legislation or changes in the administration or implementation of governmental healthcare reimbursement programs will not have a material adverse effect on the liquidity, financial condition or results of operations of its operators and tenants, which could have a material adverse effect on their ability to make rental payments and which, in turn, could have a material adverse effect on Ventas's business, financial condition, results of operation and liquidity, on Ventas's ability to service its indebtedness and on its ability to make distributions to its stockholders as required to continue to qualify as a REIT.

Medicare Reimbursement; Long-Term Acute Care Hospitals

The Balanced Budget Act mandated the creation of a prospective payment system for LTACs (which we refer to in this proxy statement/prospectus as LTAC PPS), which became effective on October 1, 2002 for LTAC cost report periods commencing on or after October 1, 2002. LTACs have transitioned or are currently transitioning to LTAC PPS, which classifies patients into distinct diagnostic groups based on clinical characteristics and expected resource needs.

Under LTAC PPS, LTACs are no longer reimbursed on a reasonable cost basis that reflects costs incurred, but rather on a predetermined rate. LTAC PPS requires payment for a Medicare beneficiary at a predetermined, per discharge amount for each defined patient category (called "Long Term Care Diagnosis Related Groups" or "LTC-DRGs"), adjusted for differences in area wage levels.

For LTACs that have filed cost reports before October 1, 2002, a five-year phase-in period has been implemented to gradually transition such LTACs from cost-based reimbursement to 100% federal prospective payment under LTAC PPS. At the beginning of any cost reporting period during the phase-in, such LTACs may exercise a one-time, non-revocable election to transition fully to LTAC PPS rate. Kindred has stated that it has fully transitioned 62 of its 64 LTACs to the LTAC PPS rates.

According to CMS, LTAC PPS is required by law to be "budget neutral," which means that total payments under LTAC PPS must equal the amount that would have been paid if the system had not been implemented. As such, budget neutrality adjustments will continue to reduce total Medicare payments made under the system until all facilities have been fully phased-in to the new system.

Updates to the LTAC PPS payment rates are published annually for the LTAC rate year (July 1 through June 30). However, annual updates to the LTAC PPS classification system and its relative weighting system (LTC-DRGs) will continue to coincide with the federal fiscal year (October 1 to September 30) as with the prospective payment system for short-term acute care hospitals (DRGs).

On May 7, 2004, CMS published a final rule updating the LTAC PPS payment rates for the 2005 rate year (July 1, 2004 through June 30, 2005). Under this final rule, LTACs received a 3.1% increase in Medicare payments starting July 1, 2004. In the final rule, CMS further increased LTAC PPS rates by reducing the negative budget neutrality adjustment to 0.5% from 6.0%. The final rule also reduced the threshold for cases to qualify for additional outlier payments, expanded the interrupted stay policy to include all readmissions within three days to result in only one payment to the LTAC instead of the two payments the LTAC would have received prior to the final rule, and set forth the requirements for satellites and remote locations of long-term care hospitals to qualify for separate hospital certification.

On August 2, 2004, CMS published a final rule updating the LTC-DRG categorization system for LTAC PPS for the 2005 federal fiscal year (October 1, 2004 through September 30, 2005). The final rule revised the relative weights for each LTC-DRG used to estimate the resource needs of patients classified in each LTC-DRG. The final rule also revised the minimum average length of stay requirements for each LTC-DRG necessary to receive full payment under the system.

On February 3, 2005, CMS issued a proposed rule to update payment rates for the 2006 rate year under LTAC PPS. The final rule updating 2006 payment rates under LTAC PPS was issued by CMS on

April 29, 2005 and published on May 4, 2005. In the final rule CMS, among other things, increased the inflationary rate from the 3.1% under the proposed rule to 3.4%. CMS also eliminated the budget neutrality adjustment under the final rule. Ventas is currently analyzing this final rule and at this time it cannot be predicted what impact the final rule will have on the liquidity or profitability of the operators of Ventas's LTACs. On May 4, 2005, CMS published another proposed rule under LTAC PPS to, among other things, update the relative weights and lengths of stay for the LTC-DRGs that will become effective October 1, 2005. Comments on this proposed rule will be accepted until June 24, 2005 and the final rule is expected to be published in the third quarter of 2005. If this proposed rule becomes final, CMS estimates that the combined effective decrease in fiscal year 2006 Medicare revenues for LTACs would be 4.7%. Ventas is currently analyzing this proposed rule and at this time cannot predict what impact the proposed rule will have on the liquidity or profitability of the operators of Ventas's LTACs.

Ventas cannot assure you that future updates to the LTAC PPS system or Medicare reimbursement for LTACs will not materially and adversely affect its LTAC operators which, in turn, could have a material adverse effect on Ventas's business, financial condition, results of operation and liquidity, on Ventas's ability to service its indebtedness and on its ability to make distributions to its stockholders as required to continue to qualify as a REIT. See "Risk Factors Risks Relating to Ventas Changes in the reimbursement rates or methods of payment from third-party payors, including the Medicare and Medicaid programs, could have a material adverse effect on Ventas's tenants."

Medicare Reimbursement; Skilled Nursing Facilities

The Balanced Budget Act established a prospective payment system for skilled nursing facilities (which we refer to in this proxy statement/prospectus as SNF PPS) offering Medicare Part A covered services. Under the SNF PPS, payment amounts are based upon classifications determined through assessments of individual Medicare patients in the skilled nursing facility, rather than on the facility's reasonable costs. The payments received under the SNF PPS are intended generally to cover all inpatient services for Medicare patients, including routine nursing care, most capital-related costs associated with the inpatient stay, and ancillary services, such as respiratory therapy, occupational therapy, speech therapy and certain covered drugs. Under the SNF PPS, per diem payments are made to nursing home facilities for each resident.

As a result of SNF PPS, Medicare payments to SNFs dropped by 12.5% in 1999. Although there has been some payment relief (as described below), certain of the payment relief provisions have expired, and Ventas cannot assure you that the current reimbursement levels under the SNF PPS will continue or be sufficient to permit its operators to satisfy their obligations, including payment of rent under their leases with Ventas.

In response to widespread healthcare industry concern about the effects of the Balanced Budget Act, the federal government enacted the Balanced Budget Refinement Act of 1999 on November 29, 1999. The Balanced Budget Refinement Act of 1999 increased the per diem reimbursement rates for certain high acuity patients by 20% starting April 1, 2000 and continuing until such time as case-mix refinements are implemented by CMS. As explained below, CMS has yet to implement case-mix refinements and, therefore, this 20% temporary per diem add-on has been extended and remains in effect. Under the Balanced Budget Refinement Act of 1999, outpatient rehabilitation therapy providers received a two-year moratorium on the annual Medicare Part B cap on the amount of physical, occupational and speech therapy provided to a patient, which moratorium was subsequently extended until December 31, 2005.

Passed in December 2000, BIPA provided additional relief from the projected impact of the Balanced Budget Act. BIPA revised the annual market basket update factor upward from "market basket minus 1%" to (a) "market basket" in federal fiscal year 2001, and (b) "market basket minus 0.5%" in federal fiscal years 2002 and 2003. BIPA also increased the per diem reimbursement rates for

the rehabilitation-related patient categories by 6.7%, from April 1, 2001 until such time as case-mix refinements are implemented by CMS. As explained below, CMS has yet to implement case-mix refinement and, therefore, this 6.7% temporary payment increase remains in effect.

In August 2003, CMS administratively corrected the market basket inflation adjustment it used in the implementation of SNF PPS as mandated by the Balanced Budget Act. A one-time 3.26% increase to the market basket inflation adjustment was made for all SNF PPS payment rates beginning on October 1, 2003. In addition, in December 2003, the Medicare Modernization Act provided that no reductions should be made to the market basket increases for the SNF PPS rates; therefore 2004 funding was increased by the full market basket of 3%.

During 2003, financial limitations on therapy services went into effect. For Part B nursing facility residents, a \$1,500 limit was placed on the reimbursement level for physical therapy/speech language pathology services combined and a separate \$1,500 limit for occupational therapy. As a result of administrative delays and litigation, this limitation was only effective from September 1, 2003 through December 8, 2003, the effective date of the Medicare Modernization Act, which included a two-year moratorium on the application of therapy caps until December 31, 2005.

On July 29, 2004, CMS announced an update to SNF PPS for the 2005 federal fiscal year (October 1, 2004 through September 30, 2005). Starting October 1, 2004, SNFs received a 2.8% increase in Medicare payments. CMS also announced that the two temporary payment increases the 20% temporary per diem add-on for certain payment categories and the 6.7% temporary payment increase for other categories, both discussed above will remain in effect until CMS implements a refined case mix classification system to better account for medically complex patients. Although CMS is actively developing a refined case mix classification system, at this time it cannot be predicted when such system will be announced and implemented, or what the impact of such system will be on the liquidity or profitability of Ventas's tenants.

On February 7, 2005, President Bush released his Fiscal Year 2006 Budget to Congress. The 2006 budget projects that CMS will refine SNF PPS in 2006 to ensure appropriate payments for certain high-cost cases. Accordingly, on May 19, 2005, CMS published a proposed rule under SNF PPS. Under the rule, CMS proposes, among other things, a refinement (which we refer to in this proxy statement/prospectus as the RUGs refinement) to the resource utilization groups (which we refer to in this proxy statement/prospectus as RUGs) by adding nine new payment categories which determine the daily payments for Medicare beneficiaries in SNFs. CMS is also proposing increases in the case mix index for all of the RUGs categories. The increase in the index is equal to half of the value of the temporary "add-on" payment that ends with the refinement of the current system. The increase in payments along with the RUGs refinement, together with an annual inflation increase of 3%, will result in a small overall reduction in SNF Medicare payments in fiscal year 2006. The RUGs refinement under the proposed rule would be effective on January 1, 2006; the market basket increase would be effective October 1, 2005. Comments on the proposed rule will be accepted until July 12, 2005 and a final rule is expected to be published in the third quarter of 2005. Ventas currently is analyzing this proposed rule and at this time cannot predict what impact the proposed rule will have on the liquidity or profitability of the operators of Ventas's SNFs.

There can be no assurances that updates or proposed changes to the SNF PPS or Medicare reimbursement for SNFs will not materially adversely impact Ventas's SNF operators which, and in turn, could have a material adverse effect on Ventas's business, financial condition, results of operation and liquidity, on Ventas's ability to service its indebtedness and on its ability to make distributions to its stockholders as required to continue to qualify as a REIT. See "Risk Factors Risks Relating to Ventas Changes in the reimbursement rates or methods of payment from third-party payors, including the Medicare and Medicaid programs, could have a material adverse effect on Ventas's tenants."

Medicaid Reimbursement; Skilled Nursing Facilities

Approximately two-thirds of all nursing home residents are dependent on Medicaid. Medicaid reimbursement rates, however, typically are less than the amounts charged by the operators of Ventas's properties. The Balanced Budget Act repealed the "Boren Amendment" federal payment standard for Medicaid payments to hospitals and nursing facilities effective October 1, 1997, giving states greater latitude in setting payment rates for these providers. Furthermore, federal legislation restricts a nursing facility operator's ability to withdraw from the Medicaid Program by restricting the eviction or transfer of Medicaid residents.

For the last several years, many states have announced actual or potential budget shortfalls. As a result of these budget shortfalls, many states have announced that they are implementing or considering implementing "freezes" or cuts in Medicaid rates paid to SNF providers.

In an effort to mitigate the state Medicaid budget crisis, the federal Jobs and Growth Tax Relief Reconciliation Act was enacted on May 28, 2003, which included a \$10 billion increase in Medicaid federal funding through federal fiscal year 2004. In addition, the Jobs and Growth Tax Relief Reconciliation Act provides an additional \$10 billion in state fiscal relief for federal fiscal years 2003 and 2004 to assist states with funding shortfalls. These temporary federal funding provisions were successful in mitigating state Medicaid funding reductions through mid-calendar year 2004. However, state budget shortfalls continue, fueled in large part by continuing rapid increases in Medicaid spending.

President Bush's Fiscal Year 2006 Budget recommends Congress make changes to the Medicaid program that are estimated to result in \$60 billion in savings to the federal government primarily through the accounting practices some states use to calculate their matched payments. At this time, it is not possible to predict whether significant Medicaid rate freezes or cuts or other program changes will be adopted and if so, by how many states or whether the United States Government will revoke, reduce or stop approving "provider taxes" that have the effect of increasing Medicaid payments to the states, or the impact of such actions on Ventas's operators. However, severe and widespread Medicaid rate cuts or freezes could have a material adverse effect on Ventas's SNF operators and, in turn, could have a material adverse effect on Ventas's business, financial condition, results of operation and liquidity, on Ventas's ability to service its indebtedness and on its ability to make distributions to its stockholders as required to continue to qualify as a REIT.

Nursing Home Quality Initiative

In 2002, the U.S. Department of Health and Human Services launched the Nursing Home Quality Initiative program. This program, which is designed to provide consumers with comparative information about nursing home quality measures, rates nursing homes on various quality of care indicators. Since 2002, investigative and enforcement activities regarding nursing home quality compliance has intensified both on the federal and state administrative levels.

If the operators of Ventas's properties are unable to achieve quality of care ratings that are comparable or superior to those of their competitors, patients may choose alternate facilities, which could cause operating revenues to decline. In the event the financial condition or operating revenues of these operators are adversely affected, the operators' ability to make rental payments to Ventas could be adversely affected, which, in turn, could have a material adverse effect on Ventas's business, financial condition, results of operation and liquidity, on Ventas's ability to service its indebtedness and on its ability to make distributions to its stockholders as required to continue to qualify as a REIT.

Environmental Regulation

As an owner of real property, Ventas is subject to various federal, state and local laws and regulations regarding environmental, health and safety matters. These laws and regulations address, among other things, asbestos, polychlorinated biphenyls, fuel oil management, wastewater discharges,

air emissions, radioactive materials, medical wastes, and hazardous wastes. In certain cases, the costs of complying with these laws and regulations and the penalties for non-compliance can be substantial. For example, although Ventas does not generally operate its properties, it may be held jointly and severally liable for costs relating to the investigation and cleanup of any property from which there is or has been a release or threatened release of a hazardous or toxic substance and any other affected properties, regardless of whether Ventas knew of or caused the release. In addition to these costs, which are typically not limited by law or regulation and could exceed the property's value, Ventas could be liable for certain other costs, including governmental fines and injuries to persons or property. See "Risk Factors Risks Relating to Ventas If any of Ventas's properties are found to be contaminated, or if Ventas become involved in any environmental disputes, Ventas could incur substantial liabilities and costs."

Ventas is generally indemnified by the current operators of its properties for contamination caused by those operators. Under the Kindred Master Leases, Kindred has agreed to indemnify Ventas against any environmental claims (including penalties and clean-up costs) resulting from any condition arising in, on or under, or relating to, the leased properties at any time on or after the lease commencement date for the applicable leased property and from any condition permitted to deteriorate on or after such date (including as a result of migration from adjacent properties not owned or operated by Ventas or any of its affiliates other than Kindred and its direct affiliates). However, Ventas cannot assure you that Kindred or another operator will have the financial capability or the willingness to satisfy any such environmental claims, and in the event Kindred or another operator is unable or unwilling to do so, Ventas may be required to satisfy the claims. See "Risk Factors Risks Relating to Ventas Ventas is dependent on Kindred; Kindred's inability or unwillingness to satisfy its obligations under its agreements with Ventas could significantly harm Ventas and its ability to service its indebtedness and other obligations and to make distributions to Ventas's stockholders as required to continue to qualify as a REIT." Ventas has also agreed to indemnify Kindred and certain of its other operators against any environmental claims (including penalties and clean-up costs) resulting from any condition arising on or under, or relating to, the leased properties at any time before the lease commencement date for the applicable leased property.

Ventas did not make any material capital expenditures in connection with such environmental, health, and safety laws, ordinances and regulations in 2004 and does not expect that it will have to make any such material capital expenditures during 2005.

Ventas Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information which Ventas's management believes is relevant to an assessment and understanding of the consolidated results of operations and financial condition of Ventas (together with its subsidiaries). This discussion should be read in conjunction with Ventas's consolidated financial statements and the notes thereto included elsewhere in this proxy statement/prospectus. This discussion and analysis will help you understand:

key transactions that Ventas completed in the three months ended March 31, 2005 and the year ended December 31, 2004;

critical accounting policies and estimates of Ventas;

accounting policies that Ventas adopted in 2004, 2003 and 2002;

results of operations of Ventas for the three months ended March 31, 2005 and 2004 and the last three years;

liquidity and capital resources of Ventas; and

Ventas's funds from operations.

Key Transactions

During the three months ended March 31, 2005, Ventas completed the following key transactions:

Ventas acquired one senior housing facility and one hospital for an aggregate purchase price of \$29.7 million, which facilities are leased under triple-net leases, each having initial terms of 15 years and initially providing aggregate, annual cash base rent of approximately \$2.8 million, subject to escalation as provided in the leases;

Ventas acquired a parcel of land that is adjacent to one of Ventas's healthcare facilities for \$0.6 million; and

Ventas acquired three medical office buildings for an aggregate purchase price of \$12.9 million.

During the year ended December 31, 2004, Ventas completed the following key transactions:

Ventas acquired all of the outstanding common shares of ElderTrust in a cash transaction valued at \$184.0 million, inclusive of \$33.5 million in unrestricted and restricted cash;

Ventas acquired 15 facilities now leased by affiliates of Brookdale for a purchase price of \$157.4 million;

Ventas acquired an additional 11 facilities from various sellers for an aggregate purchase price of \$109.2 million;

Ventas issued \$125 million of 6⁵/₈% unsecured senior notes, maturing on October 15, 2014;

Ventas obtained a new \$300 million secured revolving credit facility initially priced at 125 basis points over LIBOR, an improvement over Ventas's previous revolving credit facility which was initially priced at 275 basis points over LIBOR; and

Ventas raised \$51.1 million of equity with the public sale of 2,000,000 shares of Ventas common stock.

Critical Accounting Policies and Estimates

Ventas's consolidated financial statements have been prepared in accordance with GAAP, which requires Ventas to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosures. Ventas believes that the following critical accounting policies, among others, affect its more significant estimates and judgments used in the preparation of its financial statements.

Long-Lived Assets

Investments in real estate properties are recorded at cost. Ventas accounts for acquisitions using the purchase method. The cost of the properties acquired is allocated among tangible land, buildings and equipment and recognized intangibles based upon estimated fair values in accordance with the provisions of Statement of Financial Accounting Standards (which we refer to in this proxy statement/prospectus as SFAS) No. 141, "Business Combinations." Ventas estimates fair values of the components of assets acquired as of the acquisition date or engage a third party appraiser as necessary. Recognized intangibles, if any, include the value of acquired lease contracts and related customer relationships.

Ventas's method for determining fair value varies with the categorization of the asset acquired. Ventas estimates the fair value of buildings on an as-if-vacant basis, and amortizes the building value over the estimated remaining life of the building. Ventas determines the allocated value of other fixed assets based upon the replacement cost and amortizes such value over their estimated remaining useful lives. Ventas determines the value of land either based on real estate tax assessed values in relation to the total value of the asset, internal analyses of recently acquired and existing comparable properties within the Ventas portfolio or third party appraisals. The fair value of in-place leases, if any, reflects (i) above and below market leases, if any, determined by discounting the difference between the estimated current market rent and the in-place rentals, the resulting intangible asset of which is

amortized to rental revenue over the remaining life of the associated lease plus any fixed rate renewal periods, if applicable, (ii) the estimated value of the cost to obtain tenants, including tenant allowances, tenant improvements and leasing commissions, which is amortized over the remaining life of the associated lease, and (iii) an estimated value of the absorption period to reflect the value of the rents and recovery costs foregone during a reasonable lease-up period, as if the acquired space was vacant, which is amortized over the remaining life of the associated lease. Ventas also estimates the value of tenant or other customer relationships acquired by considering the nature and extent of existing business relationships with the tenant, growth prospects for developing new business with such tenant, such tenant's credit quality, expectations of lease renewals with such tenant, and the potential for significant, additional future leasing arrangements with such tenant. Ventas amortizes such value, if any, over the expected term of the associated arrangements or leases, which would include the remaining lives of the related leases and any expected renewal periods.

Impairment of Long-Lived Assets

Ventas periodically evaluates its long-lived assets, primarily consisting of its investments in real estate, for impairment indicators. If indicators of impairment are present, Ventas evaluates the carrying value of the related real estate investments in relation to the future undiscounted cash flows of the underlying operations and adjusts the net book value of leased properties and other long-lived assets to fair value if the sum of the expected future cash flow or sales proceeds is less than book value. An impairment loss is recognized at the time Ventas makes any such adjustment. Future events could occur which would cause Ventas to conclude that impairment indicators exist and an impairment loss is warranted.

Revenue Recognition

Certain of Ventas's leases, excluding the Kindred Master Leases, provide for periodic and determinable increases in base rent. Base rental revenues under these leases are recognized on a straight-line basis over the term of the applicable lease. Certain of Ventas's other leases, including the Kindred Master Leases, provide for an annual increase in rental payments only if certain revenue parameters or other contingencies are met. Ventas recognizes the increased rental revenue under these leases only if the revenue parameters or other contingencies are met rather than on a straight-line basis over the term of the applicable lease. Ventas recognizes income from rent, lease termination fees and other income once all of the following criteria are met in accordance with SEC Staff Accounting Bulletin 104: (i) the agreement has been fully executed and delivered; (ii) services have been rendered; (iii) the amount is fixed or determinable; and (iv) the collectibility is reasonably assured.

Legal Contingencies

Ventas is involved in litigation as described in the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus. Ventas evaluates such matters by (i) ascertaining the probability that such litigation could result in a loss for Ventas and (ii) determining an estimate of any possible loss. In accordance with SFAS No. 5, "Accounting for Contingencies," Ventas accrues for any probable losses that are estimable and discloses any loss contingencies that are possible. If management's assessment of Ventas's liability with respect to these actions is incorrect, such matters could have a material adverse effect on Ventas.

Fair Value of Derivative Instruments

The valuation of derivative instruments requires Ventas to make estimates and judgments that affect the fair value of the instruments. Fair values for Ventas's derivatives are verified with a third party consultant which utilizes pricing models that consider forward yield curves and discount rates. Such amounts and the recognition of such amounts in the financial statements are subject to significant estimates which may change in the future.

Adoption of Accounting Policies

In December 2004, the Financial Accounting Standards Board (which we refer to in this proxy statement/prospectus as the FASB) issued SFAS No. 123(R), "Share-Based Payment" (which we refer to in this proxy statement/prospectus as SFAS No. 123(R)), which is a revision to SFAS No. 123, "Accounting for Stock-Based Compensation." SFAS No. 123(R) supersedes Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Generally, the approach in SFAS No. 123(R) is similar to the approach described in SFAS No. 123, "Accounting for Stock-Based Compensation," except that SFAS No. 123(R) requires all share-based payments to employees, including grants of employee stock options, be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative under SFAS No. 123(R).

As required under SEC Release No. 33-8568, Ventas expects to adopt the provisions of SFAS No. 123(R) on January 1, 2006. Ventas expects to apply the modified prospective method of adoption in which compensation cost is recognized beginning on the date Ventas adopts the accounting standard for all share-based payments granted after the adoption date and for all awards granted to employees prior to the adoption date that remain unvested on the adoption date. As permitted by SFAS No. 123(R), Ventas currently accounts for share-based payments to employees using the intrinsic value method under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and, as such, generally recognizes no compensation cost for employee stock options. The adoption of SFAS No. 123(R) is expected to result in an immaterial increase in expense during 2006 based on unvested options outstanding as of March 31, 2005 and current compensation plans. While the effect of adoption depends on the level of share-based payments granted in the future and unvested grants on the date Ventas adopts SFAS No. 123(R), the effect of this accounting standard on Ventas's prior operating results would approximate the effect of SFAS No. 123, "Accounting for Stock-Based Compensation" as described in the disclosure of pro forma net income and earnings per share. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

In April 2002, FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Correction" (which we refer to in this proxy statement/prospectus as SFAS No. 145). SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt" (which we refer to in this proxy statement/prospectus as SFAS No. 4), required that gains and losses from the extinguishment of debt that were included in the determination of net income be aggregated and, if material, classified as an extraordinary item. The provisions of SFAS No. 145 that relate to the rescission of SFAS No. 4 required Ventas to reclassify certain prior period items that no longer meet the extraordinary classification into continuing operations. Additionally, future gains and losses related to debt extinguishment may be required to be classified as income from continuing operations. The provisions of SFAS No. 145 relating to the rescission of SFAS No. 4 became effective in fiscal years beginning after May 15, 2002. As required, on January 1, 2003, Ventas adopted SFAS No. 145. In accordance with SFAS No. 145, Ventas's prior year financial statements have been reclassified to include gains and losses from extinguishment of debt in continuing operations. This reclassification has no effect on Ventas's net income.

Effective January 1, 2002, Ventas adopted the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (which we refer to in this proxy statement/prospectus as SFAS No. 144). SFAS No. 144 addresses the financial accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 extends the reporting requirements of discontinued operations to include components of an entity that have either been disposed of or are classified as held for sale. The operating results of properties that were disposed of subsequent to January 1, 2002 have been reclassified as discontinued operations in Ventas's consolidated statements of income for each of the three years ended December 31, 2004 included elsewhere in this proxy statement/prospectus. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

Results of Operations

The tables below show Ventas's results of operations for each period presented and the absolute and percentage change in those results from period to period.

Three Months Ended March 31, 2005 and 2004

	Three Months Ended March 31,		Change	
	2005	2004	\$	%
(dollars in thousands)				
Revenues:				
Rental income	\$ 62,739	\$ 52,906	\$ 9,833	18.6%
Interest income from loans receivable	652	756	(104)	(13.8)
Interest and other income	612	281	331	117.8
Total revenues	64,003	53,943	10,060	18.6
Expenses:				
Property-level operating expenses	552	207	345	166.67
General, administrative and professional fees	5,020	4,224	796	18.8
Restricted stock amortization	420	385	35	9.1
Depreciation	13,266	10,807	2,459	22.8
Interest	17,172	15,229	1,943	12.8
Total expenses	36,430	30,852	5,578	18.1
Income before discontinued operations	27,573	23,091	4,482	19.4
Discontinued operations		184	(184)	(100.0)
Net income	\$ 27,573	\$ 23,275	\$ 4,298	18.5%

Revenues

The increase in Ventas's first quarter 2005 rental income reflects (i) a \$1.6 million increase resulting from the 3.5% annual increase in rent paid under the Kindred Master Leases effective May 1, 2004, and (ii) the recognition of \$8.2 million in additional rent relating to the properties acquired during the three months ended March 31, 2005 and the year ended December 31, 2004. See the notes to Ventas's consolidated financial statements. The rental income from Kindred for the three months ended March 31, 2005 includes \$0.6 million related to the amortization of deferred revenue recorded as a result of Ventas's receipt of Kindred common stock in connection with Kindred's emergence from bankruptcy on April 20, 2001 and the receipt of \$4.5 million of additional future rent under the Kindred Master Leases.

Interest income from loans receivable primarily represents interest income received in connection with the THI Mezzanine Loan. The decrease in interest income reflects principal payments made on the note receivable during the year ended December 31, 2004 and the three months ended March 31, 2005.

Expenses

The increase in property-level operating expenses is attributable to Ventas's acquisition of additional medical office buildings during the three months ended March 31, 2005 and the year ended December 31, 2004.

The increase in general, administrative and professional fees is primarily attributable to growth in Ventas's portfolio, expenses related to the discovery phase of the Sullivan & Cromwell litigation (see the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus) and costs associated with Ventas's initiative to develop and market its strategic

diversification program, engage in comprehensive asset management, and attract and retain appropriate personnel to achieve its business objectives.

Depreciation expense increased primarily due to the properties acquired during the three months ended March 31, 2005 and the year ended December 31, 2004. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

The increase in interest expense was primarily attributable to (i) a \$0.9 million increase related to debt assumed from acquisitions during the three months ended March 31, 2005 and the year ended December 31, 2004 and (ii) a \$2.1 million increase from increased principal balances on existing debt as a result of acquisitions during the same periods, partially offset by a \$1.1 million decrease from lower effective interest rates due to debt refinancing in 2004.

Years Ended December 31, 2004 and 2003

	Year Ended December 31,		Change	
	2004	2003	\$	%
(dollars in thousands)				
Revenues:				
Rental income	\$ 232,911	\$ 189,987	\$ 42,924	22.6%
Interest income from loan receivable	2,958	3,036	(78)	(2.6)
Interest and other income	987	1,696	(709)	(41.8)
Total revenues	236,856	194,719	42,137	21.6
Expenses:				
Property-level operating expenses	1,337		1,337	
General, administrative and professional fees	16,917	15,158	1,759	11.6
Reversal of contingent liability		(20,164)	20,164	100.0
Amortization of restricted stock grants	1,207	1,274	(67)	(5.3)
Depreciation	49,035	39,500	9,535	24.1
Net loss on swap breakage		5,168	(5,168)	(100.0)
Interest	66,817	61,660	5,157	8.4
Loss on extinguishment of debt	1,370	84	1,286	1531.0
Interest on United States Settlement		4,943	(4,943)	(100.0)
Total expenses	136,683	107,623	29,060	27.0
Operating income	100,173	87,096	13,077	15.0
Gain on sale of Kindred common stock		9,039	(9,039)	(100.0)
Income before discontinued operations	100,173	96,135	4,038	4.2
Discontinued operations	20,727	66,618	(45,891)	(68.9)
Net income	\$ 120,900	\$ 162,753	\$ (41,853)	(25.7)%

Revenues

The increase in Ventas's 2004 rental income reflects (i) a \$10.4 million increase resulting from the 3.5% annual increase in the rent paid under Kindred Master Leases effective May 1, 2004, and the rent increase from the July 1, 2003 amendment to the Kindred Master Leases, and (ii) the recognition of \$32.1 million in additional rent relating to the properties acquired during 2004. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus. The rental income from Kindred includes \$2.3 million related to the

amortization of deferred revenue recorded as a result of Ventas's receipt of Kindred common stock in connection with Kindred's emergence from bankruptcy on April 20, 2001 and the receipt of \$4.5 million of additional future rent under the Kindred Master Leases.

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Interest income from loan receivable represents interest income received in connection with the THI Mezzanine Loan. As of February 15, 2005, the mezzanine loan amount outstanding was \$12.4 million.

The decrease in interest and other income is primarily attributable to the recovery in 2003 of a previously written-off receivable.

Expenses

The increase in general, administrative and professional fees is primarily attributable to costs associated with Ventas's initiative to develop and market its strategic diversification program, engage in comprehensive asset management, comply with regulatory requirements such as the Sarbanes-Oxley Act of 2002, and to attract and retain appropriate personnel to achieve its business objectives.

During the year ended December 31, 2003, Ventas reported an increase of approximately \$20.2 million to its operating results, reflecting the reversal of a previously recorded contingent liability. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

Depreciation expense increased primarily due to the properties acquired during 2004. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

As a result of anticipated lower variable rate debt balances due to the sale of ten facilities on December 11, 2003, Ventas entered into an agreement with the counterparty to its interest rate swap to break \$120.0 million of the \$450.0 million notional amount in exchange for a payment to the counterparty of approximately \$8.6 million. In addition, Ventas recognized \$3.4 million of a previously deferred gain recorded in connection with the 1999 transaction to shorten the maturity of a separate interest rate swap. The \$5.2 million net expense, which was previously reported in accumulated other comprehensive income on Ventas's consolidated balance sheet, was recognized as a net expense in the consolidated statement of income for the year ended December 31, 2003.

Interest expense includes \$3.9 million and \$4.1 million of amortized deferred financing costs for the years ended December 31, 2004 and 2003, respectively. Interest expense included in discontinued operations was \$0.4 million and \$3.5 million for the years ended December 31, 2004 and 2003, respectively. Total interest expense, excluding interest on the United States settlement but including interest allocated to discontinued operations, increased \$2.0 million in 2004 over 2003. The increase in interest expense from continuing and discontinued operations was due primarily to (i) a \$6.6 million increase related to the assumed debt for the ElderTrust merger and Brookdale transactions, partially offset by, (ii) a \$3.2 million decrease from lower effective interest rates, (iii) a \$0.8 million decrease from the amortization of a deferred gain recorded in connection with the 1999 transaction to shorten the maturity of Ventas's previous \$800.0 million notional amount interest rate swap (which we refer to in this proxy statement/prospectus as the 1998 Swap), (iv) a \$0.3 million decrease from reduced principal balances of Ventas's existing debt and (v) a \$0.3 million decrease in amortization of deferred financing costs.

In September 2004, Ventas refinanced indebtedness under its prior credit agreement at lower interest rates and incurred a loss from extinguishment of debt of \$1.4 million related to the write-off of unamortized deferred financing costs.

Interest expense on Ventas's settlement with the U.S. Department of Justice declined to zero in 2004 from \$4.9 million in 2003 due to full prepayment in 2003. On June 30, 2003, Ventas incurred a \$2.7 million non-cash expense relating to the early repayment of the settlement that is reflected as interest on United States settlement on its consolidated statement of income for the year ended December 31, 2003. There was no prepayment penalty or other cash expense upon early repayment of the United States settlement. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

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Gain On Sale of Kindred Common Stock

During the year ended December 31, 2003, Ventas disposed of 920,814 shares of Kindred common stock and recognized a gain of \$9.0 million. Since the sale, Ventas has not owned any shares of Kindred common stock.

Discontinued Operations

The decrease in discontinued operations is a result of a lower net gain on the sale of properties in 2004. Discontinued operations in 2003 includes the net income of 27 properties sold in 2003 and in 2004, whereas the discontinued operations in 2004 includes only the net income of two properties sold in 2004.

In 2004, Ventas completed the sale of two facilities for \$21.1 million in net cash proceeds and recognized a net gain on the sale of \$19.4 million. In addition, the tenant paid Ventas lease termination fees approximating \$0.5 million. In 2003, Ventas completed the sale of 27 facilities for \$139.2 million in net cash proceeds and recognized a net gain on the sale of \$51.8 million. In addition, the tenants paid Ventas lease termination fees approximating \$10.1 million. The net gains and lease termination fees are included in discontinued operations for the respective years in which the dispositions occurred.

See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

Years Ended December 31, 2003 and 2002

	Year Ended December 31,		Change	
	2003	2002	\$	%
	(dollars in thousands)			
Revenues:				
Rental income	\$ 189,987	\$ 174,822	\$ 15,165	8.7%
Interest income from loan receivable	3,036	995	2,041	205.1
Interest and other income	1,696	1,178	518	44.0
Total revenues	194,719	176,995	17,724	10.0
Expenses:				
General, administrative and professional fees	15,158	12,913	2,245	17.4
Reversal of contingent liability	(20,164)		(20,164)	
Amortization of restricted stock grants	1,274	1,853	(579)	(31.2)
Depreciation	39,500	38,229	1,271	3.3
Net loss on swap breakage	5,168	5,407	(239)	(4.4)
Interest	61,660	72,384	(10,724)	(14.8)
Loss on extinguishment of debt	84	11,077	(10,993)	(99.2)
Interest on United States Settlement	4,943	5,461	(518)	(9.5)
Total expenses	107,623	147,324	(39,701)	(26.9)
Operating income	87,096	29,671	57,425	193.5
Gain on sale of Kindred common stock	9,039	5,014	4,025	80.3
Income before provision (benefit) for income taxes, net gain real estate disposals and discontinued operations	96,135	34,685	61,450	177.2
Provision (benefit) for income taxes		(2,200)	2,200	100.0
Income before net gain on real estate disposals and discontinued operations	96,135	36,885	59,250	160.6
Net gain on real estate disposals		64	(64)	(100.0)

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	Year Ended December 31,		Change	
Income before discontinued operations	96,135	36,949	59,186	160.2
Discontinued operations	66,618	28,757	37,861	131.7
Net income	\$ 162,753	\$ 65,706	\$ 97,047	147.7%

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Revenues

The increase in 2003 rental income reflects (i) the 3.5% increase in the rent paid under the Kindred Master Leases effective May 1, 2003, (ii) the \$8.6 million increase in annualized rent on certain Kindred facilities effective July 1, 2003 and (iii) \$6.0 million in additional rent earned during the year ended December 31, 2003 under Ventas's master lease with THI.

The rental income from Kindred includes \$2.3 million related to the amortization of deferred revenue recorded as a result of Ventas's receipt of Kindred common stock on April 20, 2001 and the receipt of \$4.5 million of additional future rent under the Kindred Master Leases.

Interest income from loan receivable represents interest income received in connection with the THI Mezzanine Loan.

The increase in interest and other income is primarily attributable to the recovery in 2003 of a previously written-off receivable. In addition, interest income increased due to higher cash balances on hand to invest during 2003, which was partially offset by reduced interest rates.

Expenses

The increase in general, administrative and professional fees is primarily attributable to costs associated with Ventas's initiatives to develop and market its strategic diversification program, to improve its overall asset management system, and to attract and retain appropriate personnel to achieve its business objectives.

During the year ended December 31, 2003, Ventas reported an increase of approximately \$20.2 million to its operating results, reflecting the reversal of a previously recorded contingent liability. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

For the year ended December 31, 2003, Ventas recorded an expense of \$5.2 million related to the loss on a \$120 million notional swap breakage. For the year ended December 31, 2002, Ventas recorded an expense of \$5.4 million related to the loss on a \$350 million notional swap breakage. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

Interest expense includes \$4.1 million and \$3.7 million of amortized deferred financing costs for the years ended December 31, 2003 and 2002, respectively. Interest expense included in discontinued operations was \$3.5 million and \$6.2 million for the years ended December 31, 2003 and 2002, respectively. Total interest expense, excluding interest on the United States settlement but including interest allocated to discontinued operations, decreased \$13.4 million in 2003 over 2002. The decrease in interest expense from continuing and discontinued operations was due primarily to (i) a \$9.9 million decrease as a result of reduced debt balances, (ii) a \$0.4 million decrease from reduced interest rates, (iii) a \$1.6 million decrease in swap ineffectiveness (see the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus), and (iv) a \$1.5 million decrease from the amortization of a deferred gain recorded in connection with a 1999 transaction to shorten the maturity of the 1998 Swap. Ventas recorded swap ineffectiveness in its consolidated statement of income of \$0.3 million and \$1.9 million for the years ended December 31, 2003 and 2002, respectively, to reflect the value of the excess of the notional amount of the 1998 Swap and 2003-2008 Swap (as defined below) over its future anticipated variable rate debt balance.

In April 2002, Ventas refinanced indebtedness under its prior credit agreement and incurred a loss from extinguishment of debt of \$6.9 million related to the write-off of unamortized deferred financing costs associated with its previous revolving credit facility. In December 2002, Ventas incurred an additional \$4.2 million loss related to the repurchase of \$34.0 million principal amount of its

outstanding senior notes consisting of the write-off of unamortized deferred financing costs and premiums paid to repurchase.

On June 30, 2003, Ventas incurred a \$2.7 million expense relating to the early repayment of its United States settlement that is reflected as interest on United States Settlement on the Ventas's consolidated statement of income for the year ended December 31, 2003.

Gain on Sale of Kindred Common Stock

During the year ended December 31, 2003, Ventas disposed of 920,814 shares of Kindred common stock and recognized a gain of \$9.0 million. During the year ended December 31, 2002, Ventas disposed of 159,500 shares of Kindred common stock and recognized a gain of \$5.0 million.

Discontinued Operations

The increase in discontinued operations is a result of a higher net gain on the sale of properties in 2003, offset by the loss of net income due to the sales. Discontinued operations in 2002 includes the net income of properties sold in 2002 and in 2003, whereas the discontinued operations in 2003 includes only the net income of properties sold in 2003.

In the second quarter ended June 30, 2002, Ventas sold a skilled nursing facility for \$1.5 million in net cash proceeds to an unrelated third party and recognized a gain of \$1.1 million, which was included as a component of discontinued operations, and Ventas sold a hospital facility for \$27.1 million in net cash proceeds to an unrelated third party and recognized a gain of \$22.4 million, which was also included as a component of discontinued operations.

Funds from Operations

Ventas's FFO for the three months ended March 31, 2005 and 2004 and the five years ended December 31, 2004 are summarized in the following table:

	For the Three Months Ended March 31,		For the Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
	(in thousands)						
Net income (loss)	\$ 27,573	\$ 23,275	\$ 120,900	\$ 162,753	\$ 65,706	\$ 50,566	\$ (65,452)
Adjustments:							
Depreciation on real estate assets	13,175	10,722	48,647	39,216	38,012	37,855	38,068
Realized gain on sale of real estate assets					(64)	(290)	(957)
Other items:							
Discontinued operations							
Real estate depreciation discontinued		51	203	2,443	3,879	4,049	4,120
Gain on sale of real estate			(19,428)	(51,781)	(23,450)		
Funds from operations	\$ 40,748	\$ 34,048	\$ 150,322	\$ 152,631	\$ 84,083	\$ 92,180	\$ (24,221)

Historical cost accounting for real estate assets implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. To overcome this problem, Ventas considers FFO an appropriate measure of performance of an equity REIT, and

Ventas uses the NAREIT definition of FFO. NAREIT defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of real estate property, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

FFO presented herein is not necessarily comparable to FFO presented by other real estate companies due to the fact that not all real estate companies use the same definition. FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of Ventas's financial performance or as an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of Ventas's liquidity, nor is FFO necessarily indicative of sufficient cash flow to fund all of its needs. Ventas believes that in order to facilitate a clear understanding of its consolidated historical operating results, FFO should be examined in conjunction with net income as presented in the consolidated financial statements and data included elsewhere in this proxy statement/prospectus.

Asset/Liability Management

Asset/liability management is a key element of Ventas's overall risk management program. The objective of asset/liability management is to support the achievement of business strategies while maintaining appropriate risk levels. The asset/liability management process focuses on a variety of risks, including market risk (primarily interest rate risk) and credit risk. Effective management of these risks is an important determinant of the absolute levels and variability of FFO and net worth. The following discussion addresses Ventas's integrated management of assets and liabilities, including the use of derivative financial instruments. Ventas does not use derivative financial instruments for speculative purposes.

Market Risk

The following discussion of Ventas's exposure to various market risks contains "forward-looking statements" that involve risks and uncertainties. These projected results have been prepared utilizing certain assumptions considered reasonable in light of information currently available to Ventas. Nevertheless, because of the inherent unpredictability of interest rates as well as other factors, actual results could differ materially from those projected in such forward-looking information.

Ventas receives revenue primarily by leasing its assets under leases that are long-term triple-net leases in which the rental rate is generally fixed with annual escalators, subject to certain limitations. Ventas also earns revenue from the THI Mezzanine Loan. Ventas's obligations under its revolving credit facility are floating rate obligations whose interest rate and related monthly interest payments vary with the movement in LIBOR. The general fixed nature of its assets and the variable nature of its obligations create interest rate risk. If interest rates were to rise significantly, Ventas's lease and other revenue might not be sufficient to meet its debt obligations. In order to mitigate this risk, on September 28, 2001, Ventas entered into an interest rate swap agreement in the notional amount of \$450 million to hedge floating rate debt for the period between July 1, 2003 and June 30, 2008 (which we refer to in this proxy statement/prospectus as the 2003-2008 Swap). The swap is treated as a cash flow hedge for accounting purposes and is with a highly rated counterparty on which Ventas pays a fixed rate of 5.385% and receive LIBOR from the counterparty. On December 11, 2003, due to Ventas's lower expected future variable debt balances, it reduced the notional amount of the swap for the period from December 11, 2003 through June 29, 2006 from \$450 million to \$330 million. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/

prospectus. There are no collateral requirements under the swap. The notional amount of the swap is scheduled to decline from \$330.0 million as follows:

Notional Amount	Date
\$ 300,000,000	June 30, 2006
150,000,000	June 30, 2007
	June 30, 2008

To highlight the sensitivity of the interest rate swap and fixed rate debt to changes in interest rates, the following summary shows the effects of a hypothetical instantaneous change of 100 basis points (BPS) in interest rates as of March 31, 2005 and December 31, 2004 and 2003:

		As of December 31,								
		As of March 31, 2005		2004		2003				
		Swap	Fixed Rate Debt	Swap	Fixed Rate Debt	Swap	Fixed Rate Debt			
(in thousands)										
Notional amount	\$	330,000	N/A	\$	330,000	N/A	\$	330,000	N/A	
Book value		N/A	\$	(594,162)	N/A	\$	(582,251)	N/A	\$	(366,038)
Fair value(1)		(9,717)	(633,326)	(16,550)	(635,990)	(27,868)	(405,563)			
Fair value reflecting change in interest rates:(1)										
-100 BPS		(17,704)	(669,291)	(25,489)	(672,024)	(40,364)	(427,663)			
+100 BPS		(1,984)	(600,199)	(7,917)	(602,641)	(15,906)	(384,922)			

N/A Not applicable.

- (1) The change in fair value of the swap for each period was due to the general increase in interest rates. The change in fair value of fixed rate debt from December 31, 2004 to March 31, 2005 was due to the assumption of approximately \$12.3 million of fixed rate debt as a result of Ventas's acquisitions closed during the three months ended March 31, 2005, partially offset by a general increase in interest rates. The change in fair value of fixed rate debt from December 31, 2003 to December 31, 2004 was due to (i) the assumption of approximately \$96.3 million in fixed rate debt as a result of Ventas's ElderTrust merger and acquisitions during 2004, the fair value of which approximated book value at December 31, 2004, (ii) the issuance of \$125.0 million in Senior Notes (as defined below) in October 2004, the fair value of which was approximately \$127.5 million at December 31, 2004, and (iii) a general increase in interest rates.

Ventas paid \$13.3 million under the swap during the year ended December 31, 2004. Assuming that interest rates do not change, Ventas estimates that it will pay approximately \$7.7 million on the swap during the year ending December 31, 2005.

Ventas had approximately \$283.5 million of variable rate debt outstanding as of March 31, 2005 and approximately \$260.9 million of variable rate debt outstanding as of December 31, 2004. The increase in Ventas's outstanding variable rate debt from December 31, 2004 to March 31, 2005 is primarily attributable to the funding of acquisitions. The 2003-2008 Swap effectively hedges \$330.0 million of Ventas's outstanding variable rate debt. Any amounts of variable rate debt in excess of \$330.0 million are subject to interest rate changes. As of March 31, 2005, there was no cash flow impact from the fluctuation of interest rates on variable rate debt since Ventas hedged 100% of its variable rate debt. The carrying value of Ventas's variable rate debt approximates fair value. The fair value of Ventas's fixed rate debt is \$636.0 million, which is based on open market trading activity provided by a third party for its Senior Notes and based on rates offered for similar arrangements for its mortgage indebtedness.

Ventas's management may engage in additional hedging strategies in the future, depending on management's analysis of the interest rate environment and the costs and risks of such strategies. Ventas's market risk sensitive instruments are not entered into for trading purposes.

Credit Risk

As a result of the 1998 Spin Off, Ventas has a significant concentration of credit risk with Kindred under the Kindred Master Leases. For the three months ended March 31, 2005, Kindred accounted for approximately 76.0% Ventas's total revenues, and for the years ended December 31, 2004 and 2003, Kindred accounted for \$192.4 million, or 81.2% of Ventas's total revenues, and \$182.0, or 93.5% of Ventas's total revenues, respectively. Accordingly, Kindred's financial condition and ability to meet its rent obligations will largely determine Ventas's rental revenues and its ability to make distributions to its stockholders. In addition, any failure by Kindred to effectively conduct its operations could have a material adverse effect on its business reputation or on its ability to enlist and maintain patients in its facilities. See "Risk Factors Risks Relating to Ventas Ventas is dependent on Kindred; Kindred's inability or unwillingness to satisfy its obligations under its agreements with Ventas could significantly harm Ventas and its ability to service its indebtedness and other obligations and to make distributions to Ventas's stockholders as required to continue to qualify as a REIT" and the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus. Ventas monitors its credit risk under its lease agreements with its tenants by, among other things, (i) reviewing and analyzing information regarding the healthcare industry generally, publicly available information regarding tenants, and information provided by the tenants and borrowers under its lease and other agreements, and (ii) having periodic discussions with tenants, borrowers and their representatives.

Liquidity and Capital Resources

During the three months ended March 31, 2005, Ventas's principal sources of liquidity were cash flows from operations and borrowings under its revolving credit facility. During 2004, Ventas's principal sources of liquidity were proceeds from equity and debt issuances, cash flow from operations, borrowings under revolving credit facilities and disposition of real estate assets, proceeds from stock option exercises, and proceeds from the Distribution Reinvestment and Stock Purchase Plan. Ventas anticipates that cash flow from operations over the next twelve months will be adequate to fund its business operations, dividends to shareholders and debt amortization. Capital requirements for acquisitions may require funding from borrowings, assumption of debt from the seller, issuance of secured or unsecured long-term debt or other securities or equity offerings.

Ventas intends to continue to fund future investments, including the acquisition of Provident, through cash flow from operations, borrowings under its revolving credit facility, disposition of assets and issuance of secured or unsecured long-term debt or other securities. As of March 31, 2005, Ventas had cash and cash equivalents of \$1.8 million, escrow deposits and restricted cash of \$17.8 million (comprised of \$5.0 million of reserves under the CMBS Loan (as defined below) and \$12.8 million that Ventas paid into escrow as required under its mortgage agreements), and unused revolving credit availability of \$228.0 million under its revolving credit facility.

CMBS Transaction

On December 12, 2001, Ventas raised \$225.0 million in gross proceeds from the completion of a commercial mortgage backed securitization transaction (which we refer to in this proxy statement/prospectus as the CMBS Loan). As of March 31, 2005, the CMBS Loan bore interest at a nominal weighted average rate of one-month LIBOR plus 1.50%, with principal and interest payable monthly. The CMBS Loan matures on December 9, 2006, at which time a principal balloon payment of approximately \$206.4 million will be due, assuming all scheduled amortization payments are made and

no prepayments are made. The CMBS Loan may be prepaid in whole or in part at any time and from time to time without penalty or premium.

The CMBS Loan is secured by liens on 39 skilled nursing facilities transferred by Ventas Realty to Ventas Finance and leased to Kindred under the Kindred CMBS Master Lease. Except for certain customary exceptions, the CMBS Loan is nonrecourse to Ventas Finance and Ventas. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

Revolving Credit Facility

Ventas obtained a new \$300.0 million revolving credit facility in September 2004 that replaced its previous revolving credit facility. The revolving credit facility bears interest at LIBOR plus a percentage ranging 1.05% to 1.75%, depending on its consolidated leverage ratio. As of March 31, 2005, borrowings under the revolving credit facility were bearing interest at LIBOR plus 1.25%. Ventas also incurs an annual facility fee of 25 basis points payable in quarterly installments. The borrowing rate on the revolving credit facility at March 31, 2005 was approximately 4.11%. Initial borrowings under the revolving credit facility were used to refinance all of the amounts outstanding under Ventas's previous revolving credit facility and pay off the \$60.0 million term loan under its previous revolving credit facility (which we refer to in this proxy statement/prospectus as the Tranche B Term Loan). Ventas's current revolving credit facility matures in September 2007, subject to a one-year extension.

The outstanding aggregate principal balance of the revolving credit facility may not exceed either (i) the borrowing base (as described below) or (ii) \$300.0 million. As of March 31, 2005, the outstanding principal balance under the revolving credit facility (excluding outstanding letters of credit of \$0.5 million) was \$62.3 million and there was no term loan. Subject to the terms of the revolving credit facility, Ventas has the option to increase its borrowing capacity to an amount not to exceed \$450.0 million.

As of March 31, 2005, the borrowing base under the revolving credit facility was \$290.8 million. The borrowing base is the sum of (i) sixty-five percent (65%) of the aggregate appraised property value of the borrowing base properties, plus (ii) 100% of amounts on deposit in certain cash collateral or pledged accounts. The borrowing base properties as of March 31, 2005 were comprised of 44 owned or leased real properties, which are also mortgaged to secure the revolving credit facility. As of March 31, 2005, the borrowing base properties had a net book value of \$111.7 million and were leased to Kindred pursuant to Master Lease No. 1.

The agreement relating to the revolving credit facility contains a number of restrictive covenants. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

Senior Notes Offering

In October 2004, Ventas completed the offering of 6⁵/₈% Senior Notes due October 15, 2014 of its subsidiaries, Ventas Realty and Ventas Capital Corporation (which we refer to collectively in this proxy statement/prospectus as the Issuers), in the aggregate principal amount of \$125.0 million (which we refer to in this proxy statement/prospectus as the 2014 Senior Notes). In April 2002, Ventas completed the offering of 8³/₄% Senior Notes due May 1, 2009 of the Issuers in the aggregate principal amount of \$175.0 million (which we refer to in this proxy statement/prospectus as the 2009 Senior Notes) and 9% Senior Notes due May 1, 2012 of the Issuers, in the aggregate principal amount of \$225.0 million (which we refer to in this proxy statement/prospectus as the 2012 Senior Notes and, together with the 2009 Senior Notes and the 2014 Senior Notes, the Senior Notes). On December 31, 2002, Ventas purchased \$0.8 million principal amount of 2009 Senior Notes and \$33.2 million principal amount of 2012 Senior Notes in open market transactions. As of March 31, 2005, \$125.0 million principal amount of 2014 Senior Notes, \$174.2 million principal amount of 2009 Senior Notes and \$191.8 million

principal amount of 2012 Senior Notes were outstanding. Ventas and certain of its subsidiaries have fully and unconditionally guaranteed the Senior Notes.

Pursuant to the registration rights agreement entered into in connection with the 2014 Senior Notes offering, on January 28, 2005, Ventas completed an offer to exchange the 2014 Senior Notes with a new series of notes that are registered under the Securities Act and are otherwise substantially identical to the outstanding 2014 Senior Notes, except that certain transfer restrictions, registration rights and liquidated damages do not apply to the new notes. Ventas did not receive any additional proceeds in connection with the exchange offer.

The Senior Notes are subject to a number of restrictive covenants. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

Dividends

In order to continue to qualify as a REIT, Ventas must make annual distributions to its stockholders of at least 90% of REIT taxable income (excluding net capital gain). Ventas declared dividends greater than 100% of estimated taxable income for 2004 and intends to pay a dividend greater than 100% of taxable income for 2005.

Ventas expects that REIT taxable income will be less than cash flow due to the allowance of depreciation and other non-cash deductions in computing REIT taxable income. Although Ventas anticipates that it generally will have sufficient cash or liquid assets to enable it to satisfy the 90% distribution requirement, it is possible that from time to time Ventas may not have sufficient cash or other liquid assets to meet the 90% distribution requirement or it may decide to retain cash or distribute such greater amount as may be necessary to avoid income and excise taxation. If Ventas does not have sufficient cash or liquid assets to enable it to satisfy the 90% distribution requirement, or if Ventas desires to retain cash, it may borrow funds, issue additional equity securities, pay taxable stock dividends, if possible, distribute other property or securities or engage in a transaction intended to enable it to meet the REIT distribution requirements.

Capital Expenditures and Property Acquisitions

Except with respect to Ventas's medical office buildings, capital expenditures to maintain and improve the leased properties generally will be incurred by its tenants. Accordingly, Ventas does not believe that it will incur any major expenditures in connection with the leased properties. After the expiration of the leases, or in the event that the tenants are unable or unwilling to meet their obligations under the leases, Ventas anticipates that any expenditures relating to the maintenance of leased properties for which it may become responsible will be funded by cash flows from operations or through additional borrowings. To the extent that unanticipated expenditures or significant borrowings are required, Ventas's liquidity may be affected adversely. Ventas's ability to make expenditures and borrow funds is restricted by the terms of its revolving credit facility and the Senior Notes.

Shelf Registration Statement and Equity Offering

On June 19, 2002, Ventas filed a universal shelf registration statement on Form S-3 with the SEC relating to \$750.0 million of common stock, preferred stock, debt securities, depository shares and warrants. The registration statement became effective on July 8, 2002.

On March 15, 2004, Ventas completed the sale of 2,000,000 shares of its common stock in an underwritten public offering under the shelf registration statement. Ventas received \$51.1 million in net proceeds from the sale, which it used to repay indebtedness under its revolving credit facility and for general corporate purposes, including the funding of acquisitions. As of March 31, 2005, \$599.1 million of securities remained available for offering under the shelf registration statement.

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During the fourth quarter ended December 31, 2002, Ventas completed the sale of 9,000,000 shares of its common stock in a joint equity offering with Tenet Healthcare Corporation. In the offering, Tenet Healthcare Corporation sold all 8,301,067 shares of Ventas common stock that it held. Ventas's net proceeds from the sale were \$93.6 million, which it used to repay outstanding indebtedness, including the indebtedness incurred by it to invest in transactions with THI.

Other

In the three months ended March 31, 2005 and the year ended December 31, 2004, Ventas assumed facility level mortgage debt in connection with acquisitions of certain facilities and the ElderTrust merger. Outstanding facility level mortgage debt was approximately \$112.4 million as of March 31, 2005 and \$100.5 million as of December 31, 2004. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

In the year ended December 31, 2000, Ventas recorded a \$96.5 million charge related to the United States settlement. Under the United States settlement, Ventas was required to pay \$103.6 million to the federal government, of which \$34.0 million was paid on April 20, 2001, the date of Kindred's emergence from bankruptcy. The balance of \$69.6 million bore interest at 6% per annum and was payable in equal quarterly installments over a five-year term commencing on June 30, 2001. The charge in the fourth quarter of 2000 was discounted for accounting purposes based on an imputed borrowing rate of 10.75%. Ventas was required to pay \$16.2 million in principal and interest in 2003 under the United States settlement. On June 30, 2003, Ventas prepaid in full the principal amount owed on the United States settlement. There was no prepayment penalty or other charges payable on account of the early repayment.

Ventas received proceeds on the exercises of stock options in the amounts of \$0.7 million for the three months ended March 31, 2005 and \$17.7 million and \$22.6 million for the years ended December 31, 2004 and 2003, respectively. Future proceeds on the exercises of stock options are primarily affected by the future performance of Ventas's stock price and the number of options outstanding. Options outstanding were 1.9 million as of March 31, 2005 and 1.6 million, 2.6 million and 4.2 million as of December 31, 2004, 2003 and 2002, respectively.

Ventas generated net proceeds from its Distribution Reinvestment and Stock Purchase Plan of \$2.3 million during the three months ended March 31, 2005 and \$13.1 million for the year ended December 31, 2004. Beginning in March 2005, Ventas is offering a 1% discount on the purchase price of its stock to shareholders who reinvest their dividends and/or make optional cash purchases of common stock through the plan. During 2004 Ventas offered a 2% discount. Each month or quarter, as applicable, Ventas may lower or eliminate the discount without prior notice, thereby affecting the future proceeds that Ventas receives from this plan.

Ventas has outstanding loans to certain current and former executive officers in the aggregate principal amount of approximately \$3.2 million as of March 31, 2005. The loans are payable over ten years beginning, in each case, on the date such loan was made. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

Cash Flows

Cash Flows from Operating Activities

Cash flows from operating activities were \$58.1 million and \$39.7 million for the three months ended March 31, 2005 and 2004, respectively. The increase primarily resulted from FFO that was higher for the three months ended March 31, 2005 and favorable changes in operating assets and liabilities at March 31, 2005.

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Net cash provided by operating activities totaled \$150.0 million and \$137.4 million for the years ended December 31, 2004 and 2003, respectively. The increase in 2004 cash flows is primarily a result of increases due to rent escalators and additional rent net of interest expense relating to the properties acquired during 2004.

Cash Flows from Investing Activities

Cash flows used in investing activities were \$57.0 million and \$176.5 million for the three months ended March 31, 2005 and 2004, respectively. These activities consisted primarily of Ventas's investments during the three months ended March 31, 2005 and 2004.

Net cash used in investing activities for the year ended December 31, 2004 was \$298.7 million. Ventas invested \$323.7 million in real property which was financed through borrowings under the revolving credit facility and cash on hand and sold two facilities for proceeds of \$21.1 million. Net cash provided by investing activities for the year ended December 31, 2003 was \$159.7 million. Ventas received \$139.2 million in proceeds from the disposal of real estate properties and \$20.2 million in proceeds from the sale of the Kindred common stock. Net cash used in investing activities for the year ended December 31, 2002 was \$34.1 million. Ventas made a net investment in transactions with THI of \$68.9 million, received \$28.6 million in proceeds from the disposal of real estate properties, and received \$7.0 million in proceeds from the sale of the Kindred common stock.

Cash Flows from Financing Activities

Cash flows used in financing activities for the three months ended March 31, 2005 totaled \$2.7 million and consisted primarily of \$27.5 million of cash dividend payments to stockholders, partially offset by net borrowings of \$23.3 million under Ventas's revolving credit facility. Net cash provided by financing activities for the three months ended March 31, 2004 totaled \$56.4 million and included net borrowings of \$39.9 million under Ventas's revolving credit facility and proceeds from the issuance of Ventas common stock of \$51.7 million, partially offset by \$48.8 million of cash dividend payments (consisting of the fourth quarter 2003 dividend and the first quarter 2004 dividend).

During the three months ended March 31, 2005 and 2004, Ventas received \$0.7 million and \$14.5 million in proceeds from the exercise of approximately 0.1 million and 1.0 million stock options, respectively. During the three months ended March 31, 2005 and 2004, approximately 92,000 and 23,000 shares of Ventas common stock were purchased under Ventas's Distribution Reinvestment and Stock Purchase Plan for approximately \$2.3 million and \$0.6 million, respectively.

Net cash provided by financing activities totaled \$70.0 million for the year ended December 31, 2004. The proceeds included (i) \$125.0 million from the issuance of the 2014 Senior Notes, (ii) \$64.2 million from the issuance of common stock, (iii) \$39.0 million from net borrowings on the revolving credit facility and (iv) \$17.7 million from the issuance of common stock upon exercise of stock options. The uses included (i) an aggregate principal payment of \$67.0 million on Ventas's Tranche B Term Loan, CMBS Loan and other mortgage loans, and (ii) \$103.5 million of cash dividend payments.

Net cash used in financing activities totaled \$217.4 million for the year ended December 31, 2003. The uses included (i) an aggregate principal payment of \$67.1 million on Ventas's revolving credit facility and the CMBS Loan, (ii) \$37.4 million payment in 2003 for the settlement of the repurchase of the Senior Notes that occurred on December 31, 2002, (iii) \$8.6 million in swap breakage fees, (iv) full repayment on the United States settlement of \$46.6 million and (v) \$80.2 million of cash dividend payments. The uses were offset by \$22.6 million of proceeds from the issuance of common stock upon exercise of stock options.

Net cash used in financing totaled \$98.4 million for the year ended December 31, 2002. The uses include (i) a net of \$106.7 million payment of principal on Ventas's revolving credit facility and the CMBS Loan, (ii) \$15.1 million in financing fees, (iii) \$12.8 million in swap breakage costs, (iv) \$50.1 million of cash dividend payments, and (v) \$10.8 million of principal payments on the United States settlement. The uses were offset by net proceeds of \$97.2 million from the issuance of common stock including the net proceeds of \$93.6 million from the issuance of nine million shares and \$3.6 million from the exercise of stock options.

On December 31, 2002, Ventas repurchased through open market purchases \$0.8 million principal amount of 2009 Senior Notes and \$33.2 million principal amount of 2012 Senior Notes. The total purchase price aggregated \$37.4 million. As a result of these purchases, Ventas reported a loss from the extinguishment of debt of \$4.2 million in the fourth quarter ended December 31, 2002.

Contractual Obligations

The following table summarizes the effect as of December 31, 2004 that minimum debt (which includes principal and interest payments) and other material noncancelable commitments are expected to have on Ventas's cash flow in the future periods.

	<u>Total</u>	<u>Less than 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
	(in thousands)				
Long-term debt obligations(1)(2)	\$ 1,226,443	\$ 64,014	\$ 366,277(3)	\$ 293,750(4)	\$ 502,402(5)
Obligations under interest rate swap(2)	16,550	7,723	8,061	766	
Operating lease obligations	1,364	379	771	214	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ 1,244,357	\$ 72,116	\$ 375,109	\$ 294,730	\$ 502,402
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

- (1) Amounts represent contractual amounts due, including interest.
- (2) Interest on variable rate debt and obligations under the interest rate swap were based on forward rates obtained as of December 31, 2004.
- (3) Includes a \$206.4 million balloon payment due December 2006 on the CMBS Loan.
- (4) Includes \$174.2 million outstanding principal amount of the 2009 Senior Notes.
- (5) Includes \$191.8 million outstanding principal amount of the 2012 Senior Notes, and \$125.0 million of the 2014 Senior Notes.

In connection with the 1998 Spin Off, Ventas assigned its former third-party lease obligations and third-party guarantee agreements to Kindred. As of December 31, 2004, Ventas believes that the aggregate exposure under its third-party lease obligations was approximately \$26.0 million and that it has no material exposure under the third-party guarantee agreements. Kindred has agreed to indemnify and hold Ventas harmless from and against all claims against Ventas arising out of the third-party leases, and Ventas does not expect to incur any liability under those leases. However, Ventas cannot assure you that Kindred will have sufficient assets, income and access to financing to enable it to satisfy, or that it will continue to honor its obligations under the indemnity agreement relating to the third-party leases. See the notes to Ventas's consolidated financial statements included elsewhere in this proxy statement/prospectus.

There were no material changes in Ventas's contractual obligations as of March 31, 2005, as compared to December 31, 2004.

Ventas Management***Directors and Executive Officers***

Ventas's Board of Directors (which we refer to in this proxy statement/prospectus as the Ventas Board) currently consists of seven directors, all of whom the Ventas Board has nominated for reelection at Ventas's 2005 Annual Meeting of Stockholders upon the recommendation of its Nominating and Corporate Governance Committee. Each director serves, subject to the provisions of Ventas's bylaws, until his or her successor is duly elected and qualified. Set forth below are the names, ages (as of May 13, 2005) and biographies of the persons who are the current executive officers and directors of Ventas.

Name	Age	Position
Debra A. Cafaro(1)(2)	47	Chairman of the Board, President and Chief Executive Officer
T. Richard Riney	47	Executive Vice President, General Counsel and Corporate Secretary
Richard A. Schweinhart	55	Senior Vice President and Chief Financial Officer
Raymond J. Lewis	40	Senior Vice President and Chief Investment Officer
Douglas Crocker II(1)(2)(3)(4)	65	Director
Ronald G. Geary(1)(2)(4)	58	Director
Jay M. Gellert(1)(5)	51	Director
Christopher T. Hannon(4)	42	Director
Sheli Z. Rosenberg(3)(5)	63	Director
Thomas C. Theobald(3)(5)	68	Director

- (1) Member of the Executive Committee, of which Mr. Gellert is the Chair.
- (2) Member of the Investment Committee, of which Ms. Cafaro is the Chair.
- (3) Member of the Executive Compensation Committee (which we refer to in this proxy statement/prospectus as the Compensation Committee), of which Ms. Rosenberg is the Chair.
- (4) Member of the Audit and Compliance Committee (which we refer to in this proxy statement/prospectus as the Audit Committee), of which Mr. Crocker is the Chair.
- (5) Member of the Nominating and Governance Committee, of which Ms. Rosenberg is the Chair.

Debra A. Cafaro. Ms. Cafaro joined Ventas as Chief Executive Officer and President on March 5, 1999. Ms. Cafaro was appointed Chairman of the Ventas Board effective January 28, 2003. From April 1997 to May 1998, she served as President and Director of Ambassador Apartments, Inc. (NYSE: AAH), a REIT. Ms. Cafaro was a founding member of the Chicago law firm Barack Ferrazzano Kirschbaum Perlman & Nagelberg, specializing in real estate, finance and corporate transactions. From 1988 to 1992, Ms. Cafaro served as an Adjunct Professor of Law at Northwestern University Law School. Ms. Cafaro is admitted to the Bar in Illinois and Pennsylvania. She is a member of the Executive Committee of the Board of Governors of NAREIT and the Visiting Committee of the University of Chicago Law School.

T. Richard Riney. Mr. Riney has served as Executive Vice President, General Counsel and Corporate Secretary of Ventas since May 1998. He served as Transactions Counsel of Vencor, Inc. (Ventas's predecessor) from April 1996 to April 1998. From May 1992 to March 1996, Mr. Riney was a

partner of Hirn, Reed & Harper, a law firm based in Louisville, Kentucky, where his areas of concentration were real estate and corporate finance. Mr. Riney is a member of NAREIT.

Richard A. Schweinhart. Mr. Schweinhart has served as Senior Vice President and Chief Financial Officer of Ventas since December 2002, after serving as a full-time consultant to Ventas since May 2002. From September 1998 to February 2002, Mr. Schweinhart was Senior Vice President and Chief Financial Officer for Kindred. Kindred filed for protection under Chapter 11 of the U.S. Bankruptcy Code on September 13, 1999 and emerged from bankruptcy pursuant to a plan of reorganization on April 20, 2001. As of March 28, 2005, Mr. Schweinhart owned 25,668 restricted shares of Kindred common stock, which, pursuant to a Separation Agreement, will vest on May 21, 2005. Prior to joining Kindred, Mr. Schweinhart was a Senior Vice President of Finance for Columbia/HCA Healthcare Corporation and was Chief Financial Officer at Galen Health Care, Inc. prior to its acquisition by Columbia/HCA Healthcare Corporation. Previously, Mr. Schweinhart was a Senior Vice President of Finance at Humana Inc. He is a Certified Public Accountant and started his professional career with the Louisville office of the international accounting firm of Coopers & Lybrand (now known as PricewaterhouseCoopers LLP).

Raymond J. Lewis. Mr. Lewis has served as Senior Vice President and Chief Investment Officer of Ventas since October 2002. Prior to joining Ventas, Mr. Lewis was managing director of business development for GE Capital Healthcare Financial Services, a division of General Electric Capital Corporation, which is a subsidiary of General Electric Corporation, where he led a team focused on mergers and portfolio acquisitions of healthcare assets. Prior to that, Mr. Lewis was Executive Vice President of healthcare finance for Heller Financial, Inc. (acquired by General Electric Capital Corporation in 2001), where he had primary responsibility for healthcare lending. Mr. Lewis has served on the board of directors of the Assisted Living Federation of America and as Chairman of the National Investment Center for Seniors Housing and Long Term. He is currently a member of the board of directors of National Investment Center for Seniors Housing and Long Term Care, serving on its Executive Committee, and the advisory board of the American Seniors Housing Association.

Douglas Crocker II. Mr. Crocker has been a director of Ventas since September 1998. Mr. Crocker served as Vice Chairman of the Board of Trustees of Equity Residential Properties Trust (NYSE: EQR), the nation's largest apartment REIT, from January 2003 to April 2003. Mr. Crocker served as Trustee and Chief Executive Officer of Equity Residential Properties Trust from March 1993 to December 2002. Mr. Crocker also served as President of Equity Residential Properties Trust from March 1993 until April 2002. Mr. Crocker has been President and Chief Executive Officer of First Capital Corporation, a sponsor of public limited real estate partnerships, since December 1992 and a director of First Capital Corporation since January 1993. Mr. Crocker also served as Executive Vice President of Equity Financial and Management Company, a subsidiary of Equity Group Investments, Inc., which provides strategic direction and services for Equity Group Investments, Inc.'s real estate and corporate activities, from November 1992 until March 1997. Mr. Crocker has served as a director of Wellsford Real Properties, Inc. (AMEX: WRP), a real estate merchant banking firm, since June 1997, Prime Group Realty Trust (NYSE: PGE), a REIT that owns and operates office and industrial properties, since September 2002, Acadia Realty Trust (NYSE: AKR), a REIT that owns and operates shopping centers, since November 2003, Reckson Associates Realty Corp (NYSE: RA), an office and industrial REIT, since February 2004 and Post Properties, Inc. (NYSE: PPS), since May 2004.

Ronald G. Geary. Mr. Geary, an attorney and certified public accountant, has served as a director of Ventas since May 1, 1998. Mr. Geary has served as a director and President of ResCare, Inc. (NASDAQ: RSCR) (which we refer to in this proxy statement/prospectus as ResCare), a provider of residential training and support services for persons with developmental disabilities and certain vocational training services, since February 1990 and as Chief Executive Officer of ResCare since 1993.

Since June 1998, Mr. Geary also has served as Chairman of the Board of ResCare. Prior to becoming Chief Executive Officer, Mr. Geary was Chief Operating Officer of ResCare from 1990 to 1993. Mr. Geary served as a director of Alterra (AMEX: ALI), a national assisted living company, from May 2001 to December 2003.

Jay M. Gellert. Mr. Gellert joined Ventas as a director on September 10, 2001. Since 1998, Mr. Gellert has been President and Chief Executive Officer of Health Net, Inc. (formerly known as Foundation Health Systems, Inc.) (NYSE: HNT), an integrated managed care organization which administers the delivery of managed healthcare services. Mr. Gellert has served on the Board of Directors of Health Net, Inc. since February 1999. Previously, Mr. Gellert was President and Chief Operating Officer of Health Net, Inc. from May 1997 to August 1998 and Executive Vice President and Chief Operating Officer of Health Net, Inc. from April 1997 to May 1997. From June 1996 to March 1997, Mr. Gellert served as President and Chief Operating Officer of Health Net, then operating as Health Systems International, Inc., a health maintenance organization. He served on the Board of Directors of Health Systems International, Inc. from June 1996 to April 1997. Prior to joining HSI, Mr. Gellert directed strategic advisory engagements for Shattuck Hammond Partners. Mr. Gellert serves on the boards of the American Association of Health Plans and Miavita, Inc.

Christopher T. Hannon. Mr. Hannon was appointed by the Ventas Board as a director of Ventas on September 9, 2004. Since 2002, Mr. Hannon has served as Senior Vice President and Chief Financial Officer of Province Healthcare Company (NYSE: PRV), which he joined in 1997. (Province Healthcare Company has announced that it has agreed to be acquired by LifePoint Hospitals, Inc. (NASDAQ: LPNT).) Prior to 1997, Mr. Hannon was a vice president with SunTrust Banks, Inc. (NYSE: STI), where he was a senior healthcare lender. He joined SunTrust Banks, Inc. in 1984.

Sheli Z. Rosenberg. Ms. Rosenberg has been a director of Ventas since January 26, 2001. Ms. Rosenberg was Vice Chairman of Equity Group Investments, LLC, an investment company, from January 2000 to October 2003 and Chief Executive Officer and President of Equity Group Investments, LLC from January 1999 to January 2000. From November 1994 until 1999, Ms. Rosenberg served as Chief Executive Officer, President and a director of EGI, an owner, manager and financier of real estate and corporations. Ms. Rosenberg was a principal in the law firm of Rosenberg & Liebenritt, P.C. from 1980 to 1997. Ms. Rosenberg is also a trustee of Equity Residential Properties Trust, an apartment REIT, and Equity Office Properties Trust (NYSE: EOP), an office REIT. Ms. Rosenberg is a director of Equity Life Style Properties (NYSE: ELS), a manufactured home community REIT, CVS Corporation (NYSE: CVS), a drug store chain, and Cendant Corporation (NYSE: CD), a provider of travel-related, real estate-related and direct marketing consumer and business services. Ms. Rosenberg is co-founder and President of The Center for Executive Women at the Kellogg School of Management.

Thomas C. Theobald. Mr. Theobald joined Ventas as a director on June 4, 2003. Since September 2004, Mr. Theobald has served as Senior Advisor at Chicago Growth Capital (formerly William Blair Capital Partners), a Chicago-based investment firm. From September 1994 to September 2004, he served as a Managing Director at Chicago Growth Capital, and from July 1987 to August 1994, Mr. Theobald was Chairman and Chief Executive Officer of Continental Bank Corporation, a bank holding company. Prior to that, he worked at Citicorp/Citibank from 1960 to 1987, rising to the level of Vice Chairman. He currently serves on the Boards of Directors of Anixter International, Inc. (NYSE: AXE), a supplier of electrical apparatus and equipment, Columbia Funds, a mutual fund group, AMBAC Financial Group (NYSE: ABK), a financial guaranty underwriter, and Jones Lang LaSalle Incorporated (NYSE: JLL), a real estate services and investment management firm. Mr. Theobald is also a director of the MacArthur Foundation, a Life Trustee of Northwestern University and a director of the Board of Dean's Advisors at Harvard Business School.

Board Independence

The Ventas Board has affirmatively determined that all directors are independent of Ventas and its management and qualify as independent under the rules of the New York Stock Exchange, except for Ms. Cafaro, who, as the Chairman of the Ventas Board, Chief Executive Officer and President, is not independent under the rules of the NYSE. The Ventas Board's determination was based on a review conducted on March 14, 2005, pursuant to which each director's independence was evaluated on a case-by-case basis. The Ventas Board considered any matters that could affect the ability of each outside director to exercise independent judgment in carrying out his or her responsibilities as a director, including all transactions and relationships between, on one hand, each such director, the director's family members and organizations with which the director or the director's family members have an affiliation, and, on the other hand, Ventas, its subsidiaries and its management. Any such matters were evaluated both from the standpoint of the director and from that of persons or organizations with which the director has an affiliation. The Ventas Board has concluded that none of the directors (other than Ms. Cafaro) has a material relationship with Ventas. Each director abstained from the vote pertaining to the determination of his or her independence.

In evaluating Mr. Geary's independence, the Ventas Board considered the relationship between Ventas and ResCare pursuant to the Master Lease described under " Certain Relationships and Related Transactions Transactions with ResCare" and has determined that such relationship is not material to Mr. Geary, ResCare or Ventas from a financial perspective or otherwise. The total annual payments made to Ventas under the Master Lease constitute less than one-tenth of one percent (0.1%) of the annual gross consolidated revenues of ResCare, and less than one-half of one percent (0.5%) of the annual gross consolidated revenues of Ventas. Further, the Ventas Board believes that the terms of the Master Lease represent market rates. The Ventas Board does not believe this relationship will affect the ability of Mr. Geary to exercise independent judgment in carrying out his responsibilities as a director of Ventas.

In evaluating Mr. Crocker's independence, the Ventas Board considered certain provisions of Ms. Cafaro's employment agreement described under " Employment and Other Agreements Employment Agreement: Cafaro" that entitle Ms. Cafaro and Mr. Crocker to jointly designate a person to be nominated to serve as a director. The Ventas Board has determined that this arrangement will not affect the ability of Mr. Crocker to exercise independent judgment in making such designation or otherwise carrying out his responsibilities as a director because Mr. Crocker is under no obligation under such provisions to designate a director that does not meet the criteria that he deems appropriate for such a designee, and any director, if appointed, will need to be re-nominated and re-elected by Ventas's stockholders at each annual meeting of the Ventas stockholders.

Board Meeting Attendance

During 2004, the Ventas Board held a total of seven meetings, including four regular meetings and three special meetings. In conjunction with its four regular quarterly meetings, the Ventas Board met in executive session, outside the presence of management. The non-management members of the Ventas Board are expected to meet in executive session outside the presence of management, at a minimum, at each of the regularly scheduled quarterly Ventas Board meetings. On May 21, 2004, the Ventas Board appointed Mr. Crocker to serve as Presiding Director, whose duties include chairing the executive sessions of the non-management members of the Ventas Board. The Presiding Director must be an independent member of the Ventas Board. Mr. Crocker is expected to serve as the Presiding Director until the Annual Meeting and until his successor has been elected or until his earlier resignation, removal from office or death.

It is Ventas's policy that all directors should attend Ventas's Annual Meetings of Stockholders. All of the directors standing for re-election at Ventas's 2004 Annual Meeting of Stockholders attended the 2004 Annual Meeting.

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Stockholders of Ventas and other parties interested in communicating directly with the Ventas Board may do so by writing to the Ventas Board, Ventas, Inc., c/o Corporate Secretary, 10350 Ormsby Park Place, Suite 300, Louisville, Kentucky 40223 or by submitting an e-mail to the Ventas Board at bod@ventasreit.com. Communications sent to Ventas addressed to the Ventas Board are screened by the Corporate Secretary for appropriateness before either forwarding to or notifying the members of the Ventas Board of receipt of a communication. Additionally, stockholders of Ventas and other parties interested in communicating directly with the Presiding Director of the Ventas Board or with the non-management directors as a group may do so by writing to Presiding Director, Ventas, Inc., 10350 Ormsby Park Place, Suite 300, Louisville, Kentucky 40223 or by submitting an e-mail to the independent members of the Ventas Board at independentbod@ventasreit.com.

Committees of the Board

The Ventas Board has an Audit Committee, Compensation Committee, Executive Committee, Investment Committee and Nominating and Governance Committee.

Audit Committee

The Audit Committee held five meetings during 2004. The Audit Committee is comprised of Messrs. Douglas Crocker II (Chair), Ronald G. Geary and Christopher T. Hannon. The Ventas Board has determined that each member of the Audit Committee is independent and satisfies the independence standards of the Sarbanes-Oxley Act of 2002 (which we refer to in this proxy statement/prospectus as the Sarbanes-Oxley Act) and related rules and regulations of the SEC and the listing standards adopted by the New York Stock Exchange, including the additional independence requirements for audit committee members. The Ventas Board has also determined that each member of the Audit Committee is financially literate and qualifies as an audit committee financial expert under the rules of the SEC.

The Audit Committee assists Board oversight of the quality and integrity of Ventas's financial statements, Ventas's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence and the performance of Ventas's internal audit function and independent auditors. Among other things, the Audit Committee prepares the report required by SEC rules to be included in Ventas's annual proxy statement; annually reviews its charter and the performance of the Audit Committee; appoints and evaluates Ventas's independent auditors, subject to stockholder ratification; compensates, retains and oversees the work of the independent auditor (including the resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work; reviews and approves the annual audited financial statements, quarterly financial statements and other reports and statements of Ventas and its subsidiaries filed with the SEC; approves all audit services and permitted non-audit services (including the fees and terms thereof); reviews significant issues and judgments concerning Ventas's financial statements, regulatory and accounting initiatives and Ventas's internal controls; reviews quarterly reports from the independent auditors on all critical accounting policies to be used, alternative treatment of financial information and other material written communications between the independent auditor and management; reviews Ventas's earnings press releases, as well as any financial information and earnings guidance provided to analysts and ratings agencies; reviews Ventas's risk exposures, including Ventas's risk assessment and risk management policies and guidelines; reviews disclosures by Ventas's Chief Executive Officer and Chief Financial Officer about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in Ventas's internal controls; discusses with the independent auditor any problems relating to the conduct of the audit and management's response thereto; reviews and evaluates the qualifications, performance and independence of the independent auditor, including the lead partner of the independent auditor team;

annually reviews a report from the independent auditor regarding (i) the independent auditor's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (iii) any steps taken to deal with any such issues, and (iv) all relationships between the independent auditor and Ventas; oversees Ventas's internal audit function; reviews conflicts of interest and similar matters involving a director or officer of Ventas; establishes procedures for the receipt, retention and treatment of complaints concerning financial matters; reviews correspondence with regulators or governmental agencies and any published reports concerning Ventas's financial statements; and reviews accounting and financial personnel. The Audit Committee maintains free and open communication with the Ventas Board, the independent auditors, the internal auditors and the financial management.

A more complete description of the functions of the Audit Committee is set forth in the Audit Committee's written charter, which is available on Ventas's website at www.ventasreit.com.

Compensation Committee

The Compensation Committee held four meetings in 2004. The Compensation Committee is comprised of Ms. Sheli Z. Rosenberg (Chair) and Messrs. Douglas Crocker II and Thomas C. Theobald. The Ventas Board has determined that each member of the Compensation Committee is independent and meets the definition of independence adopted by the NYSE. The functions of the Compensation Committee are to establish annual salary levels, approve fringe benefits and administer the 2000 Incentive Compensation Plan and other compensation plans or programs for executive officers of Ventas. The Compensation Committee's compensation decisions for Ventas's Chief Executive Officer are subject to the review and approval of the independent members of the Ventas Board. A copy of the charter of the Compensation Committee is available on Ventas's website at www.ventasreit.com.

Executive Committee

The Executive Committee did not hold any meetings during 2004. The Executive Committee is comprised of Mr. Jay M. Gellert (Chair), Ms. Debra A. Cafaro and Messrs. Douglas Crocker II and Ronald G. Geary. The Ventas Board has delegated to the Executive Committee the power to direct the management of the business and affairs of Ventas in emergency situations during the intervals between meetings of the Board (except for matters reserved to the Board and other committees of the Board).

Investment Committee

The Investment Committee held two meetings during 2004. The Investment Committee is comprised of Ms. Debra A. Cafaro (Chair) and Messrs. Douglas Crocker II and Ronald G. Geary. The function of the Investment Committee is to review and approve investments in, and acquisitions or development of, healthcare-related or senior housing facilities.

Nominating and Governance Committee

The Nominating and Governance Committee held two meetings during 2004. The Nominating and Governance Committee is comprised of Ms. Sheli Z. Rosenberg (Chair) and Messrs. Jay M. Gellert and Thomas C. Theobald. The Ventas Board has determined that each member of the Nominating and Governance Committee is independent and meets the definition of independence adopted by the NYSE. The Nominating and Governance Committee identifies individuals qualified to become members of the Board; selects, or recommends to the Board for selection, director-nominees; oversees the Board and Board committees; develops and recommends to the Board a set of corporate governance guidelines and the corporate code of ethics; and generally advises the Board on corporate

governance and related matters. Other specific authority and responsibilities of the Nominating and Governance Committee include establishing or approving the criteria for Board membership; making recommendations to the Board regarding its size, composition and tenure of directors; reviewing stockholder proposals and proposed responses; advising the Board on appropriate structure and operations of all committees of the Board, including committee member qualifications; reviewing and recommending to the Board committee assignments and additional committee members to fill vacancies as needed; reviewing and recommending to the Board the amount and types of compensation to be paid to Ventas's outside directors; annually reviewing with the Board succession planning with respect to the Chief Executive Officer and the other executive officers of Ventas; periodically reviewing Ventas's policies and procedures, including without limitation the corporate governance guidelines and the corporate code of ethics, as it deems appropriate, and recommending any changes or modifications to the Board for approval; developing, implementing, reviewing and monitoring an orientation program for new directors as well as a continuing education program for existing directors; monitoring developments, trends and best practices in corporate governance and taking such actions in accordance therewith, as it deems appropriate; and overseeing, as it deems appropriate, an evaluation process of the Board and each of the Board committees as well as an annual self-performance evaluation. The Nominating and Governance Committee has the authority to form subcommittees of independent directors and delegate its authority, to the extent not otherwise inconsistent with its obligations and responsibilities. A copy of the charter of the Nominating and Governance Committee is available on Ventas's Web site at www.ventasreit.com.

Ventas's Guidelines on Governance set forth, among other things, the process by which the Nominating and Governance Committee identifies and evaluates nominees for Board membership. Under this process, the Nominating and Governance Committee considers and recommends to the Ventas Board a slate of directors for election at Ventas's Annual Meeting of Stockholders. In selecting such slate, the Nominating and Governance Committee considers (i) incumbent members of the Ventas Board who have indicated a willingness to continue to serve on the Ventas Board, (ii) candidates, if any, nominated by Ventas's stockholders, and (iii) other individuals as determined by the Nominating and Governance Committee. Additionally, if at any time during the year a seat on the Ventas Board becomes vacant or a new seat is created, the Nominating and Governance Committee recommends a candidate to the Board for appointment. The Nominating and Governance Committee evaluates each candidate considering, among other things, the minimum criteria set forth below and any additional qualities that the Nominating and Governance Committee believes one or more directors should possess, based on an assessment of the perceived needs of the Board at that time. Other than the minimum criteria, no single factor is necessarily dispositive of whether a candidate will be recommended by the Nominating and Governance Committee. The Nominating and Governance Committee will consider individuals recommended for nomination by the stockholders of Ventas.

The Nominating and Governance Committee will not recommend a nominee for a position on the Ventas Board unless the nominee possesses specific, minimum qualifications, whether such nominee was recommended by a stockholder or group of stockholders, or otherwise. Under these criteria, nominees for membership on the Ventas Board should: (i) have demonstrated management or technical ability at high levels in successful organizations; (ii) be currently employed in positions of significant responsibility and decision-making; (iii) have experience relevant to Ventas's operations, such as real estate, REITs, healthcare, finance or general management; (iv) be well-respected in their business and home communities; (v) have time to devote to Board duties; and (vi) be independent from Ventas and its management (other than Ventas's Chief Executive Officer).

Ventas has on occasion in the past employed third parties to assist it in identifying potential candidates based on specific criteria that Ventas provided to such third parties, which included the qualifications then required by it for nomination to the Board of Directors. In 2004, Ventas employed a third-party search firm to conduct background and reference checks in connection with its identification

of Mr. Hannon as a potential Board nominee for a customary fee. Ventas may employ such third parties on similar or other terms in the future.

A copy of Ventas's Guidelines on Governance is available on Ventas's website at www.ventasreit.com. In addition, Ventas will provide a copy of the Guidelines on Governance, without charge, upon request to Ventas, Inc., 10350 Ormsby Park Place, Suite 300, Louisville, Kentucky 40223, Attention: Corporate Secretary.

Executive Compensation and Other Information

The following table sets forth the compensation paid by Ventas during each of Ventas's last three fiscal years to Ventas's Chief Executive Officer and Ventas's three other executive officers at the end of the last completed fiscal year (which we refer to collectively in this proxy statement/prospectus as the Ventas Named Executive Officers):

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation(1)		
		Salary	Bonus (2)	Other Annual Compensation	Restricted Stock Award(s)(3)	Securities Underlying Options/SARs	All Other Compensation
Debra A. Cafaro Chairman of the Board, Chief Executive Officer and President	2004	\$ 466,200	\$ 932,000	\$ 1,651(5)	\$ 745,600	149,539(6)	\$ 3,924(7)
	2003	444,000	1,000,000	1,819(5)	710,400	142,080	3,899(7)
	2002	433,173(4)	850,000	2,934(5)	1,359,996	198,830	3,825(7)
T. Richard Riney Executive Vice President, General Counsel and Corporate Secretary	2004	290,000	435,000	496(5)	232,000	46,050(6)	954(7)
	2003	290,000	435,000	431(5)	232,000	48,033	760(7)
	2002	236,250(8)	337,500	409(5)	360,004	52,632	720(7)
Richard A. Schweinhart Senior Vice President and Chief Financial Officer	2004	262,000	393,000	1,246(5)	209,600	41,604(6)	2,425(7)
	2003	250,000	375,000	658(5)	200,000	41,408	1,167(7)
	2002	20,833(9)	100,000	77(5)			165,427(10)
Raymond J. Lewis Senior Vice President and Chief Investment Officer	2004	228,000	342,000	202(5)	182,400	36,205(6)	484(7)
	2003	220,000	220,000	160(5)	176,000	36,439	350(7)
	2002	53,308(11)	75,000	60(5)	188,920	35,000	100(7)

- (1) The long-term compensation amounts for 2004, 2003 and 2002 represent the long-term compensation earned by the Ventas Named Executive Officers for performance during fiscal years 2004, 2003 and 2002, respectively, which was granted to the Ventas Named Executive Officers in January 2005, 2004 and 2003, respectively, except for the long-term compensation granted to Mr. Lewis on the commencement day of his employment with Ventas in 2002. Messrs. Lewis and Schweinhart were first employed by Ventas in the third and fourth quarters, respectively, of 2002.
- (2) The bonus amounts reflect compensation earned in respect of 2004, 2003, and 2002, respectively, and paid in January 2005, 2004 and 2003, respectively.
- (3)

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The amounts shown in the table represent the fair market value on the date of the grant of shares of restricted stock granted by Ventas. The shares granted vest in three equal annual installments beginning on the date of the grant or on the first anniversary of the date of grant. Based on the closing price of \$27.41 of the Ventas common stock on December 31, 2004, the aggregate value of all restricted stock held by the Ventas Named Executive Officers as of December 31, 2004 (excluding restricted stock granted in January 2005 for 2004 performance) is as follows:

Ms. Cafaro	\$14,716,566 (536,905 shares)
Mr. Riney	\$7,516,891 (274,239 shares)
Mr. Schweinhart	\$238,330 (8,695 shares)
Mr. Lewis	\$515,966 (18,824 shares)

Dividends, to the extent declared and paid, will be paid on restricted shares.

(4)

Represents base salary payments of \$425,000 and a payment of \$8,173 for unused vacation days.

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- (5) Represents reimbursement for the payment of taxes relating to group term life insurance paid on behalf of the executive for the respective fiscal year.
- (6) Represents options granted to Ms. Cafaro on January 25, 2005, and to Messrs. Riney, Schweinhart and Lewis on January 18, 2005, at exercise prices per share equal to fair market value on the date of grant (\$24.93 and \$25.19, respectively).
- (7) Represents life insurance premiums paid on behalf of the executive for the respective fiscal year.
- (8) Represents base salary payments of \$225,000 and a payment of \$11,250 for unused vacation days.
- (9) Represents base salary payments for Mr. Schweinhart who was hired as Senior Vice President and Chief Financial Officer on December 2, 2002.
- (10) Represents \$165,323 paid to Mr. Schweinhart as a full-time independent contractor and \$104 in life insurance premiums paid on behalf of Mr. Schweinhart.
- (11) Represents base salary payments for Mr. Lewis who was hired as Senior Vice President and Chief Investment Officer on September 30, 2002.

Option Grants in Last Fiscal Year

The following table sets forth information concerning options to purchase shares of Ventas common stock granted to the Ventas Named Executive Officers during 2004 (excludes options granted in January 2005 for 2004 performance):

Name	Number of Securities Underlying Options Granted	% of Total Options Granted to Employees in 2004	Date of Grant	Exercise Price Per Share(1)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(2)	
						5%	10%
Debra A. Cafaro	142,080(3)	45.6%	1/23/04	\$ 23.81	1/23/14	\$ 2,127,503	\$ 5,391,511
T. Richard Riney	48,033(3)	15.4	1/13/04	23.00	1/13/14	694,777	1,760,701
Richard A. Schweinhart	41,408(3)	13.3	1/13/04	23.00	1/13/14	598,949	1,517,855
Raymond J. Lewis	36,439(3)	11.7	1/13/04	23.00	1/13/14	527,075	1,335,711

- (1) All options were granted at fair market value (the closing price on the New York Stock Exchange on the date of grant). The exercise price and any tax withholding obligations related to exercise must be paid in cash or stock before delivery of shares of Ventas common stock.
- (2) Potential realizable values are reported net of the option exercise price, but before taxes associated with exercise. These amounts are predicated on 5% and 10% assumed annual rates of appreciation from the Ventas common stock price on the date of the grant for ten years (the option terms) in order to comply with the requirements of the SEC, and do not represent Ventas's expectations as to the annual rate of appreciation. Actual gains, if any, on stock option exercises are dependent on the future performance of the Ventas common stock and overall stock market conditions, as well as the option holder's continued employment with Ventas throughout the vesting period. The amounts reflected in this table will not necessarily be achieved.
- (3) Options become exercisable in three equal annual installments (with slight modifications for rounding) beginning on the date of grant. All options become fully exercisable upon a change in control of Ventas. Additionally, there is an acceleration of rights to exercise options upon certain instances of termination of employment.

**Aggregated Option Exercises in Last Fiscal Year and
Fiscal Year-End Option Values**

The following table sets forth information concerning options exercised during 2004, and the fiscal year-end value of unexercised options held, by the Ventas Named Executive Officers:

Name	Shares Acquired on Exercise	Value Realized(1)	Number of Securities Underlying Unexercised Options at Fiscal Year End(2)		Value of Unexercised In-the-Money Options at Fiscal Year End(3)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Debra A. Cafaro			662,703	160,996	\$ 11,114,256	\$ 1,400,745
T. Richard Riney	110,000	\$ 1,717,309	148,613	49,566	1,891,992	421,746
Richard A. Schweinhart			13,803	27,605	60,871	121,738
Raymond J. Lewis			32,148	39,291	340,950	331,846

- (1) The value realized was calculated by multiplying the number of shares acquired by the difference between the option exercise price and the price at which the Ventas common stock was purchased on the respective exercise dates, but before taxes and fees associated with the exercise.
- (2) Does not include options granted in January 2005 for 2004 performance.
- (3) Assumes, for all unexercised in-the-money options, the difference between fair market value as of December 31, 2004, and the exercise price. The market value of the Ventas common stock was \$27.41 per share as of December 31, 2004, based on the closing price per share on the NYSE.

Long-Term Incentive Plan Awards in Last Fiscal Year

The following table sets forth certain information pertaining to Ventas's Long-Term Incentive Plan for the Ventas Named Executive Officers for 2004:

	Number of Shares, Units or Other Rights	Performance Period Until Maturation Payout	Estimated Future Payouts Under Non-Stock Price-Based Plans		
			Threshold	Target	Maximum
Debra A. Cafaro	N/A(1)	3 years	\$ 186,400	\$ 372,800	\$ 745,600
T. Richard Riney	N/A(1)	3 years	58,000	116,000	232,000
Richard A. Schweinhart	N/A(1)	3 years	52,400	104,800	209,600
Raymond J. Lewis	N/A(1)	3 years	45,600	91,200	182,400

- (1) The long-term incentive plan is a deferred incentive cash plan.

The three year deferred performance cash plan goals are based on Ventas's achievement of certain objectives related to its strategic diversification and growth plan. Payment under the deferred incentive cash plan is deferred until after 2006 and is designed to award the achievement of Ventas's long-term goals and to enhance the retention of executive officers.

Executive Officer 10b5-1 Plans

T. Richard Riney, Executive Vice President and General Counsel of Ventas, has adopted a non-discretionary, written trading plan that complies with Rule 10b5-1 of the SEC. Mr. Riney's 2005 10b5-1 plan currently covers 80,000 shares of Ventas common stock expected to be acquired by him through the exercise of options previously granted to him as a portion of his long-term incentive compensation. It is expected to be in effect through December 2005. At May 13, 2005, Mr. Riney beneficially owned approximately 0.4 million shares of Ventas common stock (including options which are exercisable within 60 days).

Employment and Other Agreements

Employment Agreement: Cafaro. Effective March 5, 1999, Ventas and Debra A. Cafaro entered into an employment agreement (which we refer to in this proxy statement/prospectus as the Cafaro Employment Agreement) pursuant to which Ms. Cafaro became President, Chief Executive Officer and a director of Ventas. Ms. Cafaro was appointed Chairman of the Ventas Board on January 28, 2003. The initial term of the Cafaro Employment Agreement expired on December 31, 2001; however, the term of the Cafaro Employment Agreement is automatically extended by one additional day for each day following the effective date of the agreement that Ms. Cafaro remains employed by Ventas until Ventas elects to cease such extension by giving notice to Ms. Cafaro. The Cafaro Employment Agreement provides for (i) an annual base salary (with a minimum annual increase of 5% thereafter), (ii) the eligibility to participate in Ventas's bonus program and (iii) initial grants of restricted shares of Ventas common stock and options. In addition, the Cafaro Employment Agreement provides that Ventas will provide a loan sufficient to cover income taxes payable on the vesting of shares of restricted stock, and that Ms. Cafaro is eligible to participate in Ventas's incentive and other benefit plans. Ventas ceased extending such loans in 2002 due to current interpretations of the Sarbanes-Oxley Act.

If Ms. Cafaro's employment is terminated (other than for "cause") she will be entitled to receive a cash payment equal to the sum of three times her base salary and the highest bonus and performance compensation in the preceding three years or the maximum bonus and performance compensation for the current year, whichever is higher (which we refer to in this proxy statement/prospectus as the Maximum Bonus) as of the date of termination, plus the prorated portion of the Maximum Bonus for the year of termination. In addition, Ms. Cafaro will be entitled to full vesting of her shares of restricted stock and stock options and forgiveness of tax loans by Ventas to Ms. Cafaro, as described below (which we refer to in this proxy statement/prospectus as the Cafaro Tax Loans).

In the event of a change of control, Ms. Cafaro will be entitled to a cash payment equal to 2.99 times the sum of her base salary and Maximum Bonus on the date of a change of control plus the fair market value of any targeted restricted shares to be issued in the year the change of control occurs. In addition, Ms. Cafaro will be entitled to full vesting of her shares of restricted stock and stock options and forgiveness of the Cafaro Tax Loans.

Pursuant to the Cafaro Employment Agreement, during the term of the Cafaro Employment Agreement, Ms. Cafaro and Mr. Crocker are entitled to jointly designate a person (which we refer to in this proxy statement/prospectus as the Designee) to be nominated by the Ventas Board to serve as a director in lieu of an individual then serving as a director and Ventas must use its best efforts to cause such Designee to be elected as director of Ventas. Ms. Cafaro and Mr. Crocker have not appointed a Designee to date. At the time the Cafaro Employment Agreement was entered into, Ventas also entered into a Registration Rights Agreement with Ms. Cafaro relating to 100,000 shares of Ventas common stock then granted to Ms. Cafaro and 500,000 shares of Ventas common stock underlying options then granted to Ms. Cafaro. Pursuant to the Registration Right Agreement, Ms. Cafaro is entitled to require Ventas to register such shares and/or include such shares in registered equity offerings by Ventas, subject to customary limitations and exceptions.

Employment Agreement: Riney. Ventas entered into an employment agreement with T. Richard Riney on July 31, 1998 (which we refer to in this proxy statement/prospectus as the Riney Employment Agreement). The initial term of the Riney Employment Agreement expired on July 31, 1999; however, the term of the Riney Employment Agreement is automatically extended by one additional day for each day following the effective date of the agreement that Mr. Riney remains employed by Ventas until Ventas elects to cease such extension by giving notice to Mr. Riney. Upon such notification, the Riney Employment Agreement will terminate in one year. The Riney Employment Agreement provides a base salary of not less than \$137,000 per year and the ability of Mr. Riney to be eligible for bonuses and to participate in Ventas's incentive and other employee benefit plans. Mr. Riney may receive

increases in his base salary from time to time as approved by the Compensation Committee of the Ventas Board.

Under certain circumstances, the Riney Employment Agreement also provides for severance payments if Mr. Riney is terminated. If Mr. Riney's employment is terminated by reason of death or disability, Mr. Riney is entitled to a prorated portion of his target bonus. If Mr. Riney is terminated for "cause" (as defined in the Riney Employment Agreement), no additional payments are made under the Riney Employment Agreement. If Mr. Riney's employment is terminated by the executive for "good reason" (as defined in the Riney Employment Agreement) or by Ventas other than for "cause" (which we refer to collectively in this proxy statement/prospectus as an Involuntary Termination), Mr. Riney would be entitled to a cash payment equal to the prorated portion of his maximum bonus for the year of termination, if any bonus targets had previously been set, and one times his base salary and maximum bonus for the year of termination, if any bonus targets had previously been set. In addition, Mr. Riney would be entitled to coverage under Ventas's employee benefit plans for one year, one year of additional vesting of restricted stock awards and one additional year in which to exercise stock options.

Ventas has also entered into a Change in Control Severance Agreement with Mr. Riney. This agreement provides for the severance benefits to become payable if, within two years of a change in control of Ventas (as defined in the agreement), either (i) Ventas terminates Mr. Riney without cause, or (ii) Mr. Riney terminates employment with Ventas for "good reason" (as defined in the agreement). The agreement also provides that the severance benefits will become payable if Mr. Riney terminates employment with Ventas within either of two 30-day periods commencing 30 days after the change in control and one year after the change in control. In the event of a termination covered by the Change in Control Severance Agreement, the benefits to be afforded to Mr. Riney include: (i) a lump sum payment equal to two times the sum of one year's base salary, plus the maximum bonus and the fair market value of the maximum number of target-based restricted shares to be issued as of termination of employment; (ii) continuation of health, life and disability insurance coverage for two years; (iii) full vesting under Ventas's retirement savings plan; and (iv) an additional payment for any excise taxes he may incur as a result of the change in control.

The Riney Employment Agreement and Mr. Riney's Change in Control Severance Agreement were amended on September 30, 1999 to provide for the gross up of any payment or benefits to which he may be entitled thereunder or any other agreement for any tax imposed upon him by Section 4999 of the Code or any similar state or local tax.

Employment Agreement: Schweinhart. Ventas entered into an Amended and Restated Employment Agreement with Richard A. Schweinhart on December 31, 2004 (which we refer to in this proxy statement/prospectus as the Schweinhart Employment Agreement) pursuant to which Mr. Schweinhart serves as Ventas's Senior Vice President and Chief Financial Officer. The Schweinhart Employment Agreement is for an initial term of one year. The term of the Schweinhart Employment Agreement is automatically extended by one additional day for each day following the effective date of the Schweinhart Employment Agreement that Mr. Schweinhart remains employed by Ventas until Ventas elects to cease such automatic extension by giving notice to Mr. Schweinhart. Upon such notice, the Schweinhart Employment Agreement will terminate no sooner than 12 months after the giving of such notice. The Schweinhart Employment Agreement provides Mr. Schweinhart with a base salary of not less than \$262,000 per year and the ability to be eligible for bonuses and to participate in Ventas's incentive and other employee benefit plans. Mr. Schweinhart may receive increases in his base salary from time to time with the approval of the Chief Executive Officer and the Compensation Committee of the Ventas Board.

If Mr. Schweinhart's employment is terminated by reason of death or disability, he is entitled to receive a prorated portion of his annual bonus, assuming maximum individual and Company

performance (which we refer to in this proxy statement/prospectus as the Maximum Annual Bonus), for the year of termination. If Mr. Schweinhart's employment is terminated by Ventas other than for "cause," or if Mr. Schweinhart terminates his employment for "good reason" other than in connection with a Change in Control (as defined in the Schweinhart Employment Agreement), he is entitled to receive a lump sum payment equal to one year's base salary as then in effect plus his Maximum Annual Bonus for the year of termination. In addition, Mr. Schweinhart would be treated as having an additional year of service for purposes of vesting of restricted stock and an additional year for the exercise of options, be entitled to the continuation of insurance benefits for the year following termination, and be immediately vested in all 401(k) accounts to the extent allowed by law or be paid an amount equal to the unvested 401(k) account balance. If Ventas terminates Mr. Schweinhart's employment for cause, no additional payments are made under the Schweinhart Employment Agreement.

If, within one year following a Change in Control, Mr. Schweinhart's employment is terminated by Ventas other than for cause, or Mr. Schweinhart terminates his employment for good reason, he would receive: (i) a lump sum payment equal to two times the sum of one year's base salary as then in effect plus his Maximum Annual Bonus for the year of termination plus the fair market value of the maximum number of shares of restricted stock authorized to be issued to him in the year of termination; (ii) the full vesting of all options and restricted stock held by him; (iii) continuation of insurance benefits for two years; and (iv) immediate vesting in all 401(k) accounts to the extent allowed by law or payment of an amount equal to the unvested 401(k) account balance.

The Schweinhart Employment Agreement provides for the gross up of any payments or benefits to which Mr. Schweinhart may be entitled under the Schweinhart Employment Agreement for any taxes imposed upon him by Section 4999 of the Code or any similar state or local tax.

Employment Agreement: Lewis. Ventas entered into an employment agreement with Raymond J. Lewis on September 18, 2002 (which we refer to in this proxy statement/prospectus as the Lewis Employment Agreement) pursuant to which Mr. Lewis serves as Ventas's Senior Vice President and Chief Investment Officer. The initial term of the Lewis Employment Agreement expired on September 30, 2003; however, the term of the Lewis Employment Agreement is automatically extended by one additional day for each day following the effective date of the Lewis Employment Agreement that Mr. Lewis remains employed by Ventas until Ventas elects to cease such automatic extension by giving notice to Mr. Lewis. Upon such notice, the Lewis Employment Agreement will terminate no sooner than 12 months after the giving of such notice. The Lewis Employment Agreement provides Mr. Lewis with a base salary of not less than \$210,000 per year and the ability to be eligible for bonuses and to participate in Ventas's incentive and other employee benefit plans. Mr. Lewis may receive increases in his base salary from time to time as approved by the Chief Executive Officer. Mr. Lewis also received an engagement bonus of options to purchase 25,000 shares of Ventas common stock and an award of 12,000 shares of restricted stock, which vest over a three-year period that commenced on September 18, 2003.

If Mr. Lewis's employment is terminated by reason of death or disability, he is entitled to receive a prorated portion of his Maximum Annual Bonus, and any restricted stock and options received as part of his engagement bonus that have not previously vested would fully vest. If Mr. Lewis's employment is terminated by Ventas other than for "cause," or if Mr. Lewis terminates his employment for "good reason" other than in connection with a Change in Control (as defined in the Lewis Employment Agreement), he is entitled to receive a lump sum payment equal to one year's base salary as then in effect plus his Maximum Annual Bonus for the year of termination. In addition, Mr. Lewis would be treated as having an additional year of service for purposes of vesting of restricted stock and an additional year for the exercise of options, be entitled to the continuation of insurance benefits for the year following such termination, and be immediately vested in all 401(k) accounts and accrued benefits

to the extent allowed by law. If Ventas terminates Mr. Lewis's employment for cause, no additional payments are to be made under the Lewis Employment Agreement.

If, within one year following a Change in Control, Mr. Lewis's employment is terminated by Ventas other than for cause, or Mr. Lewis terminates his employment for good reason, he would receive (i) a lump sum payment equal to two times the sum of one year's base salary as then in effect plus his Maximum Annual Bonus for the year of termination plus the fair market value of the maximum number of shares of restricted stock authorized to be issued to him in the year of termination; (ii) the full vesting of all options and restricted stock held by him; (iii) continuation of insurance benefits for two years; and (iv) immediate vesting in all 401(k) accounts or accrued benefits to the extent allowed by law.

The Lewis Employment Agreement provides for the gross up of any payments or benefits to which Mr. Lewis may be entitled under the Lewis Employment Agreement for any taxes imposed upon him by Section 4999 of the Code or any similar state or local tax.

Compensation of Directors

All directors not employed by Ventas receive \$1,500 for each board meeting they attend, \$1,000 for each committee meeting they attend and \$1,500 for each telephonic meeting in which they participate unless the telephonic meeting is ten minutes or less, in which case they do not receive any meeting fee. Nonemployee directors also receive a \$7,500 retainer for each calendar quarter that they serve as a director. The Presiding Director receives an additional \$6,250 retainer for each calendar quarter served.

On January 1 of each year, each nonemployee director who was elected at the preceding annual meeting of stockholders or appointed by the Ventas Board during the preceding year and who is serving as a director on such date receives an option to purchase 5,000 shares of Ventas common stock, with an exercise price equal to the fair market value of the Ventas common stock on the date the option is granted, pursuant to Ventas's 2004 Stock Plan for Directors (which we refer to in this proxy statement/prospectus as the Directors Stock Plan). Accordingly, in 2004, Ventas issued options to purchase an aggregate of 25,000 shares of Ventas common stock to the five persons who were serving as nonemployee directors on January 1, 2004.

Additionally, on January 1 of each year, each nonemployee director who was elected at the preceding annual meeting of stockholders or appointed by the Ventas Board during the preceding year and who is serving as a director on such date receives 1,750 shares of restricted stock or 1,750 restricted stock units pursuant to the Directors Stock Plan. Accordingly, in 2004, Ventas issued an aggregate of 8,750 shares of restricted stock to the five persons who were serving as nonemployee directors on January 1, 2004.

The Directors Stock Plan also provides for the grant of 2,000 shares of restricted stock or 2,000 restricted stock units upon the initial election or appointment of a nonemployee director. Accordingly, Ventas issued 2,000 shares of restricted stock to Mr. Hannon upon his appointment to the Ventas Board in September 2004.

Pursuant to Ventas's Nonemployee Directors Deferred Stock Compensation Plan (which we refer to in this proxy statement/prospectus as the Director Deferred Compensation Plan), nonemployee directors may defer receipt of their retainer and meeting fees. Deferred fees are credited to each participating director in the form of stock units, based on the fair market value of the Ventas common stock on the deferral date. At the election of the participating director, dividend equivalents on the stock units are paid either in additional stock units or cash.

Each stock unit account generally is distributed and settled in whole shares of Ventas common stock on a one-for-one basis after the participant ceases to serve as a director of Ventas or such later time designated by the director. Under the Director Deferred Compensation Plan, a director may elect

to receive settlement of the stock unit account either by delivery of the aggregate whole shares in the account after the cessation of service as a director or in installments over a period of not more than ten years. Fractional stock units are paid out in cash.

Pursuant to Ventas's Common Stock Purchase Plan for Directors, nonemployee directors may also elect to receive all or a portion of their retainer and meeting fees in the form of shares of Ventas common stock. Shares are paid directly to participating directors based on the fair market value of the Ventas common stock on the date on which the fees are scheduled to be paid.

Certain Relationships and Related Transactions

In May 1998, Ventas adopted a policy which provides that any transaction between Ventas and any of its officers, directors or their affiliates must be approved by the disinterested members of the Ventas Board and must be on terms no less favorable to Ventas than those available from unaffiliated parties. In addition, any such transaction must also be reviewed by the Audit Committee.

Transactions with ResCare

On October 15, 1998, Ventas acquired eight personal care facilities and related facilities for approximately \$7.1 million from Tangram Rehabilitation Services, Inc. (which we refer to in this proxy statement/prospectus as Tangram), a wholly owned subsidiary of ResCare of which Mr. Geary is Chairman, President and Chief Executive Officer. The purchase price for the Tangram facilities was determined by an appraisal conducted by Graham & Associates, Inc., San Marcos, Texas, a certified General Real Estate Appraiser for the State of Texas. Ventas leases the Tangram facilities to Tangram pursuant to a master lease agreement, which is guaranteed by ResCare. During 2004, Tangram paid Ventas approximately \$834,000 in rent. Ventas believes that the terms of the master lease agreement represent market rates.

Cafaro Tax Loans

Under the terms of the Cafaro Employment Agreement, Ventas made loans to Ms. Cafaro in the aggregate principal amounts of \$67,250 in 1999, \$184,551 in 2000, \$593,893 in 2001 and \$870,759 in 2002 to pay all federal, state, local and other taxes payable upon the vesting of restricted stock awards previously granted to her. Due to current interpretations of the Sarbanes-Oxley Act, Ventas has not made, and will not be making, further tax loans to Ms. Cafaro notwithstanding the terms of Ms. Cafaro's Employment Agreement. The principal amount of all of the Cafaro Tax Loans is payable on March 5, 2009. The Cafaro Tax Loans bear interest at the lowest applicable federal rate on the date incurred. Interest on the Cafaro Tax Loans is payable annually out of and only to the extent of dividends from the vested restricted stock. Ms. Cafaro has paid interest on such Cafaro Tax Loans through December 31, 2004. Each Cafaro Tax Loan is secured by a pledge of all of the restricted shares to which such Cafaro Tax Loan relates, and the Cafaro Tax Loans are otherwise nonrecourse to Ms. Cafaro. The Cafaro Tax Loans are to be forgiven if there is a change of control of Ventas or if Ms. Cafaro's employment with Ventas is terminated by Ventas for any reason other than "cause" or by Ms. Cafaro for "good reason" or due to the death or disability of Ms. Cafaro. In the event either a loan or its forgiveness results in taxable income to Ms. Cafaro, Ventas is required to pay to Ms. Cafaro an amount sufficient for the payment of all taxes relative to the loan or its forgiveness.

DESCRIPTION OF PROVIDENT

Business and Properties of Provident

General

Provident is a self-administered and self-managed REIT that owns income-producing senior living properties located in the United States. Provident was formed as a Maryland REIT, in March 2004 with the intention to qualify as a REIT under the Code beginning with the year ended December 31, 2004, completed a private placement of Provident common shares and Provident OP units in August 2004 (which we refer to in this proxy statement/prospectus as the Provident 144A Offering) and acquired all of its properties during the fourth quarter of 2004. Provident's properties are leased to Brookdale and Alterra, which, according to the American Seniors Housing Association, are two of the industry's largest senior living managers. Provident currently is one of the largest owners of senior living properties in the United States. Provident conducts all of its operations, and owns all of its properties, through Provident OP.

Provident was formed to capitalize on trends and developments in the senior living industry by acquiring income-producing senior living properties, primarily independent and assisted living properties, located in the United States, that derive substantially all of their revenues from private pay sources. Provident's properties are leased to experienced operators with substantial senior living expertise pursuant to long-term, triple-net leases containing contractual rent escalations.

Provident's principal executive offices are located at 600 College Road East, Suite 3400, Princeton, New Jersey 08540. Provident's telephone number is (609) 720-0825. Provident's website is www.providentreit.com. www.providentreit.com is an interactive textual reference only, meaning that the information contained on the website is not a part of this proxy statement/prospectus and is not incorporated herein by reference.

Overview of Provident's Industry

The senior living industry is highly fragmented and characterized predominantly by numerous local and regional senior living operators. Senior living providers may operate freestanding independent living, assisted living or skilled nursing residences, or communities that feature a combination of senior living options such as continuing care retirement communities, commonly referred to as CCRCs, which typically consist of large independent living campuses with assisted living and skilled nursing sections. The level of care and services offered by providers varies along with the size of communities, number of residents served and design of properties (for example, purpose-built communities or refurbished structures).

The senior living industry has evolved to meet the growing demand for senior care generated by an aging population demanding new and/or better living alternatives/options. The senior living industry encompasses a broad spectrum of senior living service and care options, which include senior apartments, independent living, assisted living and skilled nursing care. The decision as to which option is chosen is typically made by the resident and/or his or her family members and depends on many factors, including but not limited to location, service and care needs, financial considerations and personal preferences. A senior and/or his or her family members have several care options, including staying in the senior's home and bringing in services when and if needed, moving the senior in with a family member who provides care or moving into a property that provides a combination of services. A description of the various senior living and care options is provided below.

Senior Apartments

Senior apartments are marketed to residents who are generally capable of caring for themselves. Residence is usually restricted on the basis of age. Purpose-built properties may have special function

rooms, concierge services, high levels of security and assistance call systems for emergency use. Residents at these properties who need healthcare services or assistance with the activities of daily living are expected to contract independently for these services with caregivers, home healthcare companies or other service providers.

Independent Living Properties

Independent living properties, or congregate communities, also provide high levels of privacy to residents and are typically for residents capable of relatively high degrees of independence. Unlike a senior apartment property, an independent living property usually bundles several services as part of a regular monthly charge; for example, a property may offer one or two meals per day in a central dining room, weekly maid service or a social director. Additional services are generally available from staff employees on a fee-for-service basis. In some independent living properties, separate parts of the property are dedicated to assisted living or nursing services. Independent living buildings typically are larger than assisted living properties and are frequently multi-story structures. Independent living units are substantially similar to multi-family apartment units.

Assisted Living Properties

Assisted living properties typically are comprised of one and two bedroom suites that include private bathrooms and efficiency kitchens. Services bundled within one charge usually include three meals per day in a central dining room, daily housekeeping, laundry, medical reminders and 24-hour availability of assistance with the activities of daily living, such as eating, dressing and bathing. Professional nursing and healthcare services are usually available at the property on call or at regularly scheduled times.

Nursing Homes

Nursing homes generally provide extensive nursing and healthcare services similar to those available in hospitals, without the high costs associated with operating rooms, emergency rooms or intensive care units. A typical purpose-built nursing home includes mostly one- and two-bed units with a separate bathroom in each unit and shared dining and bathing facilities. Some private rooms are often available for those residents who pay higher rates or for residents whose medical conditions require segregation. Nursing homes are generally staffed by licensed nursing professionals 24 hours per day.

Provident's Recent Acquisitions

General

The table below summarizes certain information with respect to the Brookdale Acquisition and the Alterra Acquisition (as defined below) and the subsequent leasing of the properties (dollar amounts in millions):

Tenant	Total Purchase Price	Lease Expiration	Renewal Options
Brookdale	\$ 743.5	2019	2 for 10 years each
Alterra	241.2	2019	2 for 5 years each
Total	\$ 984.7		

The purchase prices for the Brookdale Acquisition and the Alterra Acquisition were determined by negotiation between the parties to the Brookdale Stock Purchase Agreement (as defined below) and Alterra Stock Purchase Agreement (as defined below), respectively. Provident acquired the ownership

interests in all of the properties owned by Brookdale Living Communities, Inc. The Brookdale Properties represent approximately 34% of the units operated by Brookdale Living Communities. Provident acquired the ownership interests in 47 of the 83 properties owned by Alterra. The Alterra Properties represent approximately 18% of the units operated by Alterra. Provident selected the Brookdale Properties and the Alterra Properties based upon Provident's investment criteria described in this proxy statement/prospectus and through discussions and negotiations in connection with the Brookdale Stock Purchase Agreement and the Alterra Stock Purchase Agreement. Provident did not seek independent third-party appraisals or valuations for all of the properties in connection with the Brookdale Acquisition or the Alterra Acquisition. In determining the purchase price for the Brookdale Acquisition and the Alterra Acquisition, Provident considered several methods of valuation, including the review and analysis of comparable properties, leases and entities, discounted cash flow calculations, return on equity, funds from operations and cash available for distribution by it.

Brookdale Living Communities was owned by Fortress Brookdale Acquisition LLC, a limited liability company principally owned by affiliates of Fortress Investment Group LLC (which we refer to in this proxy statement/prospectus as Fortress) and affiliates of Capital Z Financial Services Fund II L.P. Alterra is owned by a wholly-owned subsidiary of FEBC-ALT Investors LLC, a joint venture among an affiliate of Fortress, Emeritus Corporation and NW Select LLC. Until April 2004, Provident's chief executive officer, president and chairman of the board of trustees, Darryl W. Copeland, Jr., was a director of both Brookdale Living Communities and Alterra. Mr. Copeland resigned as an officer of an affiliate of Fortress in April 2004. As a result, the Stock Purchase Agreements may have presented the appearance of being less favorable to Provident than if Provident had sought to purchase properties from a third party that did not have such a prior relationship.

In connection with the Provident 144A Offering, Fortress Brookdale Acquisition LLC, the seller of the Brookdale Properties, purchased 2,675,623 Provident common shares and 1,824,377 Class A Units of limited partnership units in Provident OP and Alterra purchased 1,500,000 Provident common shares. Upon consummation of the Provident 144A Offering, Provident advanced a deposit of \$67.5 million and \$22.5 million to Fortress Brookdale Acquisition LLC and Alterra, respectively. In October 2004, Fortress Brookdale Acquisition LLC refunded to Provident the \$67.5 million deposit. The Alterra deposit was applied against the purchase price for the Alterra Acquisition.

Provident's Acquisition of the Brookdale Properties

In October 2004, Provident acquired from Fortress Brookdale Acquisition LLC 100% of the outstanding capital stock of Brookdale Living Communities for an aggregate purchase price of approximately \$743.5 million (which we refer to in this proxy statement/prospectus as the Brookdale Acquisition), pursuant to a stock purchase agreement Provident entered into with Fortress Brookdale Acquisition LLC (which we refer to in this proxy statement/prospectus as the Brookdale Purchase Agreement) in June 2004. Brookdale Living Communities owned indirectly a total of 21 senior living properties, together with certain related personal property. Prior to the closing of the Brookdale Acquisition in October 2004, all of the other real and personal property owned by Brookdale Living Communities (which we refer to in this proxy statement/prospectus as the Brookdale Excluded Assets), all of the liabilities and obligations of Brookdale Living Communities other than the mortgage debt Provident assumed, and certain liabilities relating to the Brookdale Properties that are not required to be reflected or reserved on a balance sheet in accordance with GAAP (which we refer to in this proxy statement/prospectus as the Brookdale Excluded Liabilities), were transferred to or assumed by a new company (which Brookdale subsequently renamed Brookdale Living Communities) or one of its wholly-owned subsidiaries. Immediately following the closing of the Brookdale Acquisition, Provident converted Brookdale Living Communities and its wholly-owned corporate subsidiaries into limited liability companies and contributed the limited liability company interest in Brookdale Living Communities, which was renamed PSLT-BLC Properties Holdings LLC, to Provident OP. The

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Brookdale Acquisition was funded with proceeds from the Provident 144A Offering and the assumption of approximately \$415.5 million of non-recourse and limited recourse property-level debt on the Brookdale Properties.

Although Fortress Brookdale Acquisition LLC and Brookdale have each made a number of customary representations and warranties in the Brookdale Purchase Agreement regarding certain aspects of Brookdale Living Communities' business and the Brookdale Properties, Provident cannot be certain that it did not assume any material contingent or unknown obligations or liabilities in connection with the Brookdale Acquisition. In addition, PSLT-BLC Properties Holdings LLC as the successor to Brookdale Living Communities continues to be the defendant in various litigation and other proceedings involving Brookdale Living Communities for which Provident has been indemnified by Brookdale as described below.

Brookdale has agreed to indemnify Provident for any losses Provident may incur as a result of (a) any inaccuracy or breach of any representation or warranty made by Fortress Brookdale Acquisition LLC or Brookdale in the Brookdale Purchase Agreement, (b) any breach or failure by Fortress Brookdale Acquisition LLC or Brookdale to perform its obligations under the Brookdale Purchase Agreement, (c) any Brookdale Excluded Assets and Brookdale Excluded Liabilities, (d) certain environmental claims relating to the Brookdale Properties, (e) any third party claims arising out of actions, omissions, events or facts occurring on or prior to the closing of Provident's purchase of the Brookdale Properties relating to the assets, properties and business of Brookdale Living Communities, and (f) certain fees and expenses of Fortress Brookdale Acquisition LLC's and Brookdale's advisers. Brookdale is not required to indemnify Provident for any loss which does not exceed \$100,000 and has no obligation to indemnify Provident with respect to certain losses until such losses exceed \$2 million. In no event will Brookdale be required to indemnify Provident for losses in excess of \$75 million which arise from those matters set forth in clauses (a), (d) and (e) above. In addition, Brookdale is not required to indemnify Provident for matters of which Provident's officers obtained actual knowledge prior to the execution of the Brookdale Purchase Agreement. Brookdale is also not required to indemnify Provident for breaches of representations and warranties of which Provident's officers obtained actual knowledge prior to the closing of the Brookdale Acquisition, unless on or before such date Provident notified them of such matters and Brookdale and Fortress Brookdale Acquisition LLC agreed prior to such date that Provident was not obligated to close the transactions contemplated by the Brookdale Purchase Agreement. Moreover, Brookdale has generally agreed to indemnify Provident against any tax liability with respect to periods ending on or before, and transactions occurring before, the Brookdale Acquisition. Provident has agreed to release Fortress Brookdale Acquisition LLC and its affiliates (other than Brookdale and its subsidiaries) from any claims or losses arising out of the transactions contemplated by the Brookdale Purchase Agreement.

Provident has agreed to indemnify Fortress Brookdale Acquisition LLC and Brookdale against any losses that either may incur as a result of (a) any inaccuracy or breach of any representation or warranty made by Provident, (b) any breach by Provident to perform its obligations under the Brookdale Purchase Agreement and (c) certain third party claims as a result of any inspections of the Brookdale Properties that Provident performed. Provident is not required to indemnify Fortress Brookdale Acquisition LLC and Brookdale for any loss which does not exceed \$100,000 and Provident has no obligation to indemnify with respect to certain losses until such losses exceed \$2 million. In no event will Provident be required to indemnify for losses in excess of \$75 million which arise from those matters set forth in clauses (a) and (c) above. Moreover, Provident has generally agreed to indemnify Brookdale against any tax liability (other than tax liability required to be borne or paid by the Brookdale Tenants (as defined below) pursuant to the Brookdale Property Leases) with respect to periods beginning, and transactions occurring, after the closing of the Brookdale Acquisition.

All of the expenses incurred in connection with the consummation of the Brookdale Acquisition, including certain of Provident's expenses, were payable by Fortress Brookdale Acquisition LLC.

However, upon Brookdale's request and pursuant to the terms of the Brookdale Purchase Agreement, Provident funded these transaction expenses in the aggregate amount of \$7.4 million, which were contemplated as part of the purchase price and lease basis upon which base rent is calculated.

Provident's Acquisition of the Alterra Properties

During the fourth quarter of 2004, Provident acquired from Alterra 100% of the outstanding capital stock of the Alterra subsidiaries for an aggregate purchase price of approximately \$241.2 million (which we refer to in this proxy statement/prospectus as the Alterra Acquisition) pursuant to a stock purchase agreement Provident entered into with Alterra (which we refer to in this proxy statement/prospectus as the Alterra Purchase Agreement) in June 2004 and amended and restated by mutual agreement in October 2004. Pursuant to the terms of the Alterra Purchase Agreement, Provident consummated the Alterra Acquisition in two separate closings. The Alterra subsidiaries owned a total of 47 assisted living properties (which we refer to collectively in this proxy statement/prospectus as the Alterra Properties), together in each case with certain related personal property. All of the other real and personal property owned by the Alterra subsidiaries (which we refer to in this proxy statement/prospectus as the Alterra Excluded Assets) and all of the liabilities and obligations of the Alterra subsidiaries other than certain liabilities relating to the Alterra Properties that are not required to be reflected or reserved on a balance sheet in accordance with GAAP (which we refer to in this proxy statement/prospectus as the Alterra Excluded Liabilities), were transferred to or assumed by Alterra or a subsidiary of Alterra prior to the completion of the Alterra Acquisition.

Provident funded the Alterra Acquisition with proceeds from the Provident 144A Offering and borrowings under Provident's credit facility and by assuming an aggregate of approximately \$49.5 million of property-level mortgage debt. Upon consummation of the Provident 144A Offering, Provident advanced \$22.5 million to Alterra as a refundable purchase price deposit (which we refer to in this proxy statement/prospectus as the Alterra Purchase Price Deposit), which deposit was applied towards the purchase price of the Alterra Acquisition. An election will be made under Code Section 338(h)(10) by Provident and Alterra to treat the purchase of the stock of the Alterra subsidiaries as an acquisition of their assets rather than a stock acquisition, which should result in Provident having a purchase price basis in such assets.

Although Alterra has made a number of customary representations and warranties in the Alterra Purchase Agreement regarding certain aspects of the Alterra subsidiaries' business and the Alterra Properties, Provident cannot be certain that it did not assume any material contingent or unknown obligations or liabilities in connection with the Alterra Acquisition.

Alterra has agreed to indemnify Provident for any losses it may incur as a result of (a) any inaccuracy or breach of any representation or warranty made by Alterra in the Alterra Purchase Agreement, (b) any breach or failure by Alterra to perform its obligations under the Alterra Purchase Agreement, (c) any Alterra Excluded Assets and Alterra Excluded Liabilities, (d) certain environmental claims relating to the Alterra Properties, (e) any third party claims arising out of actions, omissions, events or facts occurring on or prior to the closing of Provident's purchase of the Alterra Properties relating to the assets, properties and business of Alterra, and (f) certain fees and expenses of Alterra's advisers. Alterra is not required to indemnify Provident for any loss which does not exceed \$25,000 and has no obligation to indemnify us with respect to certain losses until such losses exceed \$650,000. In no event will Alterra be required to indemnify Provident for losses in excess of \$25 million which arise from those matters set forth in clauses (a), (d) and (e) above. In addition, Alterra is not required to indemnify Provident for breaches of representations and warranties of which Provident's officers obtained actual knowledge prior to the execution of the Alterra Purchase Agreement. Alterra is also not required to indemnify Provident for matters of which Provident's officers obtained actual knowledge prior to the closing of the Alterra Acquisition, unless on or before such date Provident notified them of such matters and Alterra agreed prior to such date that Provident was not obligated to

close the transactions contemplated by the Alterra Purchase Agreement. Moreover, Alterra has generally agreed to indemnify Provident against any tax liability with respect to periods ending on or before, and transactions occurring before, the Alterra Acquisition. Provident has agreed to release the stockholders of Alterra and their affiliates (other than Alterra and its subsidiaries) from any claims or losses arising out of the transactions contemplated by the Alterra Purchase Agreement.

Provident has agreed to indemnify Alterra against any losses that it may incur as a result of (a) any inaccuracy or breach of any representation or warranty made by it, (b) any breach or failure by Provident to perform its obligations under the Alterra Purchase Agreement and (c) any third party claims as a result of any inspections of the Alterra Properties that Provident performed. Provident is not required to indemnify Alterra for any loss which does not exceed \$25,000 and Provident has no obligation to indemnify Alterra with respect to certain losses until such losses exceed \$650,000. In no event will Provident be required to indemnify for losses in excess of \$25 million which arise from those matters set forth in clauses (a) and (c) above. Moreover, Provident has generally agreed to indemnify Alterra against any tax liability (other than tax liability required to be borne or paid by the Alterra Tenants (as defined below) pursuant to the Alterra Property Leases) with respect to periods beginning after, and transactions occurring after, the closing of the Alterra Acquisition.

All of the expenses incurred in connection with the consummation of the Alterra Acquisition, including certain of Provident's expenses, were payable by Alterra. However, upon Alterra's request and pursuant to the terms of the Alterra Purchase Agreement, Provident funded these transaction expenses in the aggregate amount of \$3.5 million, which were contemplated as part of the purchase price and lease basis upon which base rent is calculated.

Provident's Master Lease Arrangements with Brookdale

Concurrently with the consummation of the Brookdale Acquisition, Provident entered into master lease arrangements with subsidiaries and/or affiliates of Brookdale. The lease arrangements include (a) property lease agreements for each of the Brookdale Properties (each of which we refer to in this proxy statement/prospectus as a Brookdale Property Lease), (b) an agreement regarding leases (which we refer to in this proxy statement/prospectus as the Brookdale Agreement Regarding Leases), entered into between the parent company of the Brookdale Tenants (as defined below) (which we refer to in this proxy statement/prospectus as BLC Holdings) and the parent company of each of the owners of the Brookdale Properties (which we refer to in this proxy statement/prospectus as PSLT-BLC Holdings), (c) a lease guaranty by BLC Holdings with respect to each Brookdale Property Lease, and (d) a guaranty of the Brookdale Agreement Regarding Leases by Brookdale (which we refer to in this proxy statement/prospectus as the Brookdale Guaranty of Agreement Regarding Leases). Each of the Brookdale Properties is owned by a separate subsidiary of Provident and leased to a subsidiary of Brookdale (each of which we refer to in this proxy statement/prospectus as a Brookdale Tenant). Each Brookdale Tenant entered into a management agreement with another subsidiary of Brookdale relating to the management and operation of each of the Brookdale Properties (which we refer to in this proxy statement/prospectus as the Brookdale Management Agreements).

Provident's leases with respect to the Brookdale Properties are for an initial term of 15 years (which we refer to in this proxy statement/prospectus as the Brookdale Initial Term), with two ten-year renewal options at Brookdale's election, provided that, among other things, (i) no event of default exists under any Brookdale Property Lease or under the Brookdale Agreement Regarding Leases and (ii) no management termination event has occurred and is continuing beyond any applicable cure period. Pursuant to the Brookdale Agreement Regarding Leases, the renewal option may be exercised only with respect to all of the Brookdale Properties.

Under the terms of the Brookdale Property Leases, the Brookdale Tenants are obligated to pay base rent (which we refer to in this proxy statement/prospectus, as escalated from time to time, as the

Brookdale Base Rent) in an amount equal to the Brookdale Lease Rate (defined below) multiplied by the sum of the purchase price (including certain transaction costs incurred in connection with the Brookdale Acquisition by Provident and by Brookdale, which at Brookdale's election, Provident actually paid (including financing costs and debt assumption fees) in the amount of \$7.4 million) plus any subsequent amounts Provident funds in connection with capital improvements as described in each Brookdale Property Lease and the Brookdale Agreement Regarding Leases (we refer to such sum in this proxy statement/prospectus as the Brookdale Lease Basis).

The initial lease rate for the first year of each of the Brookdale Property Leases is 8.1% (which we refer to in this proxy statement/prospectus, as the same may be escalated, as the Brookdale Lease Rate). Commencing on January 1, 2006, and annually thereafter, the Brookdale Lease Rate will be increased (which we refer to in this proxy statement/prospectus as the Annual Increase) by an amount equal to the lesser of (i) four times the percentage increase in the Consumer Price Index during the immediately preceding year or (ii) 3%. During the first year of each renewal term of the Brookdale Property Leases, (a) the Brookdale Lease Rate will be adjusted to equal the greater of (i) the then current fair market Brookdale Lease Rate (as determined by mutual agreement, or if no such agreement is reached, by an acceptable appraisal method) or (ii) the product of (x) the prior year's Brookdale Lease Rate and (y) one plus the Annual Increase, and (b) the Brookdale Lease Basis will be adjusted to equal the greater of (i) the then current fair market value of the Brookdale Properties (as determined by mutual agreement, or if no such agreement is reached, by an acceptable appraisal method) or (ii) the Brookdale Lease Basis for the immediately preceding calendar month. In addition, Brookdale Base Rent will be increased by a "floating adjustment" tied to fluctuations in Provident's floating rate-based mortgage indebtedness. The floating adjustment is an amount computed monthly equal to the increase or decrease in the applicable index (LIBOR, Prime or BMA) from a base value (determined based on the average index values for such indices for the period January 2004 through April 2004) multiplied by the aggregate outstanding principal amount of all floating rate mortgages encumbering the Brookdale Properties (i.e., the dollar amount of the floating rate debt assumed by Provident at the inception of the Brookdale Property Leases, plus any additional amounts related to any refinancing advanced by Provident to the Brookdale Tenants pursuant to the terms of the Brookdale Property Leases and the Brookdale Agreement Regarding Leases) other than from refinancings under which BLC Holdings has not elected to receive any proceeds (which we refer to in this proxy statement/prospectus as the Floating Rate Debt). Rent under the Brookdale Property Leases will continue to be escalated in accordance with the Annual Increase and the floating adjustment during each renewal term; provided, however, that with respect to any floating rate mortgages, the floating adjustment will apply only through the maturity date of any underlying Floating Rate Debt encumbering the Brookdale Property at the commencement date of the Brookdale Lease and with respect to any refinancings that Brookdale either requests or under which Brookdale requests net proceeds (as described below). Rent under the Brookdale Property Leases is to be paid in arrears on a monthly basis.

Lease payments are absolute triple-net, with the Brookdale Tenants responsible for the payment of all taxes, assessments, utility expenses, insurance premiums and other expenses relating to the operation of the Brookdale Properties. In addition, the Brookdale Tenants are required to comply with the terms of the mortgage financing documents affecting the Brookdale Properties, if and to the extent that, among other things, the terms of such mortgage financings are commercially reasonable and consistent with other mortgage financings of comparable properties in the then-current market.

Provident may, in its sole discretion, upon the request of the Brookdale Tenant, fund additional necessary capital improvements to the properties. If Provident funds any such amounts, the Brookdale Lease Basis shall be increased on a dollar-for-dollar basis for the amounts Provident funds. In addition, if Provident, the Brookdale Tenant and the manager mutually determine that there is an extraordinary capital expenditure requirement at one or more of the Brookdale Properties, or if Provident and any

Brookdale Tenant mutually agree that a capital improvement at one or more of the Brookdale Properties is necessary for the applicable Brookdale Property to be in compliance with legal requirements, Provident has agreed to fund up to \$5 million in the aggregate over the term of the Brookdale Property Leases with respect to all of the Brookdale Properties and the amount that Provident funds will be added to the Brookdale Lease Basis. The Brookdale Tenants have covenanted to keep the Brookdale Properties in good condition and repair and operate them in a fashion similar to their operations on the commencement date of the Brookdale Property Leases. The Brookdale Property Leases also require the Brookdale Tenants to spend, in the aggregate among the Brookdale Properties, at least \$450 per unit per year, which amount will be increased annually by the percentage increase in the Consumer Price Index. Provident has the right to require reserved funding upon its request or as required by a mortgage lender. Provident and the Brookdale Tenants have also agreed to review periodically the reserve-funding amount to adjust as necessary to properly maintain the properties in accordance with the requirements of the Brookdale Property Leases.

If PSLT-BLC Holdings or any of the lessors under the Brookdale Property Leases desire to enter into a new mortgage financing or a refinancing of an existing mortgage or otherwise obtain additional mortgage debt encumbering any of the Brookdale Properties during the first six (6) years of the Brookdale Initial Term, provided there is no event of default, Provident will deliver notice thereof to BLC Holdings together with a copy of a bona fide term sheet setting forth the proposed terms of such mortgage financing. BLC Holdings may elect to have the applicable Brookdale Tenant obtain the net proceeds of any such financing or may request that Provident obtain a financing that will provide additional net proceeds for the applicable Brookdale Tenant. In addition, BLC Holdings has the right, during the first six years of the Brookdale Initial Term, to request two times per calendar year that Provident attempt to obtain a new mortgage or a refinancing of an existing mortgage with respect to the Brookdale Properties. Provident has agreed that it will use commercially reasonable efforts to obtain any such financing but will be obligated only to seek such new financing from the holder of the mortgage financing then in place with respect to the applicable Brookdale Property.

Net financing or refinancing proceeds advanced by Provident to the Brookdale Tenants as described in the immediately preceding paragraph (each of which we refer to in this proxy statement/prospectus as a Tenant Refinance Advance) will be added to the Brookdale Lease Basis under the applicable Brookdale Property Lease. All fees, penalties, premiums or other costs related to any Tenant Refinance Advance will also be included in the Brookdale Lease Basis, except that if the applicable Brookdale Tenant obtains net proceeds of any financing Provident initiate, then only such portion of the fees, penalties, premiums or other costs related to any such Tenant Refinance Advance, as it relates to the proceeds disbursed to the applicable Brookdale Tenant, will be included in the Brookdale Lease Basis. In addition, if the monthly debt service relating to a Tenant Refinance Advance exceeds the amount of rent that will be payable relating to the increase in the Brookdale Lease Basis as a result of such Tenant Refinance Advance, then the applicable Brookdale Tenant is required to pay the excess, and under certain circumstances the applicable Brookdale Tenant will also be required to pay additional amounts relating to increases in debt service and other costs with respect to the remaining portion of the balance of the refinancing.

Under the Brookdale Agreement Regarding Leases, Provident agreed that, during the first six (6) years of the Brookdale Initial Term, PSLT-BLC Holdings will not (i) pledge or otherwise encumber its interest in any of the lessors under the Brookdale Property Leases, or (ii) permit the lessors under the Brookdale Property Leases to pledge or otherwise encumber the Brookdale Properties or their interests in the Brookdale Property Leases, other than any existing mortgages, new mortgages, refinancings of existing mortgages or other additional mortgage debt encumbering the Brookdale Properties. In addition, Provident agreed that it will not, and that PSLT-BLC Holdings and the lessors under the Brookdale Property Leases will not, enter into any agreement which contains covenants or other agreements expressly restricting the ability of any lessor under the Brookdale Property Leases to

enter into a financing which has been requested by BLC Holdings, as described above, or expressly limiting the amount that may be borrowed thereunder, except for any existing mortgages, new mortgages, refinancings of existing mortgages or other additional mortgage debt that may encumber the Brookdale Properties from time to time.

Pursuant to the Brookdale Agreement Regarding Leases, BLC Holdings deposited \$20 million at closing with PSLT-BLC Holdings as security for the performance of the terms, conditions and provisions of the Agreement Regarding Leases and the Brookdale Property Leases. Provided there is no event of default under the Brookdale Agreement Regarding Leases, BLC Holdings has the right to request that portions of the security deposit be applied toward the Brookdale Tenants' satisfying the expenditure requirement under each of the Brookdale Property Leases with respect to capital improvements of \$450 per unit per year (in the aggregate) among the Brookdale Properties, up to a maximum amount of \$600 per unit per year. If the Brookdale Properties achieve and maintain a lease coverage ratio of at least 1.10 to 1.00 for a consecutive twelve month period, then \$10 million of the security deposit will be returned to BLC Holdings. If the Brookdale Properties achieve and maintain a lease coverage ratio of at least 1.15 to 1.00 for a consecutive twelve month period, then \$15 million of the security deposit will be returned to BLC Holdings. Any balance of the security deposit will be returned to BLC Holdings if the Brookdale Properties achieve and maintain a lease coverage ratio of at least 1.20 to 1.00 for twelve consecutive months. For the foregoing purposes, the lease coverage ratio will be computed by taking the net operating income for all of the Brookdale Properties (subject to certain adjustments, including reductions for management fees and capital expenditure requirements), and dividing it by Brookdale Base Rent payable in the aggregate under all of the Brookdale Property Leases.

The Brookdale Agreement Regarding Leases also provides that PSLT-BLC Holdings may terminate the Brookdale Management Agreements upon the occurrence of certain events, including if any Brookdale Tenant fails to make a rental payment and the failure goes uncured for more than 30 days, if an event of default has occurred and remains uncured under any of the Brookdale Property Leases or under the Brookdale Agreement Regarding Leases, or if the Brookdale manager becomes bankrupt or insolvent, has bankruptcy proceedings filed against it or voluntarily files for bankruptcy. In addition, PSLT-BLC Holdings may terminate the Brookdale Management Agreements if the Brookdale Properties fail to maintain on a quarterly basis a lease coverage ratio (subject to certain adjustments) of at least 1.05 to 1.00 during any of the fifth (5th) through seventh (7th) lease years, 1.10 to 1.00 during any of the eighth (8th) through twelfth (12th) lease years, and at least 1.15 to 1.00 during any of the thirteenth (13th) through fifteenth (15th) lease years and during each renewal term. BLC Holdings or the Brookdale manager has the right to cure a failure to maintain the required lease coverage ratio by posting cash or a letter of credit in an amount sufficient to increase on a dollar-for-dollar basis the net operating income reflected in the numerator of the lease coverage ratio calculation to the extent necessary to be within compliance. This cure option is available during the first ten years of the Brookdale Initial Term and may only be exercised two times thereafter during the remaining portion of the Brookdale Initial Term. If PSLT-BLC Holdings terminates the Brookdale Management Agreements and replaces the Brookdale manager with a manager other than an affiliate of Brookdale, the Brookdale Tenants have the right to terminate those Brookdale Property Leases as to which the Brookdale Management Agreements have been terminated. If PSLT-BLC Holdings terminates one (1) or more of the Brookdale Management Agreements but the Brookdale Tenants for such applicable Brookdale Properties do not terminate the applicable Brookdale Property Leases, the Brookdale Tenants will enter into new management agreements with a replacement manager designated by PSLT-BLC Holdings and will be required to pay any replacement manager the management fee pursuant to the replacement management agreements, provided that the Brookdale Tenants will be entitled to a credit against Brookdale Base Rent for any payments (excluding out-of-pocket reimbursements) payable to such replacement manager in excess of an amount equal to 5% of gross revenues.

Each of the Brookdale Property Leases is unconditionally guaranteed by BLC Holdings and BLC Holdings' obligations under the Brookdale Agreement Regarding Leases are unconditionally guaranteed by Brookdale. Under the Brookdale Agreement Regarding Leases, it is a default if the net worth of Brookdale declines to less than \$75 million; provided that Brookdale may cure any such default by depositing cash collateral in the amount of one (1) month's rent under all of the Brookdale Property Leases, if Brookdale's net worth is between \$50 million and \$75 million, in the amount of three months' rent, if Brookdale's net worth is between \$25 million and \$50 million, and in the amount of six months' rent, if Brookdale's net worth is \$25 million or less. For the purposes of the foregoing net worth test, Brookdale's "net worth" means the sum of Brookdale's net worth, determined in accordance with GAAP, plus the "deferred gain" that results from the transactions contemplated in the Brookdale Stock Purchase Agreement, which, for the purposes of the Brookdale Agreement Regarding Leases is deemed not to exceed \$110 million. Under the Brookdale Property Leases, the Brookdale Tenants agreed to indemnify us from all liabilities related to the occupancy and operation of the Brookdale Properties prior to and during the term of the Brookdale Property Leases, with such indemnification continuing for twelve months following any termination of the Brookdale Property Leases for any claims made with respect to incidents occurring prior to the end of the lease term.

In connection with any new mortgage financing, the applicable Brookdale Tenant will subordinate its rights to those of such new mortgage lender, provided such mortgage lender enters into a subordination, non-disturbance and attornment agreement and agrees not to disturb such Brookdale Tenant's right to possession.

In March 2005, Brookdale waived (i) its right to repurchase from Provident all of the Brookdale Properties on the terms set forth in the Brookdale Agreement Regarding Leases and (ii) its right of first offer to lease from Provident any new independent living properties Provident acquires that are not leased back to the seller thereof in a sale-leaseback transaction in exchange for a right of first refusal. Under the terms of the right of first refusal, if, during the Brookdale Initial Term, Provident receives a bona fide offer to purchase any of the properties leased to Brookdale that Provident seeks to accept, Provident will notify Brookdale of the offer and Brookdale has five days from receipt of the notice of proposed sale to notify Provident of its election to purchase the property or properties at the price reflected in the bona fide offer (which we refer to in this proxy statement/prospectus as the Purchase Notice). Brookdale is also required to pay Provident a non-refundable deposit of 2% of the purchase price within three business days of the Purchase Notice and to close on the purchase of the properties within 60 days following the Purchase Notice. In the event Brookdale does not give notice that it wishes to acquire the properties in question, or pay the deposit or close on the properties within these time frames, the right of first refusal is deemed waived with regard to the proposed sale. Further, if Brookdale gives the Purchase Notice and pays the deposit, but then fails to close (except under limited circumstances out of Brookdale's control), the entire right of first refusal automatically becomes null and void as to all of the properties leased to Brookdale. Notwithstanding the receipt of a Purchase Notice, at any time prior to the closing of the sale of the properties to Brookdale under the right of first refusal, Provident may nevertheless proceed to sell the properties that were the subject of the bona fide offer to any third party and pay Brookdale an amount equal to two times the amount of the deposit upon the closing of such sale (which amount includes a refunding of the deposit).

Each of the Brookdale Property Leases prohibits the assignment of any Brookdale Property Lease by the applicable Brookdale Tenant. The Brookdale Agreement Regarding Leases also prohibits certain other "changes of control" of Brookdale entities. However, any sale by Brookdale of all or substantially all of its assets or any sale of more than 50% of Brookdale's outstanding stock by its shareholders, or the sale of more than 50% of the membership interests in Fortress Brookdale Acquisition LLC, does not require Provident's consent if (i) BLC Holdings provides evidence reasonably satisfactory to PSLT-BLC Holdings that the industry experience of the guarantor under the terms of such transaction in owning, operating and managing senior living properties similar to Brookdale's properties is at least

comparable to or better than that of Brookdale and (ii) the guarantor under the terms of such transaction has a net worth at least equal to \$75 million. In addition, Provident's consent is not required in connection with (a) any initial public offering or other equity raising transaction of Brookdale or (b) any direct or indirect transfer of less than 50% of the ownership interest in Brookdale or Fortress Brookdale Acquisition LLC, if, in the case of a transfer contemplated by clause (b), the current shareholders or members, as the case may be, continue to control Provident.

Provident's Master Lease Arrangements with Alterra

Concurrently with the closings of the purchase of the Alterra Properties, Provident entered into master lease arrangements with subsidiaries and/or affiliates of Alterra. The lease arrangements include (a) master lease agreements covering each of the Alterra Properties (each of which we refer to in this proxy statement/prospectus as an Alterra Property Lease), (b) an agreement regarding leases (which we refer to in this proxy statement/prospectus as the Alterra Agreement Regarding Leases), entered into between the parent company of the Alterra Tenants (as defined below) (which we refer to in this proxy statement/prospectus as ALS Holdings) and the parent company of each of the owners of the Alterra Properties (which we refer to in this proxy statement/prospectus as PSLT-ALS Holdings), (c) a lease guaranty by ALS Holdings with respect to each Alterra Property Lease, and (d) a guaranty of the Alterra Agreement Regarding Leases by Alterra (which we refer to in this proxy statement/prospectus as the Alterra Guaranty of Agreement Regarding Leases). Each of the Alterra Properties is owned by a subsidiary of Provident and leased to a subsidiary of Alterra (each of which we refer to in this proxy statement/prospectus as an Alterra Tenant). Each Alterra Tenant entered into a master sublease agreement with Alterra relating to the possession, management and operation of each of the Alterra Properties (which we refer to in this proxy statement/prospectus as the Alterra Management Agreements).

Provident's leases with respect to the Alterra Properties are for an initial term of 15 years (which we refer to in this proxy statement/prospectus as the Alterra Initial Term), with two five-year renewal options at Alterra's election, provided that, among other things, (i) no event of default exists under any Alterra Property Lease or under the Alterra Agreement Regarding Leases and (ii) no management termination event has occurred and is continuing beyond any applicable cure period. Pursuant to the Alterra Agreement Regarding Leases, the renewal option may only be exercised with respect to all of the Alterra Properties.

Under the terms of the Alterra Property Leases, the Alterra Tenants are obligated to pay base rent (which we refer to in this proxy statement/prospectus, as escalated from time to time, as the Alterra Base Rent) in an amount equal to the Alterra Lease Rate (defined below) multiplied by the sum of the purchase price (including certain transaction costs incurred in connection with the Alterra Acquisition by Provident and by Alterra, which at Alterra's election, Provident actually paid (including financing costs and debt assumption fees) in the amount of \$3.5 million) plus any subsequent amounts Provident funds in connection with capital improvements as described in each Alterra Property Lease and the Alterra Agreement Regarding Leases (we refer to such sum in this proxy statement/prospectus as the Alterra Lease Basis).

The initial lease rate for the first year of each of the Alterra Property Leases will be 9.625% (which we refer to in this proxy statement/prospectus, as the same may be escalated, as the Alterra Lease Rate). Commencing on the first month of the first anniversary of the commencement date of the Alterra Property Leases, and annually thereafter, the Alterra Lease Rate will be increased (which we refer to in this proxy statement/prospectus as the Annual Increase) by an amount equal to the lesser of (i) four times the percentage increase in the Consumer Price Index during the immediately preceding year or (ii) 2.5%. During the first year of each renewal term of the Alterra Property Leases, the Alterra Lease Basis will be adjusted to equal the greater of (i) the then current fair market value of the Alterra Properties (as determined by mutual agreement, or if no such agreement is reached, by an

acceptable appraisal method) or (ii) the Alterra Lease Basis for the immediately preceding calendar month. Rent under the Alterra Property Leases will continue to be escalated in accordance with the Annual Increase during each renewal term. Rent under the Alterra Property Leases is paid in arrears on a monthly basis.

Lease payments are absolute triple-net, with the Alterra Tenants responsible for the payment of all taxes, assessments, utility expenses, insurance premiums and other expenses relating to the operation of the Alterra Properties. In addition, the Alterra Tenants are required to comply with the terms of the mortgage financing documents affecting the Alterra Properties, if and to the extent that, among other things, the terms of such mortgage financings are commercially reasonable and consistent with other mortgage financings of comparable properties in the then current market.

Provident may, in Provident's sole discretion, upon the request of the Alterra Tenant, fund additional necessary capital improvements to the properties. If Provident funds any such amounts, the Alterra Lease Basis shall be increased on a dollar-for-dollar basis for the amounts Provident funds. In addition, if Provident, the Alterra Tenant and the manager mutually determine that there is an extraordinary capital expenditure requirement at one or more of the Alterra Properties, or if Provident and any Alterra Tenant mutually agree that a capital improvement at one or more of the Alterra Properties is necessary for the applicable Alterra Property to be in compliance with legal requirements, Provident has agreed to fund up to \$5 million in the aggregate over the term of the Alterra Property Leases with respect to all of the Alterra Properties and the amount that Provident funds will be added to the Alterra Lease Basis. The Alterra Tenants have covenanted to keep the Alterra Properties in good condition and repair and operate them in a manner similar to their operations on the commencement date of the Alterra Property Leases. The Alterra Property Leases also require the Alterra Tenants to spend, in the aggregate among the Alterra Properties, at least \$400 per unit per year, which amount will be increased annually by the percentage increase in the Consumer Price Index. If in any year the Alterra Tenants do not expend the entire required capital improvements amount, the unspent portion of such funds will be deposited into an escrow account with us or with Provident's mortgage lender, which funds will be available for property capital expenditures, capital improvements and repairs; provided that such funds will not be made available to the Alterra Tenants until such time as the Alterra Tenants have expended at least \$400 per unit, in the aggregate, in such year. In addition, Provident has the right to require reserved funding upon its request or as required by a mortgage lender. Provident and the Alterra Tenants have also agreed to review periodically the reserve-funding amount to adjust as necessary to properly maintain the properties in accordance with the requirements of the Alterra Property Leases.

The Alterra Agreement Regarding Leases provides that, commencing on the first month of the first calendar quarter which occurs after the commencement date of the Alterra Agreement Regarding Leases, and on the first month of each calendar quarter thereafter, ALS Holdings shall deposit with PSLT-ALS Holdings as security for the performance of the terms, conditions and provisions of the Alterra Agreement Regarding Leases and the Alterra Property Leases, 50% of excess cash flow for the prior calendar quarter, until such time as the amount held as the security deposit is equal to \$10 million. At ALS Holdings' option, ALS may post letters of credit in such amounts in lieu of depositing a cash security deposit. For the foregoing purposes, excess cash flow will be computed by taking the net operating income for all of the Alterra Properties less the Alterra Base Rent payable in the aggregate under all of the Property Leases. If the Alterra Properties achieve and maintain a lease coverage ratio of at least 1.15 to 1.00 for two consecutive six-month periods, then the security deposit will be returned to ALS Holdings. For the foregoing purposes, the lease coverage ratio will be computed by taking the net operating income for all of the Alterra Properties (subject to certain adjustments), and dividing it by Alterra Base Rent payable in the aggregate under all of the Alterra Property Leases.

The Alterra Agreement Regarding Leases also provides that PSLT-ALS Holdings may terminate the Alterra Management Agreements upon the occurrence of certain events, including if any Alterra Tenant fails to make a rental payment and the failure goes uncured for more than 30 days, if an event of default has occurred and remains uncured under any of the Alterra Property Leases or under the Alterra Agreement Regarding Leases, or if the Alterra manager becomes bankrupt or insolvent, has bankruptcy proceedings filed against it or voluntarily files for bankruptcy. In addition, PSLT-ALS Holdings may terminate the Alterra Management Agreements if the Alterra Properties fail to maintain on a quarterly basis a lease coverage ratio (measured quarterly on a rolling four-quarter basis) of at least 1.05 to 1.00 during any of the first (1st) through third (3rd) lease years, and at least 1.10 to 1.00 during any of the fourth (4th) through fifteenth (15th) lease years and during each renewal term. ALS Holdings or the Alterra manager has the right to cure a failure to maintain the required lease coverage ratio by posting cash or a letter of credit in an amount sufficient to decrease on a dollar-for-dollar basis the lease payments reflected in the denominator of the lease coverage ratio calculation to the extent necessary to be within compliance. This cure option may only be exercised two times during the first (1st) through tenth (10th) years of the Alterra Initial Term. If PSLT-ALS Holdings terminates the Alterra Management Agreements and replaces the Alterra manager with a manager other than an affiliate of Alterra, the Alterra Tenants have the right to terminate the Alterra Property Leases with respect to the facilities as to which the Alterra Management Agreements have been terminated. If PSLT-ALS Holdings terminates one or more of the Alterra Management Agreements but the Alterra Tenants for such applicable Alterra Properties do not terminate the applicable Alterra Property Leases with respect to the applicable facilities, the Alterra Tenants will enter into new management agreements with a replacement manager designated by PSLT-ALS Holdings and are required to pay any replacement manager the management fee pursuant to the replacement management agreements, provided that the Alterra Tenants will be entitled to a credit against Alterra Base Rent for any payments (excluding out-of-pocket reimbursements) payable to such replacement manager in excess of an amount equal to 5% of gross revenues.

Each of the Alterra Property Leases is unconditionally guaranteed by ALS Holdings and ALS Holdings' obligations under the Alterra Agreement Regarding Leases are unconditionally guaranteed by Alterra. Under the Alterra Property Leases, the Alterra Tenants agreed to indemnify Provident from liabilities related to the occupancy and operation of the Alterra Properties prior to and during the term of the Alterra Leases, with such indemnification continuing for 24 months following any termination of the Alterra Leases for any claims made with respect to incidents occurring prior to the end of the lease term.

In connection with any new mortgage financing, the applicable Alterra Tenant will subordinate its rights to those of such new mortgage lender, provided such mortgage lender enters into a subordination, non-disturbance and attornment agreement and agrees not to disturb such Alterra Tenant's right to possession.

Each of the Alterra Property Leases prohibits the assignment of any Alterra Property Lease by the applicable Alterra Tenant. The Alterra Agreement Regarding Leases also prohibits certain other "changes of control" of certain Alterra entities. However, any sale of more than 50% of Alterra's outstanding stock by its shareholders, or the sale of more than 50% of the voting stock or membership interests in any direct or indirect parent of Alterra, does not require Provident's consent if, among other things, (i) ALS Holdings provides evidence reasonably satisfactory to PSLT-ALS Holdings that the industry experience of the guarantor under the terms of such transaction in owning, operating and managing senior living properties is at least comparable to or better than that of Alterra and (ii) ALS Holdings provides evidence reasonably satisfactory to PSLT-ALS Holdings that the guarantor under the terms of such transaction has a net worth at least equal to the net worth of Alterra immediately prior to such transfer. In addition, Provident's consent is not required in connection with any initial public offering or other equity raising transaction of Alterra or any direct or indirect parent of Alterra or any

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direct or indirect transfer of less than 50% of the ownership interest in Alterra, if the current shareholders of Alterra continue to control Alterra.

Provident's Properties

As of March 31, 2005, Provident owned 68 properties in 19 states comprised of approximately 6,819 residential living units which are considered as either independent living units or assisted living units, all of which are leased pursuant to 15-year triple-net leases with renewal options. As of March 31, 2005, the aggregate 2005 contractual rent expected from Provident's properties was approximately \$83.2 million. The following table describes Provident's portfolio as of March 31, 2005:

Tenant	No. of Properties	No. of Units	Year 1 Contractual Rent (In millions)	Percentage of Year 1 Contractual Rent
Brookdale	21	4,474	\$ 60.1	72.2%
Alterra	47	2,345	23.1	27.8
	68	6,819	\$ 83.2	100.0%

The following table contains certain information with respect to each of Provident's properties as of March 31, 2005:

Property by Tenant	Location	No. of Units	Year Opened	Type of Property/ Number of Floors(2)
Brookdale:				
The Hallmark	IL	341	1990	37
Devonshire-Lisle	IL	321	1990	5
Classic at West Palm Beach	FL	301	1990	3
The Atrium	CA	291	1987	3
River Bay Club	MA	282	1986	7
The Kenwood of Lake View	IL	263	1954	14
Woodside Terrace	CA	270	1988	3
Devonshire-Hoffman Estates	IL	262	1987	8
The Heritage of Des Plaines	IL	255	1993	5
Edina Park Plaza	MN	209	1987	18
Brookdale Place	CA	209	1987	3
Park Place	WA	208	1992	2
Hawthorn Lakes	IL	201	1987	5
The Springs of East Mesa	AZ	185	1986	3
The Gables at Farmington	CT	173	1984	3
Brendenwood	NJ	145	1987	2
Ponce de Leon(1)	NM	144	1985	2
Berkshire of Castleton	IN	143	1986	2
Chatfield	CT	119	1989	3
The Gables at Brighton	NY	102	1988	3
The Willows (Hawthorn)	IL	50	1999	5

Brookdale Total 4,474

Alterra:

Kenmore (Buffalo)	NY	113	1997	WW
Niskayuna (Albany)	NY	100	1997	WW
Sherman Brook (Ct. Village)	NY	84	1997	VL
Summerfield (Sum. Village)	NY	84	1997	VL

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Northville	MI	72	1996	WW
Utica	MI	72	1996	WW
Twin Falls	ID	70	1997	WW
Colorado Springs	CO	68	1997	WW
Pueblo	CO	65	1997	WW
Lynwood	WA	60	1999	CB
Tempe	AZ	52	1997	CB
Niskayuna	NY	52	1997	CB
Perinton	NY	52	1997	CB
Williamsville	NY	52	1997	CB
Eden Prairie	MN	52	1998	CB
North Oaks	MN	52	1998	CB
Plymouth	MN	52	1998	CB
Puyallup	WA	52	1998	CB
Cary	NC	50	1997	CB
Westampton	NJ	50	1997	CB
Mesa	AZ	50	1998	SH
Pensacola	FL	50	1998	SH
Peoria	AZ	50	1998	SH
Tucson (Speedway)	AZ	46	1998	SH
Columbus (West.)	OH	43	1999	SH
Alliance	OH	42	1998	SH
Beaver Creek	OH	42	1998	SH
Evansville	IN	42	1998	SH
Marion	IN	42	1998	SH
Portage	IN	42	1999	SH
Richmond	IN	42	1998	SH
Salem	OH	42	1998	SH
Winter Haven II	FL	42	1998	SH
Kenosha III	WI	40	2000	CB
Topeka	KS	40	2000	CBC
West Melbourne	FL	40	2000	CB
Oro Valley I	AZ	38	1998	CB
Tallahassee	FL	38	1997	CB
Winston-Salem	NC	38	1997	CB
Leawood	KS	38	2000	CB
La Crosse II	WI	36	1998	SH
Austintown	OH	36	1999	CBC
Winter Haven I	FL	36	1999	CBC
La Crosse I	WI	26	1998	CBC
Blaine	MN	20	1997	SH
Inver Grove Heights	MN	20	1997	SH
Fond du Lac	WI	20	1996	SH

Alterra Total

2,345

Total Units

6,819

(1) Property held through a ground lease. Initial term ends October 31, 2015. Provident has the option to renew for three additional periods totaling 69 years.

(2) With respect to the Alterra Properties: WW is a Wynwood property; VL is a Villas property; SH is a Sterling House property; CB is a Clare Bridge property; CBC is a Clare Bridge Cottage property.

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The 21 Brookdale Properties are large in size (containing an average of 213 units per property) and are designed for middle to upper income residents who desire an upscale residential environment providing the highest level of quality, care and value. A description of the five largest Brookdale Properties based on lease basis allocation is provided below:

The Hallmark. The Hallmark is a 341-unit, 37-floor apartment building that is located on Chicago's lakefront, just north of the city's downtown. The Hallmark offers residents such conveniences as restaurant-style meals, housekeeping, activities, emergency call response and scheduled transportation. In addition, the Hallmark's amenities include a whirlpool, exercise room, health clinic, arts and crafts rooms, banking services and postal facilities.

The Devonshire of Lisle. The Devonshire is a 321-unit, five-floor complex that is located in Lisle, Illinois, adjacent to a wooded park and residential area. The Devonshire offers residents such services as restaurant-style meals, housekeeping, scheduled transportation and 24-hour staff availability. In addition, the Devonshire's amenities include an indoor pool, whirlpool, sauna, exercise room, arts and crafts room, library, lounge areas, health clinic and outdoor gardening area.

Woodside Terrace. Woodside Terrace is a 270-unit, three-floor complex that is located in Redwood City, California. Woodside Terrace offers residents such services as a dining program with a variety of menu choices, housekeeping, scheduled transportation and 24-hour staff availability. In addition, Woodside Terrace's amenities include an indoor pool, whirlpool, exercise room, health clinic, beauty shop, outdoor gardening area and guest suites.

The Atrium of San Jose. The Atrium of San Jose is a 291-unit, three-floor complex that is located in the heart of the Santa Clara Valley, near shopping centers, movie theaters and restaurants. The Atrium of San Jose offers residents such amenities and services as a dining program with a variety of menu choices, housekeeping, scheduled transportation and 24-hour staff availability.

The Heritage of Des Plaines. The Heritage of Des Plaines is a 255-unit, five-floor building located in Des Plaines, Illinois, with easy access to O'Hare Airport and shopping centers and public transportation. The Heritage of Des Plaines offers residents such services as a dining program with a variety of menu choices, housekeeping, scheduled transportation, activities and 24-hour staff availability. The Heritage also provides a number of on-site amenities, including an indoor pool, whirlpool, exercise room, arts and crafts room, banking services, health clinic and postal facilities.

The 47 Alterra Properties primarily focus on assisted living residents served through three primary residence models (Wynwood, Sterling House and Villas) and residents with cognitive impairments served through two primary residence models (Clare Bridge and Clare Bridge Cottages). A description of Alterra's models is provided below:

Wynwood. These multi-story residences are designed to serve primarily upper income frail/elderly individuals in metropolitan and suburban markets. The Wynwood residences typically range in size from 37,500 to 55,000 square feet and accommodate 60 to 100 residents. To achieve a more residential environment in these large buildings, each wing or "neighborhood" in the residence contains design elements scaled to a single-family home and includes a living room, dining room, patio or enclosed porch, laundry room and personal care area, as well as a caregiver work station. The Alterra Properties include seven Wynwood residences.

Sterling House. These apartment-style residences are generally located in select suburban communities and in small or medium-sized towns with populations of 10,000 or more persons. These residences range in size from 20,000 to 30,000 square feet and usually contain from 20 to 45 private apartments, offering residents a choice of studio, one-bedroom and one-bedroom deluxe apartments. These apartments typically include a bedroom area, private bath, living area, individual temperature control and kitchenettes and range in size from 320 to 420 square feet. Common space is dispersed throughout the building and is residentially scaled. The Alterra Properties include 17 Sterling House residences.

Villas. These private apartment-style residences are designed to serve upper-income independent individuals in metropolitan and suburban markets. The Villas residences typically range in size from 45,000 to 65,000 square feet and contain 75 to 120 private apartments. These apartments typically include a bedroom area, private bath, living/dining area, and kitchenettes and range in size from 600 to 900 square feet. The Villas offer a secure building with comfortable common areas and pleasant outdoor surroundings. The Alterra Properties include two Villas residences.

Clare Bridge. The Clare Bridge dementia residence model typically ranges in size from 20,500 to 31,000 square feet, is a single-story residence accommodating 38 to 52 residents, and is primarily located in metropolitan and suburban markets. Clare Bridge seeks to create a "home-like" setting that addresses the resident's cognitive limitations using internal neighborhoods consisting of rooms which are scaled to the size typically found in an upper-income, single-family home with the same level of furniture, fixtures and carpeting. Key features specific to the needs of Clare Bridge residents generally include indoor wandering paths, a simulated "town-square" area, secure outdoor spaces with raised gardening beds, directional aids to assist in "wayfinding" such as signs, color-coded neighborhoods and memory boxes with the resident's photograph outside their unit, and specifically designed furniture suitable for incontinent residents. The Alterra Properties include 17 Clare Bridge residences.

Clare Bridge Cottage. Clare Bridge Cottage is a dementia residence model focused on smaller to medium-sized markets where income levels would not support a more upscale Clare Bridge model. These residences typically accommodate from 20 to 40 residents and offer services similar to that of the Clare Bridge. These buildings resemble the Sterling House architectural styles with enhancements for wandering paths, security and other features associated with Clare Bridge. The Alterra Properties include four Clare Bridge Cottage residences.

Provident's Operators

All of Provident's properties are leased to either Brookdale and Alterra and/or their respective subsidiaries or affiliates.

Brookdale

Brookdale's management team has been providing senior living services since 1988 and has extensive experience in the senior living and hospitality industries. Brookdale's management team currently operates approximately 69 senior living properties (including the 21 Brookdale Properties) in 26 states containing 13,235 units.

Brookdale's objective is to allow its residents to "age-in-place" by providing them with a continuum of senior independent and assisted living services. The residents in a Brookdale-operated property have the ability to maintain their residency in such property for an extended period of time due to the range of service options available to such residents as their needs change. An individual can move into a Brookdale-operated property while the individual is able to live independently, requiring little or no assistance with the activities of daily living. As the resident ages and requires more assistance with the activities of daily living, the resident is able to receive an enhanced level of services at the Brookdale-operated property and not have to move to another property to receive the level of services required (not including skilled nursing). The ability to allow residents to age-in-place is beneficial to Brookdale's residents as well as their families who are burdened with care option decisions for their elderly relatives.

In addition to studio, one-bedroom and two-bedroom units, Brookdale provides all residents with basic services, such as meal service, 24-hour emergency response, housekeeping, concierge services, transportation and recreational activities. For residents who require additional supplemental care services, Brookdale provides assistance with activities of daily living. The levels of care provided by

Brookdale to residents varies from property to property depending upon the licensing requirements of the state in which the property is located.

Brookdale's levels of care include:

Basic Care Program. The basic care package, which is received by all residents, includes meal service, housekeeping services within the resident's unit, social and recreational activities, scheduled transportation to medical centers and shopping, security, emergency call response, access to on-site medical education and wellness programs.

Supplemental Care Services. Brookdale has also established a program providing various levels and combinations of supplemental care services called "Personally Yours"SM. In addition to the basic care program, Brookdale offers custom tailored supplemental care services for residents who desire or need such services. Optional supplemental care services include check-in services and escort and companion services. Residents with cognitive or physical frailties and higher level service needs are either accommodated with supplemental services in their own units or, in certain properties, are cared for in a more structured and supervised environment on a separate wing or floor of the property with a dedicated staff and with separate dining room and activity areas.

Depending on the particular property and as dictated by state licensing requirements, Brookdale also provides assistance with activities of daily living such as dressing and bathing and medication administration or reminders.

Alterra

Alterra is one of the nation's largest operators of assisted living properties for the physically frail/elderly and is the nation's largest operator of freestanding properties for individuals with Alzheimer's disease or other forms of memory loss. Since its founding in 1981, Alterra has sought to maximize the quality of life and dignity of older adults. Headquartered in Milwaukee, Wisconsin, Alterra operates over 300 properties nationwide (including the 47 Alterra Properties), totaling approximately 13,286 units in 22 states.

In January 2003, in order to facilitate and complete its ongoing restructuring initiatives, Alterra filed a voluntary petition for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. Alterra emerged from bankruptcy in December 2003 when it was acquired and recapitalized by FEBC-ALT Investors LLC.

Alterra offers a full range of assisted living services based upon individual resident needs. Alterra's residents are primarily private pay. Prior to admission, residents are assessed by Alterra's staff to determine the appropriate level of personal care and service required. Subsequently, individual service agreements are developed by residence staff in conjunction with the residents, their families and their physicians. These plans are periodically reviewed, typically at six-month intervals, or when a change in medical or cognitive status occurs. Alterra offers residents 24-hour assistance with activities of daily living, ongoing health assessments, organized social activities, three meals a day plus snacks, housekeeping and personal laundry services. All residents are assessed at admission to determine the level of personal care and service required and placed in a care level ranging from basic care to different levels of advanced personal care. In addition, in some locations Alterra offers residents exercise programs and programs designed to address issues associated with early stages of Alzheimer's and other forms of dementia, as more fully described below.

Alterra's levels of care include:

Basic Care. At this level residents are provided with a variety of services, including 24-hour assistance with activities of daily living, ongoing health assessments, three meals per day and

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snacks, coordination of special diets planned by a registered dietitian, assistance with coordination of physician care, social and recreational activities, housekeeping and personal laundry services.

Additional Care. Higher levels of personal care services to residents who require more frequent or intensive physical assistance or increased personal care and supervision due to cognitive impairments.

Investment Policies and Policies With Respect to Certain Activities

The following is a discussion of Provident's investment policies and Provident's policies with respect to certain activities, including financing matters and conflicts of interest.

Investments in Real Estate or Interests in Real Estate

Provident's business is focused on the ownership and acquisition of income-producing senior living properties, primarily independent and assisted living properties, located in the United States that derive substantially all of their revenues from private pay sources. Provident's primary objectives are to (i) preserve and enhance shareholder equity value, (ii) provide current income for distribution to shareholders through the ownership of senior living properties leased to experienced operators with substantial expertise in senior living operations, (iii) generate increasing cash flow for Provident and its shareholders through contractual rent increases and additional investments, and (iv) achieve long-term appreciation in the value of Provident's properties.

In making investments, Provident focuses on established senior living operators that meet Provident's standards for quality and experience of management, such as Brookdale and Alterra, which, according to the American Seniors Housing Association, are two of the industry's largest senior living managers. In evaluating potential investments, Provident considers such primary factors as:

the quality, experience and expertise of management of the operator/manager of the property;

the location, construction quality, condition and design of the property;

the property's historical, current and forecasted cash flow and its ability to meet operational needs, capital expenditures and lease obligations, providing an appropriate return on investment;

the occupancy and demand for similar senior living properties in the same or nearby communities;

the proportion of private-pay residents, with an emphasis on little or no government reimbursement; and

the tax, growth, regulatory and reimbursement environment of the jurisdiction in which the property is located.

Provident conducts all of its investment activities through Provident OP.

Conflict of Interest Policy

In Provident's Code of Business Conduct and Ethics, adopted by its board of trustees, Provident has adopted a policy that specifically addresses conflicts of interest between any trustee, officer or employee of Provident and itself.

Competition and Market Conditions

Provident competes, primarily on the basis of price, available capital, knowledge of the industry, and flexibility of financing structure, with real estate partnerships, other REITs and other investors

(including, but not limited to, banks and insurance companies) in the acquisition, leasing and financing of senior living properties.

The operators of senior living properties compete on a local and regional basis with operators of properties that provide comparable services. Operators compete for tenants and staff based on quality of care, reputation, physical appearance of properties, services offered, family preference, physicians, staff and price. They compete with independent operators as well as companies managing multiple properties, some of which may be larger and have greater resources than the operators of Provident's properties. Some of these properties are operated for profit while others are owned by governmental agencies or tax-exempt, non-profit organizations.

Provident Employees

Provident employed seven full-time employees as of March 31, 2005. Provident believes its relations with its employees are good.

Legal Proceedings

Provident is not involved in any material litigation nor is any material litigation threatened against it.

Regulatory Matters

Governmental Regulation

General

Provident's tenants derive nearly all of their revenues from private-pay sources as opposed to government reimbursements. To the extent any of Provident's operators' revenues are derived from third-party payors, including the Medicare and Medicaid programs, Provident's operators will be subject to increased government regulation. The Medicare program was enacted in 1965 to provide a nationwide, federally funded health insurance program for the elderly and certain disabled persons. In contrast, Medicaid is a medical assistance program jointly funded by federal and state governments and administered by each state pursuant to which benefits are available to certain indigent patients. The Medicare and Medicaid statutory framework is subject to administrative rulings, interpretations and discretion that affect the amount and timing of reimbursement made under Medicare and Medicaid. The amounts of program payments received by Provident's lessees or borrowers can be changed by legislative or regulatory actions and by determinations made by fiscal intermediaries and other payment agents acting on behalf of the programs.

Licensure

The tenants and managers of Provident's properties are subject to extensive state and local laws and regulations relating to licensure, conduct of operations, and services provided within the properties. The nursing operations of Provident's lessees and borrowers are subject to regulation and licensing by state and local health and social services agencies and other regulatory authorities. In order to maintain their operating licenses, health care providers and operators of facilities or properties must comply with standards concerning medical care, equipment and hygiene. Although regulatory requirements vary from state to state, these requirements generally address among other things: personnel education and training; staffing levels; patient records; facility services; quality of care provided; physical residence specifications; food and housekeeping services; and residents' rights and responsibilities. These properties are subject to periodic survey and inspection by governmental authorities. The properties are also subject to various state and local building codes and other ordinances, including zoning and safety codes.

Environmental Matters

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner, operator or tenant of real estate may be required to investigate and clean up hazardous or toxic substances or petroleum product releases or threats of releases at such property, and may be held liable to a government entity or to third parties for property damage and for investigation, clean up and monitoring costs incurred by such parties in connection with the actual or threatened contamination. Such laws typically impose clean up responsibility and liability without regard to fault, or whether or not the owner, operator or tenant knew of or caused the presence of the contamination. The liability under such laws may be joint and several for the full amount of the investigation, clean-up and monitoring costs incurred or to be incurred or actions to be undertaken, although a party held jointly and severally liable may obtain contributions towards these costs from other identified, solvent, responsible parties for their fair share of these costs. These costs may be substantial, and can exceed the value of the property. The presence of contamination, or the failure to properly remediate contamination, on such property may adversely affect the ability of the owner, operator or tenant to sell or rent such property or to borrow using such property as collateral, and may adversely impact Provident's investment in a property. An owner, operator or tenant of contaminated property may also face personal injury claims arising from contamination.

Federal regulations require building owners and those exercising control over a building's management to identify and warn, via signs and labels, their employees and other building employers of potential hazards posed by workplace exposure to installed asbestos-containing materials and potentially asbestos-containing materials in their building. The regulations also set forth employee training, record keeping requirements and sampling protocols pertaining to asbestos-containing materials and potentially asbestos-containing materials. Significant fines can be assessed for violation of these regulations. Building owners and those exercising control over a building's management may be subject to an increased risk of personal injury lawsuits by workers and others exposed to asbestos-containing materials and potentially asbestos-containing materials. The regulations may affect the value of a building containing asbestos-containing materials and potentially asbestos-containing materials in which Provident has invested. Federal, state and local laws and regulations also govern the removal, encapsulation, disturbance, handling and/or disposal of asbestos-containing materials and potentially asbestos-containing materials when such materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a building. Such laws may impose liability for improper handling or a release to the environment of asbestos-containing materials and potentially asbestos-containing materials and may provide for fines to, and for third parties to seek recovery from, owners or operators of real properties for personal injury or improper work exposure associated with asbestos-containing materials and potentially asbestos-containing materials.

The presence of mold, lead-based paint, lead in drinking water, and/or radon at any of the real properties Provident owns may lead to the incurrence of costs for remediation, mitigation, or the implementation of an operations and maintenance plan. Furthermore, the presence of mold, lead-based paint, lead in drinking water, and/or radon at any of the real properties Provident owns may present a risk that third parties will seek recovery from the owners, operators or tenants of such properties for personal injury or property damage.

Although Provident's leases generally require the lessee to indemnify it for certain environmental liabilities, the scope of such obligations may be limited, and Provident cannot be certain that any such lessee would be able to fulfill its indemnification obligations.

Neither Provident nor, to Provident's knowledge, any of the current or former owners of the Brookdale Properties or the Alterra Properties have been notified by any governmental authority of any material noncompliance, liability or claim relating to hazardous or toxic substances or other environmental matter in connection with any of the properties.

Provident Management's Discussion and Analysis of Financial Condition and Results of Operations

Provident was formed in 2004 and only commenced revenue-generating operations during the fourth quarter of 2004. Therefore, Provident does not have any meaningful historical operations to discuss, or compare to prior periods. The following discussion should be read in conjunction with Provident's consolidated financial statements and the notes thereto included elsewhere in this proxy statement/prospectus.

Provident

Provident was organized as a Maryland REIT on March 1, 2004, primarily for the purpose of investing in and owning income-producing senior living properties, primarily independent and assisted living properties, located in the United States. Provident completed a private placement of 26,842,290 of its common shares and 1,824,377 Class A Units of limited partnership units in Provident OP in the Provident 144A Offering. With the proceeds from the private placement, assumed debt and proceeds from Provident's revolving credit facility Provident completed the Brookdale Acquisition and the Alterra Acquisition, acquiring a total of 68 senior living properties, in the fourth quarter of 2004 for a total purchase price of \$984.7 million.

Provident conducts all of its operations through Provident OP. Provident owns all of the membership interests in the sole general partner of Provident OP and thereby controls Provident OP. Provident also owns 99% of Provident OP (exclusive of outstanding Provident LTIP Units) in the form of limited partnership interests. Whenever Provident issues shares for cash, Provident is obligated to contribute any net proceeds Provident receives from the sale of the common shares to Provident OP and the operating partnership is, in turn, obligated to issue an equivalent number of limited partnership units to Provident. Provident OP distributes the income it generates from its operations to partners in accordance with the Provident Partnership Agreement. In turn, Provident distributes the amounts Provident receives from Provident OP, to the extent that such distributions do not exceed its REIT taxable income, to Provident's shareholders in the form of quarterly cash distributions. Provident intends to qualify as a REIT for federal tax purposes for the year ended December 31, 2004, thereby generally avoiding federal and state corporate income taxes on the earnings that Provident distributes to its shareholders, except with respect to certain net capital gains Provident may realize and which Provident may elect not to distribute.

Accounting Estimates

In order to prepare financial statements in conformity with GAAP, Provident must make estimates and judgments about certain types of transactions and account balances. Provident believes that its estimates of the amount and timing of lease revenues, credit losses, fair values and periodic depreciation of its real estate assets, stock compensation expense, and the effects of any derivative and hedging activities will have significant effects on its financial statements. Each of these items involves estimates that require Provident to make judgments that are subjective in nature. Provident relies on its experience, collects historical data and current market data, and develops relevant assumptions in order to arrive at what it believes to be reasonable estimates. Under different conditions or assumptions, materially different amounts could be reported related to the accounting policies described below. In addition, application of these accounting policies involves the exercise of judgments or the use of assumptions as to future uncertainties and, as a result, actual results could materially differ from these estimates. Provident's accounting estimates will include the following:

Revenue Recognition and Unbilled Rentals

Provident's revenues, which are comprised largely of rental income, include rents that each tenant pays in accordance with the terms of its respective lease reported over the initial term of the lease. Provident's leases provide for rental increases at specified intervals; in such cases, straight-line basis accounting will require Provident to record as an asset, and include in revenues, unbilled rent that

Provident will only receive if the tenant makes all rent payments required through the expiration of the term of the lease. Accordingly, Provident's management must determine, in its judgment, to what extent the unbilled rent receivable applicable to each specific tenant is collectible. Provident reviews unbilled rent receivable and takes into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located.

Investments in Real Estate

Provident records investments in real estate at cost, and Provident capitalizes improvements and replacements when they extend the useful life or improve the efficiency of the asset. Provident expenses costs of repairs and maintenance as incurred if the tenant of its property fails to do so pursuant to the terms of its lease with Provident. Provident makes subjective assessments as to the useful lives of its properties for purposes of determining the amount of depreciation expense to record on an annual basis with respect to its investments in real estate improvements. These assessments will have a direct impact on Provident's net income because, if Provident were to shorten the expected useful lives of its investments in real estate improvements, Provident would depreciate these investments over fewer years, resulting in more depreciation expense and lower net income on an annual basis. Provident computes depreciation using the straight-line method over the estimated useful life of 40 years for buildings and improvements, seven years for equipment and fixtures and the shorter of the useful life or the remaining lease term for tenant improvements and leasehold interests.

Provident has adopted SFAS No. 144, which establishes a single accounting model for the impairment or disposal of long-lived assets including discontinued operations. SFAS No. 144 requires that the operations related to properties that have been sold or that are held for sale be presented as discontinued operations in the statement of operations for all periods presented, and properties Provident intends to sell be designated as "held for sale" on Provident's balance sheet.

Provident will be required to make subjective assessments as to whether there are impairments in the values of Provident's investments in real estate. When circumstances such as adverse market conditions indicate a possible impairment of the value of a property, Provident will review the recoverability of the property's carrying value. The review of recoverability will be based on Provident's estimate of the future undiscounted cash flows, excluding interest charges, expected to result from the property's use and eventual disposition. Provident's forecast of these cash flows will consider factors such as expected future operating income, market and other applicable trends and residual value, as well as the effects of leasing demand, competition and other factors. If impairment exists due to the inability to recover the carrying value of a property, an impairment loss will be recorded to the extent that the carrying value exceeds the estimated fair value of the property.

Allocation of Purchase Price for Acquisition of Properties

Provident allocates the purchase costs of properties to the tangible and intangible assets acquired and the liabilities assumed as provided by SFAS No. 141, "Business Combinations". For each acquisition, Provident assesses the value of the land, building, equipment and intangible assets. The value of the buildings acquired is determined based on independent appraisals or on management's estimates reflecting the facts and circumstances of each acquisition.

With regard to each of the Brookdale Acquisition and the Alterra Acquisition, Provident concluded that there is no intangible value to any tenant leases and the real estate value recorded is equal to the property value on an "as vacated basis" (i.e., the tenant leases were not in place). Provident's leases are directly with tenant subsidiaries of Alterra and Brookdale that will utilize the real estate assets to operate senior living facilities. Provident's income is derived directly from those tenant subsidiaries of Alterra and Brookdale and is not linked to the underlying occupancy by the senior residents of the real estate properties. Accordingly, there is neither value associated with avoiding the

cost of originating the leases, nor value associated with lost revenue during an assumed re-leasing period.

Provident's leases were negotiated with Brookdale and Alterra in arm's-length transactions and signed at the time of purchase of the properties; therefore Provident believes such leases are at current market terms. Further, Provident believes that the value of Provident's real estate assets is independent of the tenant leases and that this real estate would be attractive to other senior living operators, who Provident believes would be willing to enter into leases with us on terms substantially similar to those with Brookdale and Alterra.

Leases

Provident's leases will be accounted for under the provisions of SFAS No. 13, "Accounting for Leases." In order to determine whether a lease will be accounted for as an operating or a capital lease, this statement requires management to estimate the economic life of the leased property, the residual value of the leased property and the present value of minimum lease payments to be received from the tenant. In addition, management assumes that all payments to be received under its leases are collectible. Changes in management's estimates or assumptions regarding collectibility of lease payments could result in an adjustment to rental receivables.

Accounting for Derivative Financial Investments and Hedging Activities

Provident accounts for its derivative and hedging activities, if any, using SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (which we refer to in this proxy statement/prospectus as SFAS No. 133), as amended by SFAS No. 137 and SFAS No. 149, which requires all derivative instruments to be carried at fair value on the balance sheet.

Derivative instruments designated in a hedge relationship to mitigate exposure to variability in expected future cash flows, or other types of forecasted transactions, will be considered cash flow hedges. Provident will formally document all relationships between hedging instruments and hedged items, as well as Provident's risk-management objective and strategy for undertaking each hedge transaction. Where required, Provident will periodically review the effectiveness of each hedging transaction, which involves estimating future cash flows. Cash flow hedges will be accounted for by recording the fair value of the derivative instrument on the balance sheet as either an asset or liability, with a corresponding amount recorded in other comprehensive income within shareholders' equity. Amounts will be reclassified from other comprehensive income to the income statement in the period or periods the hedged forecasted transaction affects earnings. Derivative instruments designated in a hedge relationship to mitigate exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, will be considered fair value hedges under SFAS No. 133. Provident is not currently a party to any derivatives contract other than interest rate caps on certain floating rate debt assumed in connection with the Brookdale Acquisition.

Stock-Based Compensation

Provident follows the provisions of SFAS No. 123, as amended by SFAS No. 148, "Accounting for Stock-Based Compensation Transition and Disclosure," which permits entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant. Under this fair value method Provident will make assumptions as to the value of any stock based awards issued which include restricted stock, stock options, or units in Provident OP. Such assumptions will be based upon the terms of the instrument granted as well as estimates of the life of the instrument, Provident's distribution yield and Provident's stock price volatility, among other factors. These estimates will determine the basis of the amount recorded as compensation expense within Provident's financial statements. To the extent these assumptions change over time, as Provident continue to reward Provident's employees with stock based compensation, the amount of expense recorded will vary.

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From April 2004 to June 2004, Provident issued 600,000 founders' common shares of beneficial interest in a private offering to certain executive officers of Provident for total proceeds of \$1,500 that were not grants of equity compensation. There are no vesting provisions on these shares. Provident valued the shares internally and did not obtain a contemporaneous valuation from an unrelated third party. The internal valuation was nominal because Provident faced numerous obstacles and uncertainties for achieving its plans, such as the lack of any equity capital, operations or material assets, a significant liability for legal fees and other expenses, and a myriad of substantial contingencies and hurdles that existed at the time the founders' shares were issued; including, but not limited to, the need to raise equity capital, complete its due diligence on the properties, negotiate the assumption of approximately \$465 million of mortgage debt with numerous lenders, and close on the real estate transactions. Further, even after completion of Provident's private placement at \$15.00 per share, Provident agreed, subject to shareholder approval, to liquidate Provident and return the proceeds, net of liquidation expenses, to investors in the private placement, excluding the founders' shares, in the event that the Brookdale Acquisition (the larger of the two transactions) was not completed.

Provident's Results of Operations

Provident commenced operations in August 2004 upon completing a private placement of common shares of beneficial interest. During the fourth quarter of 2004 Provident completed the Brookdale Acquisition and the Alterra Acquisition for a total purchase price of approximately \$984.7 million including the assumption of approximately \$465.0 million of nonrecourse and limited recourse property-level mortgage debt.

As of March 31, 2005, Provident owned 68 independent living or assisted living properties in 19 states, all of which are leased pursuant to 15-year triple-net leases with renewal options.

For the Three Month Period Ended March 31, 2005

Net Income

Net income was approximately \$5.7 million for the three month period ended March 31, 2005 and was attributed to a full quarter of real estate operations since completing the Brookdale Acquisition and the Alterra Acquisition during the fourth quarter of 2004.

Revenues

Rental income for the three month period ended March 31, 2005 was approximately \$25.8 million and was attributable to the properties Provident acquired in the Brookdale Acquisition and the Alterra Acquisition during the fourth quarter of 2004. A summary of rental income by portfolio is as follows:

Portfolio	Number of Properties	Date of Acquisition	Contractual Rental Income	Straight Line Rental Income	Total
Brookdale	21	October 2004	\$ 15,291,860	\$ 3,557,979	\$ 18,849,839
Alterra	38	October 2004	4,034,181	786,927	4,821,108
Alterra	9	December 2004	1,751,607	337,086	2,088,693
			<u>\$ 21,077,648</u>	<u>\$ 4,681,992</u>	<u>\$ 25,759,640</u>

Interest income for the three month period ended March 31, 2005 was approximately \$0.1 million and was primarily generated from interest income earned on lender escrows and tenant security deposits.

Expenses

General and administrative expenses for the three month period ended March 31, 2005 were approximately \$779,000 and relate primarily to insurance expense, office rent expense, compensation

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expenses for Provident's board of trustees, and professional fees including \$475,000 in expenses relating to Provident's proposed merger with Ventas.

Salaries and employee benefits for the three month period ended March 31, 2005 were approximately \$638,000.

During the three month period ended March 31, 2005, Provident incurred expenses of approximately \$612,000 related to the amortization of Provident LTIP Units issued to management, employees and Provident's board of trustees under Provident's Long-Term Incentive Plan.

Interest expense on mortgages and other debt for the three month period ended March 31, 2005 was approximately \$8.9 million and relates to debt assumed in the Brookdale Acquisition and the Alterra Acquisition and from borrowings under Provident's \$135.0 million revolving credit facility. As of March 31, 2005, outstanding borrowings under Provident's credit facility were approximately \$125.3 million.

The following table summarizes Provident's interest expense on mortgages and other debt by portfolio for the three month period ended March 31, 2005.

Portfolio	Number of Properties	Date of Acquisition	Interest Expense
Brookdale	21	October 2004	\$ 6,333,456
Alterra	38	October 2004	1,636,035
Alterra	9	December 2004	884,651
			\$ 8,854,142

Depreciation and amortization on real estate investments for the three month period ended March 31, 2005 was approximately \$9.2 million and was attributable to the properties Provident acquired in the Brookdale Acquisition and the Alterra Acquisition during the fourth quarter of 2004. A summary of depreciation and amortization expense by portfolio is as follows:

Portfolio	Date of Acquisition	Depreciation and Amortization
Brookdale	October 2004	\$ 6,893,521
Alterra	October 2004	1,588,028
Alterra	December 2004	689,213
		\$ 9,170,762

For the Period March 1, 2004 (Inception) to December 31, 2004

Net Income

Net income was approximately \$5.8 million for the period March 1, 2004 (inception) to December 31, 2004 and was attributed to real estate operations as a result of completing the Brookdale Acquisition and the Alterra Acquisition during the fourth quarter of 2004, and investment income generated from the proceeds of Provident's private placement from August 2004 until such proceeds were invested in real estate assets during the fourth quarter of 2004.

Revenues

Rental income for the period March 1, 2004 (inception) to December 31, 2004 was approximately \$19.6 million and was attributable to the properties Provident acquired in the Brookdale Acquisition

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and the Alterra Acquisition during the fourth quarter of 2004. A summary of rental income by portfolio is as follows:

Portfolio	Number of Properties	Date of Acquisition	Contractual Rental Income	Straight Line Rental Income	Total
Brookdale	21	October 2004	\$ 12,536,493	\$ 2,925,445	\$ 15,461,938
Alterra	38	October 2004	3,182,520	620,795	3,803,315
Alterra	9	December 2004	311,397	59,925	371,322
			<u>\$ 16,030,410</u>	<u>\$ 3,606,165</u>	<u>\$ 19,636,575</u>

Interest income for the period March 1, 2004 (inception) to December 31, 2004 was approximately \$1.1 million and was generated from investments made with the proceeds of Provident's August 2004 private placement.

Expenses

General and administrative expenses for the period March 1, 2004 (inception) to December 31, 2004 were approximately \$462,000 and relate primarily to insurance expense, professional fees, office rent expense, compensation expenses for Provident's board of trustees, and various taxes.

Salaries and employee benefits for the period March 1, 2004 (inception) to December 31, 2004 were approximately \$1.7 million.

During the period from March 1, 2004 (inception) to December 31, 2004 Provident incurred expenses of approximately \$1.1 million related to the amortization of Provident LTIP Units issued to management and Provident's board of trustees under Provident's Long-Term Incentive Plan.

Interest expense on mortgages and other debt for the period March 1, 2004 (inception) to December 31, 2004 was approximately \$6.3 million and relates to debt assumed in the Brookdale Acquisition and the Alterra Acquisition and from borrowings under Provident's \$135.0 million revolving credit facility. As of December 31, 2004 outstanding borrowings under Provident's credit facility are approximately \$123.6 million.

The following table summarizes Provident's interest expense on mortgages and other debt by portfolio for the period March 1, 2004 (inception) to December 31, 2004.

Portfolio	Number of Properties	Date of Acquisition	Interest Expense
Brookdale	21	October 2004	\$ 5,081,160
Alterra	38	October 2004	1,062,735
Alterra	9	December 2004	148,036
			<u>\$ 6,291,931</u>

Depreciation and amortization on real estate investments for the period March 1, 2004 (inception) to December 31, 2004 was approximately \$5.7 million and was attributable to the properties Provident acquired in the Brookdale Acquisition and the Alterra Acquisition during the fourth quarter of 2004. A summary of depreciation and amortization expense by portfolio is as follows:

Portfolio	Date of Acquisition	Depreciation and Amortization
Brookdale	October 2004	\$ 4,595,680
Alterra	October 2004	1,058,686
		<u>\$ 5,654,366</u>

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Cash Flows for the Three Month Period Ended March 31, 2005

Provident had cash and cash equivalents totaling approximately \$0.5 million at March 31, 2005. During the three month period ended March 31, 2005, net cash provided by operating activities was approximately \$9.3 million.

Net cash used in investing activities was approximately \$26,000 and was attributable to the purchase of office furniture and equipment.

Net cash used in financing activities was approximately \$10.8 million, and included (i) common shares issuance costs of approximately \$0.5 million, (ii) payments for dividends and operating partnership distributions of approximately \$10.1 million, (iii) net borrowings under Provident's revolving credit facility of approximately \$1.7 million, (iv) principal payments on mortgage notes payable of approximately \$1.8 million, and (v) restricted cash for principal reserve fund escrows of approximately \$0.1 million.

Cash Flows for the Period March 1, 2004 (Inception) to December 31, 2004

Provident had cash and cash equivalents totaling approximately \$2.1 million at December 31, 2004. During the period March 1, 2004 (inception) to December 31, 2004, net cash provided by operating activities was approximately \$7.4 million.

Net cash used in investing activities was approximately \$520.0 million and was primarily attributable to the properties Provident acquired in the Brookdale Acquisition and the Alterra Acquisition during the fourth quarter of 2004.

Net cash provided by financing activities was approximately \$514.7 million, and included (i) net proceeds from share issuances of approximately \$373.2 million, (ii) net proceeds from operating partnership unit issuances of approximately \$25.5 million, (iii) net borrowings under Provident's revolving credit facility of approximately \$123.6 million, (iv) principal payments on mortgage notes payable of approximately \$1.0 million, (v) payments for deferred financing costs of approximately \$2.5 million, and (vi) restricted cash for principal reserve fund escrows of approximately \$4.1 million.

Liquidity and Capital Resources

Liquidity is a measurement of Provident's ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund and maintain investments and other general business purposes. Provident's primary sources of funds are rental income borrowings under its credit facility and interest income from its cash balances.

Provident's ability to execute its business strategy depends to a significant degree on its ability to obtain additional capital. Provident expects to meet its short-term liquidity requirements generally through cash flow provided by operations and borrowings under its credit facility. Provident's properties are leased under long-term, triple net leases and are therefore expected to generate stable cash flows. Provident considers its ability to generate cash to be adequate and expects it to continue to exceed operating requirements.

Provident does not currently have any commitments for additional credit facilities or other sources of financing. All of Provident's properties are encumbered by mortgage indebtedness and the mortgage debt encumbering certain of Provident's properties is cross-defaulted to the mortgage debt encumbering other properties Provident owns.

On October 20, 2004, Provident entered into a \$135 million secured revolving credit facility with General Electric Capital Corporation which matures in October 2009. As of March 31, 2005, the credit facility had an outstanding balance of approximately \$125.3 million. Interest on the credit facility is based on 30-day LIBOR, plus an applicable LIBOR margin based on Provident's property leverage ratio. As of March 31, 2005, the credit facility bore interest at a rate of 5.09% (30-day LIBOR was 2.69%). As of December 31, 2004, the credit facility had an outstanding balance of approximately

\$123.6 million. As of December 31, 2004, the credit facility bore interest at a rate of 4.48% (30-day LIBOR was 2.28%). The credit facility is secured by mortgages on 38 of the Alterra Properties and is guaranteed by Provident up to a maximum of \$13.5 million (plus enforcement costs). Provident also provides a guarantee under the credit facility in the event of certain acts by the borrower, including fraud, misrepresentation, environmental liabilities, failure to maintain insurance and voluntary bankruptcy of the borrower.

The credit facility contains financial covenants and other restrictions including provisions that restrict or limit Provident's ability to exercise certain of its rights as landlord under the property leases for the 38 Alterra Properties securing the credit facility. Pursuant to these covenants, Provident must satisfy ongoing financial covenants including maintaining a debt service coverage ratio on a consolidated basis of at least 1.20:1 and maintaining shareholders' equity of at least \$250 million. The debt service coverage ratio is calculated by dividing the earnings for the prior 12-month period before interest, taxes, depreciation and amortization by the sum of all debt payments on a consolidated basis. The shareholders' equity is calculated by taking shareholders' equity and adding back accumulated depreciation and amortization and any minority interest in any direct or indirect subsidiaries taken into account in computing (and thereby otherwise reducing) such shareholders' equity, determined on a consolidated basis.

In addition, Provident's indirect, wholly-owned subsidiary that is the borrower under the credit facility is required to maintain, as of the end of each month, a project yield of at least 11% and a debt service coverage ratio of at least 1.30:1. The project yield is calculated by dividing the adjusted net operating income of the properties securing the credit facility for the 12-month period ending two months prior to the month in which the yield is measured by the average daily outstanding balance of the credit facility for the one-month period ending on the measurement date, and the debt service coverage ratio is calculated by dividing the same adjusted net operating income by the sum of debt payments on the credit facility for the next 12 months, using the interest rate in effect for the calendar month immediately following the calculation date and an assumed principal balance equal to the average daily outstanding principal balance for the preceding month. For purposes of this calculation, adjusted net operating income is the net income without regard to payments by the tenant under the master property lease agreement for the properties securing the credit facility, and excluding interest, taxes, depreciation, amortization, rent and management fees for the previous 12 months, adjusted for a 5% management fee, a \$350 per unit per annum replacement reserve and a maximum occupancy of 95% for the portfolio of properties securing the credit facility.

Provident is also required to obtain lender consent to amend or modify the lease arrangements with regard to the properties securing the credit facility, to transfer or otherwise encumber such properties or to declare a cross-default under the lease arrangements with regard to such properties as a result of certain defaults under the lease arrangements for Alterra Properties that do not secure the credit facility. These defaults generally include, but are not limited to, a tenant's failure to pay rent when due or failure to perform its obligations under the lease arrangements, the bankruptcy, insolvency, liquidation or dissolution of a tenant or its lease guarantor, the sale or divestiture of substantially all of a tenant's or its lease guarantor's assets, the failure of a tenant to repay borrowed money in an aggregate amount exceeding \$250,000 and the tenant's cessation of operations at the leased property as a senior housing facility. In addition, the occurrence of a default and the expiration of any cure periods under the lease arrangements with regard to the properties securing the credit facility are generally defaults under the credit facility as well. The credit facility also provides that the occurrence of any default and the expiration of any cure periods under any other loan documents or any other material agreement to which Provident is a party generally constitutes a default under the credit facility. The remaining nine Alterra Properties are encumbered by a single mortgage loan. The interest rate for such loan is fixed at 7.18%, which approximates fair value, and the loan matures in 2009.

The Brookdale Properties are encumbered by 25 separate loans. The Brookdale loans (a) range in maturity from 2006 to 2029, (b) range in interest rate from 3.01% to 8.38% (with a weighted average rate of approximately 6.20%), and (c) range in outstanding principal amount (as of March 31, 2005) from approximately \$3.6 million to approximately \$61.4 million. Approximately \$106.2 million of the debt Provident assumed in connection with the Brookdale Acquisition is floating rate, tax exempt or taxable bond debt. This debt is indexed to either the municipal bond market index (BMA), the prime rate (Prime) or LIBOR. The Brookdale master lease provides for a "floating rate adjustment" to rent payments to mitigate Provident's exposure to fluctuations in changes to these interest rate indices, such that if interest expense on the debt increases due to an increase in interest rates, the amount of rent due will increase by an equal amount. The Brookdale loans contain provisions that restrict or limit Provident's ability to exercise certain of its rights as landlord under the Brookdale property leases, such as, in certain cases, the right to replace the property manager without the lender's prior approval.

Set forth below is the principal payment and debt maturity schedule of Provident's long-term debt obligations assumed or incurred in the Brookdale Acquisition and the Alterra Acquisition, net of approximately \$4.2 million in principal reserves maintained by certain lenders and unamortized debt premiums of approximately \$0.8 million (unaudited) (in thousands):

Year	Principal Payments			Debt Maturity			Total Payments
	Alterra Managed Property	Brookdale Managed Property	Subtotal	Alterra Managed Property	Brookdale Managed Property	Subtotal	
2005	\$ 929	\$ 4,917	\$ 5,846	\$	\$	\$	\$ 5,846
2006	1,319	6,887	8,206		5,133	5,133	13,339
2007	1,417	7,292	8,709		4,126	4,126	12,835
2008	1,522	7,467	8,989		51,532	51,532	60,521
2009(1)	532	6,277	6,809	168,715	27,591	196,306	203,115
2010		6,021	6,021		79,955	79,955	85,976
2011		4,455	4,455		36,652	36,652	41,107
2012		3,848	3,848				3,848
2013		2,689	2,689		43,592	43,592	46,281
2014		2,089	2,089				2,089
Thereafter		46,838	46,838		60,456	60,456	107,294
Total	\$ 5,719	\$ 98,780	\$ 104,499	\$ 168,715	\$ 309,037	\$ 477,752	\$ 582,251

(1)

Figures for 2009 include borrowings under Provident's credit facility.

All of Provident's debt is currently secured by mortgages on all of Provident's properties. If Provident defaults in the payment of interest or principal on any of its debt, breaches any representation or warranty in connection with any borrowing or violates any covenant in any loan document, the lender may accelerate the maturity of the debt requiring Provident to immediately repay all outstanding principal and accrued interest. If Provident is unable to make the payment, Provident's lender could foreclose on its assets that are pledged as collateral to the lender. The lender could also sue Provident or force it into bankruptcy.

Other than the principal payments and debt maturity schedule above, Provident does not have any material financial contractual obligations.

Cash Distribution Policy

Provident will elect to be taxed as a REIT under the Code commencing with Provident's taxable year ended December 31, 2004. To qualify as a REIT, Provident must meet a number of organizational and operational requirements, including a requirement that Provident distribute at least 90% of its REIT taxable income, excluding net capital gain, to its shareholders. It is Provident's current intention to comply with these requirements and to, elect REIT status. As a REIT, Provident generally will not be subject to corporate federal, state or local income taxes on taxable income Provident distributes (in

accordance with the Code and applicable regulations) to its shareholders, although Provident may be subject to the Corporate Built-in Gains Tax and may elect not to distribute other net capital gains in certain circumstances. If Provident fails to qualify as a REIT for the taxable year ended December 31, 2004, it will be subject to federal, state and local income taxes at regular corporate rates. Even if Provident qualifies for federal taxation as a REIT, Provident may be subject to certain state and local taxes on Provident's income and property and to federal income and excise taxes on Provident's undistributed taxable income, i.e., taxable income not distributed in the amounts and in the time frames prescribed by the Code and applicable regulations thereunder.

It is Provident's intention to pay to its shareholders, within the time periods prescribed by the Code, all or substantially all of its REIT taxable income. Provident similarly generally intends, but may elect not to, distribute net capital gains arising from the sale of real estate and on the sale of securities. It is Provident's policy to make sufficient cash distributions to shareholders in order for it to maintain its REIT status under the Code and to minimize to the extent practicable corporate income and excise taxes on undistributed income.

On December 17, 2004, Provident's board of trustees declared a quarterly distribution of \$0.34 per common share, or an aggregate of \$9.9 million, of which Provident estimates approximately 59% will represent ordinary income for federal income tax purposes and approximately 41% will represent a return of capital, which was paid on February 4, 2005 to holders of record of Provident common shares on January 18, 2005. Provident OP simultaneously paid a distribution to partners other than Provident of \$0.34 per operating partnership unit, totaling \$0.2 million.

On April 11, 2005, Provident's board of trustees declared a quarterly distribution of \$0.34 per common share, or an aggregate of \$9.9 million, which was paid on May 4, 2005 to holders of record of Provident common shares on April 11, 2005. Provident OP simultaneously paid a distribution to partners other than Provident of \$0.34 per operating partnership unit, totaling \$0.2 million.

Quantitative and Qualitative Disclosures About Market Risk

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing Provident's business plan, the primary market risk to which it is exposed is interest rate risk.

As of March 31, 2005, Provident had total debt, net of approximately \$4.2 million in principal reserves maintained by certain lenders and \$0.8 million in unamortized debt premiums, of \$582.3 million, which consists of:

\$350.8 million of fixed rate debt, for which interest expense is not impacted by changes in interest rates. As of March 31, 2005, the estimated fair value of Provident's debt is equal to the recorded amount;

\$106.2 million of variable rate debt, which is impacted by changes in interest rates. However, pursuant to the terms of the lease, if the interest rate on this debt increases, the tenant is required to pay Provident additional rent (on a dollar for dollar basis) in an amount equal to the increase in interest expense resulting from the increase in interest rates. Therefore, the increase in interest expense is equally offset by an increase in additional rent paid to us by the tenant; and

\$125.3 million of variable rate debt, which is impacted by changes in interest rates. A 1.0% increase in interest rates would result in an additional \$1.25 million of interest expense.

As of December 31, 2004, Provident had total debt, net of approximately \$4.1 million in principal reserves maintained by certain lenders and \$0.9 million in unamortized debt premiums, of \$582.5 million, which consists of:

\$352.4 million of fixed rate debt, for which interest expense is not impacted by changes in interest rates. As of December 31, 2004, the estimated fair value of Provident's debt is equal to the recorded amount;

\$106.5 million of variable rate debt, which is impacted by changes in interest rates. However, pursuant to the terms of the lease, if the interest rate on this debt increases, the tenant is required to pay Provident additional rent (on a dollar for dollar basis) in an amount equal to the increase in interest expense resulting from the increase in interest rates. Therefore, the increase in interest expense is equally offset by an increase in additional rent paid to us by the tenant; and

\$123.6 million of variable rate debt, which is impacted by changes in interest rates. A 1.0% increase in interest rates would result in an additional \$1.24 million of interest expense.

In addition to changes in interest rates, the value of Provident's properties will be subject to fluctuations based on changes in local and regional economic conditions and changes in the ability of Provident's tenants to generate profits.

Certain Relationships and Related Transactions

Darryl W. Copeland, Jr., Provident's chief executive officer, president and chairman of Provident's board of trustees, was, until April 2004, a member of the boards of directors of both Brookdale Living Communities and Alterra, the previous owners of the Brookdale Properties and the Alterra Properties, respectively. Mr. Copeland also was a managing director of an affiliate of Fortress from August 2001 until April 2004.

Prior to the closing of the Brookdale Acquisition, Brookdale Living Communities was owned by Fortress Brookdale Acquisition LLC, a limited liability company principally owned by affiliates of Fortress and affiliates of Capital Z Financial Services Fund II, L.P. Fortress Brookdale Acquisition LLC acquired Brookdale Living Communities in September 2000 in a two-step going-private transaction for approximately \$316 million, of which approximately \$160 million was funded by Fortress. Prior to such transaction, Brookdale Living Communities was a publicly-traded company.

In connection with Alterra's emergence from bankruptcy in December 2003, FEBC-ALT Investors LLC, a joint venture among an affiliate of Fortress, Emeritus Corporation and NW Select LLC, acquired 100% of the capital stock of the restructured Alterra for an approximately \$76 million equity investment. In connection with this joint venture, FEBC-ALT Investors LLC was capitalized with \$79 million, including a \$15 million senior loan from Fortress and \$64 million of equity contributions, of which 77%, or approximately \$50 million, was contributed by Fortress.

Fortress's controlling senior member interest in FEBC-ALT Investors LLC is held through Fortress Investment Trust II (which we refer to in this proxy statement/prospectus as Fund II) and its approximate 55% interest in Fortress Brookdale Acquisition LLC is held through Fortress Registered Investment Trust (which we refer to in this proxy statement/prospectus as Fund I), both SEC-registered investment companies that own a portfolio of many investments. According to information available on Fortress's web site, Fund I and Fund II are private equity funds that primarily make control-oriented investments in asset-based businesses (including financial services, real estate, energy and power, senior living and the cell tower sectors) and asset portfolios in the United States and Western Europe. Mr. Copeland had profits interests in Fund I and Fund II and continues to have an investment in Fund II. Mr. Copeland relinquished his profits interests in exchange for a note payable by Fortress. Under the terms of the note, Mr. Copeland will be entitled to semi-annual interest payments at a 5.0% fixed rate and principal payments of \$1.500 million on December 31, 2007 and \$1.719 million at maturity on December 31, 2008. The amounts payable under the note are fixed amounts and are not in any manner related to the performance of Fund I, Fund II, Brookdale or Alterra.

Mr. Copeland had a conflict of interest because the more Provident paid to acquire the Alterra Properties and the less Alterra paid under the terms of the initial leases, the greater the value of his

investment in Fund II. At the time Provident negotiated the acquisition of its properties from Alterra, it had been recently formed and had adopted no formal policies related to conflicts. Provident believes the Brookdale and Alterra Properties were acquired at market values. Since the closing of Provident's initial offering, Provident's board of trustees was expanded to include a majority of independent trustees and Provident adopted a formal Code of Business Conduct and Ethics as well as a Code of Ethics for Senior Financial Officers which both contain provisions regarding conflicts of interest. Provident's board of trustees is responsible for the ultimate oversight of these Codes and its disinterested members would be responsible for the consideration of any future matters involving conflicts of interest.

Provident sold 2,675,623 and 1,500,000 Provident common shares to Fortress Brookdale Acquisition LLC and Alterra, respectively, in the Provident 144A Offering. In addition, Provident sold 1,824,377 Class A units of limited partnership interest in Provident OP to Fortress Brookdale Acquisition LLC in the Provident 144A Offering. On October 4, 2004, Fortress Brookdale Acquisition LLC tendered all of the outstanding Class A units of limited partnership interest in Provident OP for redemption. Pursuant to the terms of the Provident Partnership Agreement, Provident issued 1,824,377 Provident common shares to Fortress Brookdale Acquisition LLC in redemption of the Class A units of limited partnership interest in Provident OP. The 4,500,000 Provident common shares held by Fortress Brookdale Acquisition LLC and the 1,500,000 Provident common shares held by Alterra were sold in the third and fourth quarters of 2004.

CAPITALIZATION AND DESCRIPTION OF VENTAS SECURITIES

Authorized Stock

Ventas's certificate of incorporation provides that it may issue up to 190,000,000 shares of stock, consisting of 180,000,000 shares of common stock and 10,000,000 shares of preferred stock. As of May 13, 2005, 84,854,804 shares of Ventas common stock and no shares of preferred stock were issued and outstanding.

Description of Ventas Common Stock

The shares of Ventas common stock currently outstanding are, and the shares to be issued in the merger, will be duly authorized, fully paid and nonassessable. Subject to the preferential rights of any other shares of capital stock and to certain provisions of the Ventas's certificate of incorporation, holders of shares of common stock are entitled to receive distributions if, as and when authorized and declared by the Ventas Board out of assets legally available therefore and to share ratably in Ventas's assets legally available for distribution to the Ventas stockholders in the event of the liquidation, dissolution or winding-up of Ventas after payment of, or adequate provision for, all of Ventas's known debts and liabilities. Ventas currently expects to make quarterly distributions, and from time to time it may make additional distributions.

Holders of shares of Ventas common stock have no conversion, sinking fund, redemption or preemptive rights to subscribe for any of Ventas's securities. Subject to certain provisions of Ventas's certificate of incorporation, shares of Ventas common stock have equal distribution, liquidation and other rights.

In order to preserve Ventas's ability to maintain REIT status, Ventas's certificate of incorporation provides that if a person acquires beneficial ownership of greater than 9% of the outstanding stock, the shares that are beneficially owned in excess of such 9% limit are considered to be "excess shares." Excess shares are automatically deemed transferred to a trust for the benefit of a charitable institution or other qualifying organization selected by the Ventas Board. The trust is entitled to all dividends with respect to the excess shares and the trustee may exercise all voting power over the excess shares. Ventas has the right to buy the excess shares for a purchase price equal to the lesser of (1) the price per share in the transaction that created the shares, or (2) the market price on the date it buys the shares. Ventas has the right to defer payment of the purchase price for the excess shares for up to five years. If Ventas does not purchase the excess shares, the trustee of the trust is required to transfer the excess shares at the direction of the Ventas Board. The owner of the excess shares is entitled to receive the lesser of the proceeds from the sale of the excess shares or the original price for such excess shares; any additional amounts are payable to the beneficiary of the trust. The Ventas Board may grant waivers from the excess share limitations. On June 24, 2003, Ventas granted such a waiver from the 9% ownership limitation provisions of Article XII of Ventas's certificate of incorporation to Cohen & Steers Capital Management, Inc. Under the waiver, Cohen & Steers may beneficially own, in the aggregate, up to 14%, in number of shares or value, of Ventas common stock, subject to certain restrictions.

Transfer Agent

National City Bank is the transfer agent and registrar for the shares of Ventas common stock.

COMPARISON OF RIGHTS OF HOLDERS OF PROVIDENT COMMON SHARES AND VENTAS COMMON STOCK

Provident is organized as a Maryland REIT under Maryland REIT Law. As a Maryland REIT, Provident is governed by Maryland REIT Law and certain provisions of the Maryland General Corporation Law (which we refer to in this proxy statement/prospectus as the MGCL), Provident's declaration of trust and its bylaws. Maryland REIT Law covers some of the same matters covered by the DGCL, including liabilities of the trust, shareholders, trustees and officers; amendments of Provident's declaration of trust; and mergers of a Maryland REIT with other entities. There are, however, many matters that are addressed in the DGCL that are not addressed by Maryland REIT Law, and it is a general practice for a Maryland REIT such as Provident to address a number of these matters through provisions in Provident's declaration of trust or bylaws. The rights of holders of Provident common shares are governed by Maryland REIT Law, the MGCL, Provident's declaration of trust and bylaws and Maryland law generally.

Ventas is organized as a corporation under the laws of the State of Delaware. As a Delaware corporation, Ventas is subject to the DGCL, which is a general corporation statute dealing with a wide variety of matters, including election, tenure, duties and liabilities of directors; dividends and other distributions; meetings of stockholders; and extraordinary actions, such as amendments to the certificate of incorporation, mergers, sales of all or substantially all of the assets and dissolution. The rights of Ventas stockholders are governed by the DGCL, Ventas's certificate of incorporation and bylaws and Delaware law generally.

The following is a summary of some of the differences between the rights of holders of Provident common shares and holders of Ventas common stock and may not contain all the information that is important to you. To better understand the comparative rights summarized below, you should read the relevant provisions of the DGCL, Maryland REIT Law, the MGCL, Ventas's certificate of incorporation and bylaws and Provident's declaration of trust and bylaws.

PROVIDENT

VENTAS

Authorized Capital Stock

Provident's declaration of trust authorizes the issuance of up to 250,000,000 common shares and 100,000,000 preferred shares, each par value \$0.001 per share. As of May 13, 2005, there were 29,266,667 common shares issued and outstanding and no preferred shares issued and outstanding. As permitted by Maryland REIT Law, Provident's declaration of trust permits Provident's board of trustees, without any action by Provident's shareholders, to amend Provident's declaration of trust to increase or decrease the aggregate number of authorized shares of beneficial interest or the number of authorized shares of any class of beneficial interest.

Ventas's certificate of incorporation authorizes the issuance of up to 180,000,000 shares of common stock, par value \$0.25 per share, and 10,000,000 shares of preferred stock, par value \$1.00 per share. As of May 13, 2005, there were 84,854,804 shares of Ventas common stock issued and outstanding and no shares of preferred stock issued and outstanding. Pursuant to the DCGL, the Ventas Board may adopt a resolution proposing and declaring it advisable to amend the certificate of incorporation to increase or decrease the aggregate number of authorized shares of stock or the number of authorized shares of stock of any class, and Ventas's stockholders who are entitled to vote may vote to approve such an amendment.

Liability of Shareholders

Maryland REIT Law and Provident's declaration of trust provide that no shareholder of Provident will be personally liable for any obligation of Provident solely by reason of being a shareholder. Provident's declaration of trust authorizes it, to the maximum extent permitted by Maryland law, to indemnify, and to pay or reimburse reasonable expenses in advance of final disposition of a preceding to, any present or former shareholder from and against any claim or liability to which such shareholder may become subject by reason of his status as a present or former shareholder.

The DGCL provides that no stockholder of Ventas will be personally liable for the payment of Ventas's debts except as he or she may be liable by reason of his or her own conduct or acts.

Voting Rights

Subject to the provisions of Provident's declaration of trust regarding the restrictions on the transfer and ownership of common shares, each outstanding Provident common share entitles the holder to one vote on all matters submitted to a vote of Provident's common shareholders, including the election of trustees, and, except as provided with respect to any other class or series of shares of beneficial interest, the holders of Provident common shares possess the exclusive voting power.

Provident's bylaws provide that a majority of the votes cast at a meeting of shareholders duly called and at which a quorum is present shall be sufficient to approve any matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by Provident's declaration of trust. Provident's declaration of trust provides that notwithstanding any provision of law permitting or requiring any action to be taken or authorized by the affirmative vote of the holders of a greater number of votes, and except as may otherwise be provided in Provident's declaration of trust, any such action shall be effective and valid if taken or approved by the affirmative vote of holders of shares entitled to cast a majority of all of the votes entitled to be cast on the matter.

Subject to the provisions of Ventas's certificate of incorporation regarding the restrictions on the transfer and ownership of shares of common stock, each outstanding share of Ventas common stock entitles the holder to one vote on all matters submitted to a vote of Ventas's stockholders, including the election of directors, and, except as provided with respect to any other class or series of stock, the holders of Ventas common stock possess the exclusive voting power.

Ventas's bylaws provide that when a quorum is present at any meeting, the vote of the holders of a majority of the shares of stock having voting power shall decide any question brought before such meeting, unless the question is one upon which by express provision of the DGCL or of its certificate of incorporation or bylaws a different vote is required, in which case such express provision shall govern and control the decision of such question.

Classification of Stock

Provident's declaration of trust authorizes its board of trustees to classify and reclassify any unissued shares of preferred shares or common shares into a class or series, or classes or series of shares of beneficial interest. Prior to any issuance of shares of each class or series, the board of trustees is required by Maryland REIT Law and Provident's declaration of trust to set for each such class or series, subject to the provisions of Provident's declaration of trust regarding the restriction on transfer of common shares, the terms, the preferences, conversion or other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms or conditions of redemption for each such class or series.

Ventas's certificate of incorporation sets forth the classification of shares of its capital stock and the designations, voting powers and relative rights and preferences of each class. Pursuant to the DGCL, Ventas's certificate of incorporation authorizes the Ventas Board to issue series of shares of preferred stock and to set the powers, preferences and relative, participating, optional and other rights of each such series.

Size of Board of Directors or Trustees

Provident's bylaws provide that the number of trustees may be established by Provident's board of trustees. Provident's board of trustees may increase or decrease the number of trustees by a vote of a majority of the members of its board of trustees, provided that the number of trustees shall never be less than the number required by Maryland law, nor more than 15, and that the tenure of office of a trustee shall not be affected by any decrease in the number of trustees.

Under Ventas's certificate of incorporation, the number of directors of Ventas shall be fixed in the manner described in the bylaws. Ventas's bylaws provide that the number of directors shall never be less three nor more than 11. There are currently seven directors serving on the Ventas Board. The directors are not divided into classes and hold office until the next annual meeting of shareholders or until his earlier resignation, removal from office or death.

Standard of Conduct for Director

Under Maryland law, the standard of conduct for trustees is set forth in Section 2-405.1(d)-(g) of the MGCL, which presumes that a trustee of a Maryland REIT performs his or her duties in good faith with a reasonable belief that the trustee's actions are in the best interests of the REIT and with the care of an ordinarily prudent person in a like position under similar circumstances.

Under Delaware law, the standards of conduct for directors have developed through written opinions of the Delaware courts in cases decided by them. Generally, directors of Delaware corporations are subject to a duty of loyalty, a duty of care and a duty of candor to the stockholders. The duty of loyalty requires directors to refrain from self-dealing. According to the Delaware Supreme Court, the duty of care requires "directors in managing the corporate affairs to use that amount of care which ordinarily careful and prudent men would use in similar circumstances," and the duty of candor requires directors "to disclose fully and fairly all material information within the board's control when it seeks stockholder action." Later case law has established "gross negligence" as the test for breach of the standard for the duty of care in the process of decision-making by directors.

Election of Trustees and Directors

Provident's bylaws provide that each trustee holds office until the next annual meeting of shareholders and until his or her successor is duly elected and qualified. Holders of common shares have no right to cumulative voting in the election of trustees. Consequently, at each annual meeting of shareholders, the holders of a majority of the common shares are able to elect successors for the entire board of trustees.

Ventas's bylaws provide that the directors shall be elected at the annual meeting of stockholders, or if not so elected, at a special meeting of stockholders called for that purpose. At any meeting of stockholders at which directors are to be elected, only persons nominated as candidates are eligible for election, and the candidates receiving the greatest number of votes shall be elected.

Removal of Trustees and Directors

Provident's declaration of trust provides that a trustee may be removed, with or without cause, upon the affirmative vote of shareholders holding at least two-thirds of the votes entitled to be cast in the election of trustees.

Ventas's certificate of incorporation provides that any director or the entire Ventas Board may be removed with or without cause, at any time, by the affirmative vote of the holders of record of a majority of the outstanding shares of stock entitled to vote in the election of directors, at a special meeting of the stockholders called for the purpose.

Vacancies on the Board of Trustees or Directors

Any vacancy for any cause other than an increase in the number of trustees may be filled by a majority of the remaining trustees, even if the remaining trustees do not constitute a quorum. Any vacancy created by an increase in the number of trustees may be filled by a majority vote of the entire board of trustees.

Any vacancy occurring on the Ventas Board for any reason, including, but not limited to, the resignation, removal, or death of a director or an increase in the number of authorized directors, a majority of the directors remaining in office, although less than a quorum, may elect a successor for the unexpired term and until his successor is elected and qualified.

Amendments to Declaration of Trust and Certificate of Incorporation

Under Provident's declaration of trust, the approval by a majority of all the votes entitled to be cast by the shareholders is required to amend Provident's declaration of trust, except that amendments to provisions relating to the resignation and removal of trustees require the approval of the holders of two-thirds of the votes entitled to be cast by the shareholders on the matter. Moreover, in accordance with Maryland REIT Law, Provident's declaration of trust permits its trustees by a two-thirds vote and without any action by its shareholders, to amend Provident's declaration of trust from time to time to qualify as a REIT under the Code or Maryland REIT Law. Also as permitted by Maryland REIT Law, Provident's declaration of trust contains a provision permitting its trustees by a vote of a majority of the entire board, and, without any action by its shareholders, to amend Provident's declaration of trust to change the name of Provident, change the name or other designation or the par value of any class or series of shares of beneficial interest of Provident and the aggregate par value of the shares of beneficial interest of Provident, and increase or decrease the aggregate number of authorized shares of beneficial interest or the number of authorized shares of beneficial interest of any class.

Under the DGCL, the affirmative vote of a majority of the outstanding shares entitled to vote is required to amend a corporation's certificate of incorporation. Under the DGCL, the holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, whether or not entitled to vote thereon by the certificate of incorporation, if the amendment would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. If any proposed amendment would alter or change the powers, preferences or special rights of one or more series of any class so as to affect them adversely, but shall not so affect the entire class, then only the shares of the series so affected by the amendment shall be considered a separate class for the purposes of this provision.

Amendments to Bylaws

Provident's bylaws provide that its board of trustees has the exclusive power to adopt, alter or repeal any provision of the bylaws.

Ventas's bylaws provide that they may be amended or repealed or new bylaws may be adopted (a) by the affirmative vote of the holders of at least $66\frac{2}{3}\%$ of the voting power of all shares of Ventas entitled to vote generally in the election of directors, voting together as a single class or (b) by action of the board of directors at a regular or special meeting thereof. Any bylaw made by the board of directors may be amended or repealed by action of the stockholders at any annual or special meeting of stockholders.

Stockholder and Shareholder Action Without a Meeting

Provident's bylaws provide that any action required or permitted to be taken at a meeting of Provident shareholders may be taken without a meeting only if a written consent to the action is signed by holders of all of the outstanding shares entitled to vote on the action and any other shareholder entitled to notice of a meeting of shareholders (but not to vote thereat) has waived in writing any right to dissent from such action.

Ventas's certificate of incorporation and bylaws provide that action may be taken without a meeting of Ventas stockholders, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of eighty percent of outstanding stock. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Special Shareholder and Stockholder Meetings

Under Provident's bylaws, the president, chief executive officer, chairman of the board of trustees or Provident's board of trustees may call a special meeting of the shareholders. Special meetings of the shareholders may also be called upon by the written request of the holders of Provident common shares entitled to cast not less than a majority of all the votes entitled to be cast at a meeting.

Under Ventas's bylaws, special meetings of stockholders, unless otherwise prescribed by statute, may be called at any time only by the Ventas Board or the chairman of the Ventas Board.

Stockholder and Shareholder Proposals

Provident's bylaws allow shareholders to submit trustee nominations and shareholder proposals. Provident's bylaws provide that, with respect to an annual meeting of shareholders, nominations of persons for election to Provident's board of trustees and the proposal of business to be considered by shareholders at the annual meeting may be made only (i) pursuant to Provident's notice of the meeting, (ii) by or at the direction of Provident's board of trustees; or (iii) by a shareholder who was a shareholder of record both at the time of the provision of notice and at the time of the meeting, who is entitled to vote at the meeting and has delivered timely notice in writing to the secretary at the principal executive office of Provident not earlier than the 150th day nor later than 5:00 p.m., Eastern time, on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, notice by the shareholder to be timely must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., Eastern time, of the later of the 120th day prior to the date of such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made.

Ventas's bylaws allow stockholders to submit business or a proposal (including but not limited to, the nomination of any person for election as a director). To be properly brought before an annual meeting of stockholders by a stockholder, the stockholder must have given timely notice thereof in writing to the secretary. To be timely, a stockholder's notice must be delivered to or mailed and received at Ventas's principal executive offices not less than 60 days nor more than 90 days prior to the scheduled date of the annual meeting, regardless of any postponement, deferral or adjournment of that meeting to a later date; provided, however, that if less than 70 days notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by the stockholder to be timely must be so delivered or received not later than the close of business on the 10th day following the earlier of (i) the day on which such notice of the date of the meeting was mailed or (ii) the day on which such public disclosure was made. A stockholder's notice to the secretary must set forth as to each matter the stockholder proposes to bring before an annual meeting of stockholders (i) a description, in 500 words or less, of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address, as they appear on the Ventas's books, of the stockholder proposing such business and any other stockholders known by such stockholder to be supporting such proposal, (iii) the class and number of shares of Ventas which are beneficially owned by such stockholder on the date of such stockholder's notice and by any other stockholders known by such stockholder to be supporting such proposal on the date of such stockholder's notice, (iv) a description, in 500 words or less, of any interest of the stockholder in such proposal, and (v) a representation that the stockholder is a holder of record of stock of Ventas and intends to appear in person or by proxy at the meeting to present the proposal specified in the notice.

Limitation of Liability of Trustees, Directors and Officers

As permitted by Maryland REIT Law, Provident's declaration of trust provides that trustees and officers of Provident will have no liability to Provident or its shareholders for monetary damages except to the extent that (i) the trustee or officer actually received an improper benefit or profit in money, property or services for the amount of the benefit or profit in money, property or services actually received or (ii) a final judgment is entered adverse to the trustee or officer based upon a finding of active and deliberate dishonesty by the trustee or officer that was material to the cause of action adjudicated.

As permitted by the DGCL, Ventas's certificate of incorporation provides that the directors of Ventas shall not be personally liable to Ventas or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for a breach of a director's duty of loyalty to Ventas or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) any transaction from which a director derived an improper personal benefit.

Indemnification

Provident's declaration of trust authorizes Provident, and Provident's bylaws obligate Provident, to the maximum extent permitted by Maryland REIT Law, to indemnify, and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to, any of Provident's present or former trustees or officers or any individual who, while a trustee or officer and at Provident's request, serves or has served as a director, officer, partner, trustee, employee or agent of another REIT, corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by reason of his status as a present or former shareholder, trustee or officer of Provident unless it is established that: (i) the act or omission of the trustee or officer was material to the matter giving rise to the proceeding and was either committed in bad faith or the result of active and deliberate dishonesty, (ii) the trustee or officer actually received an improper personal benefit in money, property or services, or (iii) in the case of any criminal proceeding, the trustee or officer had reasonable cause to believe that the act or omission was unlawful. Under the MGCL and Provident's bylaws, Provident is required to indemnify each trustee or officer who has been successful, on the merits or otherwise, against reasonable expenses incurred, in the defense of any proceeding to which he or she is made a party by reason of his or her service to Provident.

Under the MGCL, Provident, as a condition to advancing expenses in advance of final disposition of a proceeding, must obtain (i) a written affirmation by the trustee or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification and (ii) a written undertaking to repay the amount reimbursed if the standard of conduct is not met.

The DGCL permits and Ventas's certificate of incorporation provides that Ventas will, indemnify any person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative because he or she is or was one of Ventas's directors or officers, or is or was serving at Ventas's request as a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise, against all expenses, liabilities and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by him or her in connection with such proceeding. Ventas may provide by action of its board of directors through agreement, resolution or by a provision in its bylaws, indemnification of its employees and agents with substantially the same scope and effect as the indemnification provided for directors and officers. Expenses incurred by such a person in his or her capacity as one of Ventas's directors or officers (and not in any other capacity in which service was or is rendered by such person while a director or officer) in defending a proceeding may be paid by Ventas in advance of the final disposition of such proceeding as authorized by the board of directors in a specific case upon receipt of an undertaking by or on behalf of that person to repay such amounts unless it is ultimately determined that such person is entitled to be indemnified by us as authorized by the DGCL. Expenses incurred by a person in any capacity other than one of Ventas's officers or directors may be paid in advance of the final disposition of a proceeding on such terms and conditions, if any, as the Ventas Board deems appropriate.

Dividends and Distributions

Maryland REIT Law does not specify rules for the payment of dividends or other distributions of Maryland REITs. Provident's declaration of trust provides that holders of Provident common shares are entitled to dividends if, as and when declared by its board of trustees. Provident's declaration of trust provides that its board of trustees will endeavor to declare and pay distributions as necessary for the trust to qualify as a REIT under the Code.

Ventas's certificate of incorporation provides that, after the requirements regarding preferential dividends or amounts are met for any series of preferred stock entitled to them, holders of Ventas common stock are entitled to dividends or distributions, if any, as may be declared from time to time by the board of directors.

Shareholder Inspection Rights; Shareholder Lists

Maryland REIT Law provides that shareholders have the same rights to inspect the records of the Maryland REIT as stockholders of a corporation have under the MGCL. Pursuant to the MGCL, one or more persons who together are and have been stockholders of record of a corporation for at least six months and in total hold at least 5% of the outstanding stock of any class may inspect and copy the corporation's books of account and stock ledger, request a written statement of the corporation's affairs and request a list of the corporation's stockholders. In addition, any stockholder of a Maryland corporation may (i) inspect and copy the bylaws, minutes of the proceedings of stockholders, annual statement of affairs, and voting trust agreements and (ii) request the corporation provide a sworn statement showing all stock, as well as any other securities, issued and all consideration received by the corporation in the preceding 12 months.

Under the DGCL, any stockholder may for any proper purpose, inspect a corporation's stock ledger, a list of its stockholders and its other books and records, and may make copies of and extracts from the record. A stockholder may exercise this right only upon written demand under oath. The inspection must occur during regular business hours.

Related Party Transactions

Provident's declaration of trust provides, subject to certain limitations, that it may enter into any contract or transaction of any kind with any person, including any trustee, officer, employee or agent of Provident or any person affiliated thereof, whether or not any of them has a financial interest in such transaction.

Under the DGCL, certain contracts or transactions in which one or more of a corporation's directors has an interest are not void or voidable solely because of such interest if such contract or transaction (i) is ratified by the stockholders or a majority of disinterested members of the board of directors or a committee thereof (even if the disinterested directors are less than a quorum) if the material facts are disclosed or known thereto, or (ii) was fair to the corporation at the time it was approved. Any ratification of such a contract or transaction by the stockholders must be made by the stockholders in good faith.

Control Share Acquisitions

Maryland REIT Law provides that "control shares" of a Maryland REIT acquired in a "control share acquisition" have no voting rights unless approved by a vote of two-thirds of the votes entitled to be cast on the matter. "Control shares" means shares of stock, if aggregated with all other shares previously acquired by the acquiror, or in respect of which the acquiring person is able to exercise or direct the exercise of voting power would entitle the acquiring person to exercise voting power in electing trustees within one of the following ranges of voting power; (i) one-tenth or more but less than one-third; (ii) one-third or more but less than a majority; or (iii) 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 or control shares acquired in a control share acquisition are not approved at a shareholders' meeting or if the acquiror does not deliver the statement required by Maryland REIT Law then, subject to certain conditions and limitations, Provident may redeem any or all of the control shares, except those for which voting rights have previously been approved, for fair value. If voting rights for control shares are approved at a shareholders' meeting and the acquiror may then vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights.

The DGCL does not have a control share acquisition provision.

Provident's bylaws contain a provision exempting any and all acquisitions of Provident common shares from the control share acquisition statute. However, Provident's board of directors may amend its bylaws in the future to repeal or modify this exemption, in which case any control shares of Provident acquired in a control share acquisition will be subject to the control share acquisition statute.

Mergers, Consolidation and Sale of Substantially All Assets

Under Maryland REIT Law, a Maryland REIT generally cannot merge with another entity unless approved by the affirmative vote of shareholders holding at least two-thirds of the shares entitled to vote on the matter unless a lesser percentage (but not less than a majority of all the votes entitled to be cast on the matter) is set forth in the Maryland REIT's declaration of trust. Provident's declaration of trust contains such a provision and therefore any merger requires approval by only a majority of all the votes entitled to be cast on the matter. Maryland REIT Law does not address the requirements for the approval by shareholders of a consolidation or sale of all or substantially all of the assets of a Maryland REIT. However, Provident's declaration of trust provides that Provident may (i) consolidate with one or more other entities into a new entity or (ii) sell, lease, exchange or otherwise transfer all or substantially all of the trust property if such action must be approved by the board of trustees and, after notice to all shareholders entitled to vote on the matter, by the affirmative vote of a majority of all of the votes entitled to be cast on the matter.

Under the DGCL, a merger, consolidation or transfer of assets proposed by the board of directors must be approved by the affirmative vote of a majority of all the votes entitled to be cast on the matter, unless the charter provides for a different percentage. Ventas's certificate of incorporation provides that the affirmative vote of the holders of not less than 80% of the outstanding shares of capital stock of Ventas and the affirmative vote of the holders of not less than two-thirds of the outstanding shares of capital stock of Ventas held by stockholders Ventas who are not, subject to certain exceptions, persons which, together with their affiliates and associates, beneficially own in the aggregate 20% or more of the outstanding shares of capital stock of Ventas, or affiliates or associates of such persons (which we refer to in this proxy statement/prospectus as Ventas Related Persons) shall be required for the approval or authorization of any merger or consolidation of Ventas or transfer of a substantial portion of Ventas's assets, among other things, with a Ventas Related Person.

Business Combinations

Maryland REIT Law prohibits "business combinations" between Provident and an interested shareholder or an affiliate of an interested shareholder for five years after the most recent date on which the interested shareholder becomes an interested shareholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested shareholder is (i) any person who beneficially owns 10% or more of the voting power of Provident's shares, or (ii) an affiliate or associate of Provident who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of Provident's then-outstanding voting shares. A person is not an interested shareholder if Provident's board of trustees approves in advance the transaction by which the person otherwise would have become an interested shareholder.

After the five-year prohibition, any business combination between Provident and an interested shareholder generally must be recommended by Provident's board of trustees and approved by the affirmative vote of at least (i) 80% of the votes entitled to be cast by holders of Provident's then-outstanding shares of stock and (ii) two-thirds of the votes entitled to be cast by holders of Provident's voting shares other than shares held by the interested shareholder with whom or with whose affiliate the business combination is to be effected or shares held by an affiliate or associate of the interested shareholder.

These super-majority vote requirements do not apply if Provident's common shareholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested shareholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are approved by Provident's board of trustees before the time that the interested shareholder becomes an interested shareholder. Provident has opted out of the business combination provisions of the applicable Maryland law by resolution

As a Delaware corporation, Ventas is subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the time at which such person became an interested stockholder unless: (1) prior to such time, the board of directors approved either the business combination or transaction in which the stockholder became an interested stockholder; or (2) upon becoming an interested stockholder, the stockholder owned at least 85% of the corporation's outstanding voting stock other than shares held by directors who are also officers and certain employee benefit plans; or (3) the business combination is approved by both the board of directors and by holders of at least 66²/₃% of the corporation's outstanding voting stock (at a meeting and not by written consent), excluding shares owned by the interested stockholder. For these purposes, the terms "business combination" includes mergers, asset sales and other similar transactions with an "interested stockholder" and "interested stockholder" means a person who, together with its affiliates and associates, owns (or, under certain circumstances, has owned within the prior three years) more than 15% of the outstanding voting stock. Although Section 203 permits a corporation to elect not to be governed by its provisions, Ventas has not made this election.

Ventas's certificate of incorporation provides that the affirmative vote of the holders of not less than 80% of the outstanding shares of capital stock of Ventas and the affirmative vote of the holders of not less than two-thirds of the outstanding shares of capital stock of Ventas held by stockholders Ventas who are not, subject to certain exceptions, Ventas Related Persons shall be required for the approval or authorization of any merger or consolidation of Ventas or transfer of a substantial portion of Ventas's assets, among other things, with a Ventas Related Person.

of Provident's board of trustees. However, Provident's board of trustees may, by resolution, opt into the business combination statute in the future.

Appraisal Rights

Provident's declaration of trust provides that the holders of Provident common shares shall not be entitled to exercise any rights of an objecting shareholder provided for under Maryland REIT Law or Title 3, Subtitle 2 of the MGCL, unless Provident's board of trustees, upon the affirmative vote of a majority of the board of trustees, shall determine that such rights apply, with respect to all or any classes or series of shares, to one or more transactions occurring after the date of such determination in connection with which holders of such shares would otherwise be entitled to exercise such rights.

Under the DGCL, stockholders of a corporation who do not consent to certain major corporate transactions may, under varying circumstances, be entitled to appraisal rights pursuant to which such stockholders may receive cash in the amount of the fair market value of their shares in lieu of the consideration which otherwise would have been received in the transaction. Unless the corporation's charter provides otherwise, such appraisal rights are not available in certain circumstances, including without limitation, (i) with respect to the sale, lease or exchange of all or substantially all of the assets of a corporation, (ii) with respect to a merger or consolidation by a corporation the shares of which are either listed on a national securities exchange

or are held of record by more than 2,000 holders if such stockholders receive only shares of the surviving corporation or shares of any other corporation which are either listed on a national securities exchange or held of record by more than 2,000 holders, plus cash in lieu of fractional shares, or (iii) to stockholders of a corporation surviving a merger if no vote of the stockholders of the surviving corporation is required to approve the merger because the merger agreement does not amend the existing charter, each share of the surviving corporation outstanding prior to the merger is an identical outstanding or treasury share after the merger and the number of shares to be issued in the merger does not exceed 20% of the shares of the surviving corporation outstanding immediately prior to the merger and if certain other conditions are met.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS OF VENTAS

The following table sets forth certain information with respect to the beneficial ownership of Ventas common stock as of May 13, 2005 (except as otherwise noted) by (i) each director of Ventas, (ii) each Ventas Named Executive Officer, (iii) all of Ventas's directors and executive officers, as a group, and (iv) each person known to Ventas to be the beneficial owner of more than 5% of the outstanding Ventas common stock.

Name of Beneficial Owner	Ventas Common Stock Beneficially Owned(1)(2)	Percent of Class
Debra A. Cafaro	1,342,227(3)	1.57%
Douglas Crocker II	86,610(3)	*
Ronald G. Geary	49,793(3)	*
Jay M. Gellert	43,000(3)	*
Christopher T. Hannon	6,250(3)	*
Sheli Z. Rosenberg	64,612(3)	*
Thomas C. Theobald	29,408(3)(4)	*
Raymond J. Lewis	85,009(3)	*
T. Richard Riney	442,267(3)(5)	*
Richard A. Schweinhart	70,295(3)(6)	*
All executive officers and directors as a group (10 persons)	2,219,471	2.62%
Barclays Global Investors, NA et. al.	7,768,229(7)	9.16%
Cohen & Steers, Inc.		
Cohen & Steers Capital Management, Inc.	10,630,941(8)	12.53%
Wellington Management Company	5,520,600(9)	6.51%

*

Less than 1%

- (1) Beneficial ownership of shares for purposes of this proxy statement/prospectus, as determined in accordance with applicable rules of the SEC, includes shares as to which a person has or shares voting power and/or investment power (whether or not vested). Each named person is deemed to be the beneficial owner of securities which may be acquired within sixty days of April 20, 2005 through the exercise of options, warrants or rights, if any, and such securities are deemed to be outstanding for the purpose of computing the percentage of the class beneficially owned by such person; however, any such shares are not deemed to be outstanding for the purpose of computing the percentage of the class beneficially owned by any other person. Percentages are based on 84,854,804 shares of Ventas common stock outstanding on May 13, 2005.
- (2) Except as set forth in the accompanying footnotes, the named persons have sole voting power and sole investment power over the shares beneficially owned by them. The number of shares shown does not include the interest of certain persons in shares held by family members in their own right.
- (3) Includes the following number of shares of Ventas common stock which the respective directors, director-nominees and Ventas Named Executive Officers have or will have the right to acquire pursuant to options exercisable as of or within 60 days after March 28, 2005: Debra A. Cafaro, 826,186; Douglas Crocker II, 42,500; Ronald G. Geary, 42,500; Jay M. Gellert, 27,500; Christopher T. Hannon, 2,500; Sheli Z. Rosenberg, 27,500; Thomas C. Theobald, 17,500; Raymond J. Lewis, 59,696; T. Richard Riney, 157,518; and Richard A. Schweinhart, 41,474.
- (4) Includes 2,000 shares held in trust for the benefit of Mr. Theobald's son.
- (5) Includes 1,300 shares held in Mr. Riney's IRA.

- (6) Includes 805 shares held in Mr. Schweinhart's IRA. Excludes 800 shares held in Mr. Schweinhart's wife's IRA. Includes 1,000 shares held in trust for the benefit of Mr. Schweinhart's aunt. Mr. Schweinhart has shared voting power and shared investment power over 10,000 shares of Ventas common stock.
- (7) Based solely on information contained in a Schedule 13G filed by Barclays Global Investors, NA (located at 45 Fremont Street, San Francisco, CA 94105), Barclays Global Fund Advisors, Barclays Global Investors, Ltd., Barclays Global Investors Japan Trust and Banking Company Limited, Barclays Life Assurance Company Limited, Barclays Bank PLC, Barclays Capital Securities Limited, Barclays Capital Inc., Barclays Private Bank & Trust (Isle of Man) Limited, Barclays Private Bank and Trust (Jersey) Limited, Barclays Bank Trust Company Limited, Barclays Bank (Suisse) SA, Barclays Private Bank Limited, Bronco (Barclays Cayman) Limited, Palomino Limited and HYMF Limited (which we refer to collectively in this proxy statement/prospectus as Barclays) on February 14, 2005. Barclays has sole voting power over 7,091,731 shares of Ventas common stock and sole dispositive power over 7,768,229 shares of Ventas common stock.
- (8) Based solely on information contained in a Schedule 13G/A filed jointly by Cohen & Steers, Inc. and Cohen & Steers Capital Management, Inc. (which we refer to collectively in this proxy statement/prospectus as Cohen & Steers, located at 757 Third Avenue, New York, NY 10017), on February 14, 2005. Cohen & Steers has sole voting power over 10,051,841 shares of Ventas common stock and sole dispositive power over 10,630,941 shares of Ventas common stock. Cohen & Steers Capital Management, Inc. is an investment adviser registered under Section 203 of the Investment Advisers Act and a wholly owned subsidiary of Cohen & Steers, Inc. On June 24, 2003, Ventas granted a limited waiver from the 9% ownership limitation provisions of Article XII of Ventas's Certificate of Incorporation to Cohen & Steers. Under the waiver, Cohen & Steers may beneficially own, in the aggregate, up to 14.0%, in number of shares or value, of Ventas common stock.
- (9) Based solely on information contained in a Schedule 13G filed by Wellington Management Company, LLP (which we refer to collectively in this proxy statement/prospectus as Wellington Management, located at 75 State Street, Boston, MA 02109), on February 14, 2005. Wellington Management has shared voting power over 4,208,900 shares of Ventas common stock and shared dispositive power over 5,489,200 shares of Ventas common stock. Wellington Management is an investment adviser registered under Section 203 of the Investment Advisers Act and the parent holding company of Wellington Trust Company, NA.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS OF PROVIDENT

The following table sets forth the total number and percentage of Provident's common shares beneficially owned as of May 12, 2005 by (i) each of Provident's trustees, (ii) Provident's chief executive officer and each of Provident's other executive officers, (iii) all of Provident's trustees and executive officers, as a group, and (iv) each person known to Provident to own beneficially more than 5% of the outstanding Provident common shares. Unless otherwise indicated, all shares are owned directly and the indicated person has sole voting and investment power.

Name of Beneficial Owner	Number of Provident Common Shares Beneficially Owned(1)	Percent of Class
Darryl W. Copeland, Jr.	520,000(2)	1.78%
Charles A. Post	125,000(3)	*
William P. Ciorletti	15,000(4)	*
Saul A. Behar	0(5)	0
Mark A. Doyle	17,500(6)	*
Randolph W. Jones	7,500(6)	*
Frederic H. Lindeberg	9,500(6)	*
All trustees and executive officers as a group (7 persons)	694,500	2.37%
Farallon Partners, L.L.C.(7)	2,909,166	9.94%
Millennium Partners, L.P.(8)	2,864,900	9.79%
Hunter Global Investors(9)	2,702,667	9.23%
Franklin Advisors, Inc.(10)	2,157,000	7.37%
Friedman, Billings, Ramsey Group, Inc.(11)	2,135,719	7.30%
Mercury Real Estate Advisors LLC(12)	1,752,000	5.99%
Excelsior Value and Restructuring Fund(13)	1,600,000	5.47%