

OMEGA HEALTHCARE INVESTORS, INC.
CODE OF BUSINESS CONDUCT & ETHICS

April 20, 2004

Omega Healthcare Investors, Inc. (“Omega” or the “Company”) provides this Code of Business Conduct & Ethics to its directors, officers and employees for their guidance in recognizing and properly resolving any ethical and legal issues they may encounter while conducting the Company’s business. This code is not a contract of employment and does not create contractual rights. Employment by Omega is at will, which means an employee has the right to terminate his or her employment at any time and for any reason, and the Company may exercise the same right.

It is important that all directors, officers and employees of Omega protect the interests of our employees, shareholders and customers by conducting our business in an ethical and proper manner. We believe that continuing to follow the highest ethical standards will sustain our Company’s excellent reputation and justify the trust of our owners and employees. Because our Company is judged by high standards of ethical conduct we must judge ourselves in the same manner.

Trust in our Company’s integrity creates a special responsibility to produce the very best and most completely reliable services we can, to market these services fairly, and to conduct our affairs honorably. That is the basic ethical demand on us. Nothing must compromise that, and all of us should demonstrate that responsibility in all our work. Our core policies and standards of conduct are summarized below. Simply restating these policies and standards, however, does not lead inevitably to ethical conduct. You, the director, officer or employee, must continue to understand, support and live these policies and standards to enable Omega to achieve our business objectives in strict conformity with this Business Code.

As a condition to serving as a director, officer or employee of the Company, each of us is expected to fully comply with this Business Code. When in doubt, each of us has the responsibility to seek clarification from our immediate supervisor or the Company’s Compliance Officer. Failure to comply with this Business Code and the related laws is not only contrary to Company policy but may, in some cases, also result in substantial civil and criminal fines and imprisonment.

If you are confronted with situations that may conflict with our Business Code, remember that the appearance of wrongdoing is almost as important as the act itself (the perception problem). So ask yourself in each case whether it would be embarrassing to you or to Omega if your actions were observed by an outsider or reported in the local newspaper. If the answer is yes, don’t do it. If you are uncertain, consult with your supervisor or the Company’s Compliance Officer.

A. FAIR DEALING; COMPLIANCE WITH LAWS

Each director, officer and employee is expected to (1) act in good faith and engage in fair dealing with all the Company’s customers, suppliers, competitors and employees and (2) obey all laws. No director, officer or employee should enter into any transaction or take any action (or fail to take any action) on the Company’s behalf which he or she knows or would reasonably be expected to know would violate any law. Nor should you assist any third party in violating any law, whether or not your assistance is itself a violation.

B. CONFLICTS OF INTEREST

All directors, officers and employees must ensure that they act honestly in the exercise of their responsibilities on behalf of the Company. They must avoid any investments, business interests or other associations that interfere or appear to interfere with or influence their objective judgment in furtherance of their responsibility to act in the Company's best interests. You should never use your position or the knowledge gained from your relationship with Omega for your own personal advantage (or the advantage of any third party), nor should you permit yourself to be placed in a position that might create a conflict between your personal interests (and the interests of any third party) and your obligations to Omega. If you ever find yourself in a situation where a conflict of interest seems unavoidable, you should bring the matter to the attention of your immediate supervisor or the Company's Compliance Officer for appropriate guidance.

A conflict of interest arises when your ability to act in the Company's best interests is or may be influenced by an actual or potential personal benefit from an investment, business interest or some other association. The potential personal benefits may be direct or indirect, financial or non-financial, through family connections, personal associations, or otherwise.

The specific practices listed below are expressly prohibited and must be disclosed to your immediate supervisor and the Company's Compliance Officer unless they have been approved in advance by (1) the Audit Committee of the Board of Directors in the case of a director or executive officer or (2) the Compliance Officer for all others. For these purposes, an "affiliate" means your spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone who shares your home; a "supplier" includes those providing not only services, but also goods; and a "customer" includes not only our tenant operators and borrowers, but also those who can exercise major influence on them.

- **Gifts/Other Personal Benefits.** You shall not, nor shall you directly or knowingly permit any of your affiliates to, (1) seek or accept any commission, fee, gratuity or other personal cash benefit from any person or company in connection with the furnishing of services or goods to Omega or (2) accept any non-cash benefit which may affect, or appear to influence, your business judgment to Omega's detriment. (You and your affiliates may accept common courtesies, sales promotional items and business-related meals, entertainment, gifts, or favors when the value involved is not significant and does not place you under any obligation to the donor.)
- **Personal Ownership Interests.** You shall not, nor shall you directly or knowingly permit any of your affiliates to, have any ownership interest in any supplier, competitor or customer, except that an ownership interest of less than 1% in such a company where the person with such ownership has no influence in or on the management of that company shall not be prohibited.
- **Pursuing Corporate Opportunities/Interests.** You shall not, nor shall you directly or knowingly permit any of your affiliates to, knowingly buy or sell for his or her own account, directly or indirectly, any security or property interest which, to the person's actual knowledge, Omega may be considering buying or selling until such time as Omega has publicly announced its decision to buy or sell.
- **Competition.** You shall not, nor shall you directly or knowingly permit any of your affiliates to, compete, prepare to compete or aid others in competing with Omega, directly or indirectly, in the purchase, sale, lease or operation of property.

- **Outside Business Activity.** You shall not, nor shall you directly or knowingly permit any or your affiliates to, serve as a consultant or employee for a competitor. In addition, you shall not otherwise permit other employment or outside business activity to interfere with or compete with performance of your duties for Omega. Before agreeing to serve as an officer or director of any outside business organization, an executive officer shall obtain the approval of the Corporate Governance Committee of the Board, and any other officer or employee shall obtain the approval of the Chief Executive Officer.
- **Related Party Transactions.** You shall not act on behalf of the Company as principal in any transaction with a supplier, competitor or customer in which your affiliate is a principal, officer or representative. Further, if you find yourself in a related party situation, you should inform your immediate supervisor and/or the Corporate Compliance Officer.

If you discover that any of your affiliates have acted, without your direction or permission, contrary to the above, such act will not be considered a violation of this Business Code by you if you immediately report it to the Company's Compliance Officer.

C. IMPROPER PAYMENTS OR INDUCEMENTS

1. Bribes, Kickbacks, Etc.

No director, officer or employee shall make or offer, or arrange to make or offer, any improper payment (for example, a bribe or kickback) or improper inducement which is directly or indirectly (through an intermediary or otherwise) for the benefit of any individual (including any government official), company or organization in the United States or any foreign country, and which is designed to secure favored treatment for the Company in connection with obtaining or retaining business or other relationships with any government or governmental instrumentality or in connection with business dealings with any actual or prospective customer. Under federal statutes, it is a crime, punishable by imprisonment and substantial fines, to make payments of any kind to any government officials or foreign political parties. The Company's policy, however, is broader in scope and is intended to apply regardless of whether the payment or use is lawful under the laws of a particular country.

2. Business Entertainment

All solicitations of or dealings with suppliers, customers or others doing or seeking to do business with the Company shall be conducted solely on the basis that reflects both the Company's best business interests and our high ethical standards. The providing of common courtesies, entertainment and occasional meals for potential or actual suppliers, customers or others involved with aspects of the Company's business in a manner appropriate to the business relationship and associated with business discussions is permitted, provided expenses in this connection are reasonable and authorized.

3. Political Contributions

Omega unequivocally forbids the illegal use of Company funds or property for the support of political parties or political candidates for any office (federal, state or local) in the United States or any foreign country. No director, officer or employee is authorized to make or approve such a contribution. Equally contrary to our policy is any pressure, direct or implied, that infringes upon the right of any of us to decide whether, to whom, and in what amount he or she will make a personal political contribution or render personal services to individual candidates or political committees where permitted by applicable

laws. All of us are free, and indeed encouraged, to endorse, advocate, contribute to, or otherwise support any political party, candidate or cause we may choose. However, in public political statements, references to your affiliation with the Company should be avoided, and in any personal activity it should be clear that you are not acting on behalf of the Company. Omega seeks the resolution of regulatory and political issues affecting its interests solely on the basis of the merits involved. We only ask what we believe is every citizen's right - the opportunity to state our Company views openly and frankly.

D. PUBLIC DISCLOSURE

In connection with the Company's financial statements, public reports and other public disclosures, no director, officer or employee, acting in his or her capacity as such, shall defraud any person or make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. All of us - especially our Chief Executive Officer, Chief Financial Officer and Controller - must ensure that all Omega filings with or submissions to the Securities and Exchange Commission, as well as any other public communications, contain full, fair, accurate, timely and understandable disclosures.

To help meet this requirement and our related financial, legal and management obligations, we must maintain sound and reliable internal controls, always prepare our business records accurately and reliably and ensure that our financial records are always kept in accordance with those controls, records and generally accepted accounting principles (GAAP), consistently applied. We also must ensure that compliance with GAAP is sufficient to fulfill the Company's disclosure obligations for financial transactions and, if not, provide sufficient understandable additional disclosure.

No Company fund or asset may be maintained that is not properly recorded in the Company's records, nor any false or misleading entry be made on the Company's books. All reports, vouchers, bills, payroll and service records, measurement and performance records, expense accounts and other important data must be prepared with care and honesty and fully and accurately reflect all transactions. There is no excuse for a deliberately false or misleading report or record, such as improper revenue recognition, a "dummy" charge, an expense report or record that "covers up" a bribe or other improper payment, etc.

E. INSIDE INFORMATION AND SECURITIES LAW COMPLIANCE

Directors, officers and employees of the Company who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of the Company's business. All non-public information about the Company is considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. All directors, officers and employees should review and comply with the Company's Insider Trading Policy.

F. CONFIDENTIAL INFORMATION

All directors, officers and employees must keep confidential all proprietary and other information about the Company's business activities that has not been made public and that is not common knowledge among competitors, customers, suppliers and others. Accordingly, you must not disclose to others, including employees who do not have a valid business reason for obtaining the information, or use for yourself or others, any confidential Company information you have originated or acquired while with Omega. These nondisclosure and nonuse obligations not only apply to you during your period of employment or other affiliation with Omega, but also after termination or retirement. In addition, all Company documents, records, memoranda and other written materials, as well as all electronically stored

data, are solely the Company's property and must be returned to the Company on termination. This obligation includes your duties to safeguard and protect confidential information by such practices as proper filing, use, protection, and ultimate disposal. If you ever have any question as to whether information you acquire is confidential, you should assume it is or determine its classification by asking your immediate supervisor or the Company's Chief Financial Officer.

It is not possible to list all types of Company information that must be treated as confidential. The following are, however, examples of confidential information which should help you to observe this important Company policy:

- Information about contract negotiations or definitive agreements with potential or actual tenants, borrowers or lenders, information obtained from any of them or others that we have agreed to keep confidential or personal information about our directors, officers and employees.
- Information about other Company transactions, including proposed transactions such as acquisitions or dispositions of stock or assets.
- Information about the Company's finances, accounting, costs, projections, plans and strategies.
- Information about other companies where the value of the securities of other companies is likely to be influenced by actions of the Company.
- Non-public or sensitive information about Omega employees.

You should be guided by the general principle that the Company considers confidential any information that is not officially disclosed or common knowledge and which might be useful to or desired by others, such as using information to buy or sell Omega stock or to compete against Omega. Officially disclosed information is considered to be that which is contained in official reports, news releases and other forms of communication that have been released by Omega to the public through established communication channels.

G. PROTECTION OF COMPANY AND OTHER ASSETS

1. Company Funds

Each director, officer and employee is personally accountable for Company funds over which he or she has control. Anyone spending Company money, or personal money that will be reimbursed, should always be sure the Company receives good value in return. Anyone approving or certifying the correctness of a voucher or bill should have reasonable knowledge that the purchases and amounts are proper.

2. Company Property

Protection of Company property and services is vital to our business. How well we prevent the fraudulent or negligent misuse or theft of Company property and services affects the rates our customers pay and will ultimately affect the Company's earnings. Company property must not be used for improper personal benefit or any other improper purpose. It should not be sold, loaned, given away or otherwise disposed of, regardless of value, except with proper authorization. Anyone responsible for the handling of Company assets, as well as associated records and materials, is accountable for their safekeeping.

3. Unauthorized Software Duplication

Just as we take the protection of our own assets very seriously, so should we respect the assets of others. This is particularly true with respect to software. Contrary to popular belief, illegal duplication of software products is a serious matter -- it constitutes copyright infringement and is punishable in a federal criminal action by a fine of up to \$25,000 and imprisonment for up to one year. In addition, federal civil penalties allow the recovery of actual damages based upon the number of copies produced or statutory damages ranging up to \$100,000 for willful copyright infringement. Omega does not condone the unauthorized duplication of software products -- only licensed software purchased by Omega is to be loaded onto or used on Omega computers.

H. HEALTH, SAFETY AND ENVIRONMENTAL

Omega recognizes the importance of the health, safety and environmental well-being of our employees and communities and is committed to safeguarding these objectives. We believe that health, safety and environmental goals can, and should, be consistent with the economic health of our Company. We will provide and maintain a safe and healthy work environment for our employees and encourage open discussion with them of their health, safety and environmental concerns.

I. OTHER

Omega has other important policies for its employees concerning no sexual harassment, equal employment opportunity and related matters that are set forth from time to time in the Omega Employee Manual and are incorporated herein by this reference.

J. PROCEDURAL MATTERS; REPORTING

1. Administration

Omega's senior management is responsible for ensuring that this Business Code is communicated and implemented throughout the Company. The Audit Committee of the Company's Board of Directors is responsible for monitoring those activities. Administration of this Code will be directed by the Company's Compliance Officer.

2. Compliance Officer

We have appointed Robert Mury as the Company's Compliance Officer. Our Compliance Officer is available to consult with you in a confidential manner on specific issues and matters of policy covered by this Business Code. You can approach the Compliance Officer on a direct and confidential basis with questions or concerns regarding this Code. The Compliance Officer will report directly to the Audit Committee on a regular basis.

3. Duty to Report Violations; No Retaliation

Each of us is responsible for bringing to the attention of the Company any circumstances that we believe may constitute a violation of this Business Code. The failure to discharge this responsibility may be as serious as the violation itself. If you are unsure of what to do in any situation, seek guidance before you act. Information regarding violations should be given to your immediate supervisor, the Company's Compliance Officer. In addition you may report this information by contacting the Audit Committee of the Board of Directors, which consists entirely of directors who are independent of Company management. The procedures for contacting the Audit Committee will be posted on our website at

www.omegahealthcare.com. We especially encourage you to contact the Audit Committee if you have a concern about the Company's accounting, internal accounting controls or auditing matters. You may elect to report suspected violations on an anonymous basis. Any good faith communication of possible violations will be kept confidential to the extent practicable. There will be no punishment or retaliation of any kind for making such a communication relating to the conduct of others.

4. Sanctions; Disciplinary Actions

Any person who violates this Business Code, or fails to cooperate with any investigation, will be subject to disciplinary action. Those actions could include, but are not limited to, reassignment, demotion, suspension or, where appropriate, dismissal. The person might also be subject to legal proceedings to recover the amount of any losses that the Company may have incurred as a result of such actions, as well as prosecution of the individual under any applicable criminal statutes. For example, individuals who trade on Material Nonpublic Information (or tip such information to others) may be subject to penalties under federal and state securities laws, including criminal fines up to \$2,500,000 and imprisonment for up to 10 years; a maximum civil penalty of equal to the greater of \$1,000,000 or three times the profit gained or losses avoided on the transaction, and disgorgement of profits gained or losses avoided on the transaction. Insiders may also be subject to suit by persons who purchased or sold the Securities at the same time as the Insiders. Persons who disclose Material Nonpublic Information to others who then trade in Securities while in possession of that information may be liable for the profits or avoided losses of those others. Where appropriate, the Company may also report violations of this Business Code to appropriate government agencies, including the Securities and Exchange Commission and the United States Department of Justice.

5. Waivers

Any waiver of the requirements of this Business Code for any director or executive officer must be approved, in writing and based upon a written request, by the Audit Committee and promptly disclosed to shareholders. If an actual or potential conflict of interest arises for a director or executive officer, the person shall promptly inform in writing the Chairman of the Audit Committee. If a material conflict exists and cannot be resolved, the person should resign. All directors will recuse themselves from any decision affecting their personal, business or professional interests. The Audit Committee shall resolve any conflict of interest question involving the Chairman, the CEO or an executive officer, and the CEO shall resolve any conflict of interest issue involving any other officer or employee of the company.

6. Annual Compliance Statement

All, directors, officers and employees of the Company will be required, on an annual basis, to certify their compliance with the requirements of this Business Code using the form Annual Compliance Statement attached hereto.