

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2021

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-32559

Commission file number 333-177186

**Medical Properties Trust, Inc.  
MPT Operating Partnership, L.P.**

(Exact Name of Registrant as Specified in Its Charter)

Maryland  
Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)  
1000 Urban Center Drive, Suite 501  
Birmingham, AL  
(Address of Principal Executive Offices)

20-0191742  
20-0242069  
(IRS Employer  
Identification No.)

35242  
(Zip Code)

(205) 969-3755

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class  | Trading Symbol | Name of each exchange on which registered |
|--|----------------|---|
| Common stock, par value \$0.001 per share, of Medical Properties Trust, Inc. | MPW            | The New York Stock Exchange               |

Securities registered pursuant to Section 12(g) of the Act:  
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Medical Properties Trust, Inc. Yes  No  MPT Operating Partnership, L.P. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Medical Properties Trust, Inc. Yes  No  MPT Operating Partnership, L.P. Yes  No

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

Medical Properties Trust, Inc. Yes  No  MPT Operating Partnership, L.P. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Medical Properties Trust, Inc. Yes  No  MPT Operating Partnership, L.P. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Medical Properties Trust, Inc.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

MPT Operating Partnership, L.P.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

Medical Properties Trust, Inc. Yes  No  MPT Operating Partnership, L.P. Yes  No

As of June 30, 2021, the aggregate market value of the 584.1 million shares of common stock, par value \$0.001 per share ("Common Stock"), held by non-affiliates of Medical Properties Trust, Inc. was \$11.7 billion based upon the last reported sale price of \$20.10 on the New York Stock Exchange on that date. For purposes of the foregoing calculation only, all directors and executive officers of Medical Properties Trust, Inc. have been deemed affiliates.

As of February 18, 2022, 599.9 million shares of Common Stock were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the definitive Proxy Statement of Medical Properties Trust, Inc. for the Annual Meeting of Stockholders to be held on May 26, 2022 are incorporated by reference into Items 10 through 14 of Part III, of this Annual Report on Form 10-K.

## EXPLANATORY NOTE

This report combines the Annual Reports on Form 10-K for the year ended December 31, 2021, of Medical Properties Trust, Inc., a Maryland corporation, and MPT Operating Partnership, L.P., a Delaware limited partnership, through which Medical Properties Trust, Inc. conducts substantially all of its operations. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “we,” “us,” “our,” “Medical Properties,” “MPT,” or “company” refer to Medical Properties Trust, Inc. together with its consolidated subsidiaries, including MPT Operating Partnership, L.P. Unless otherwise indicated or unless the context requires otherwise, all references to “operating partnership” refer to MPT Operating Partnership, L.P. together with its consolidated subsidiaries.

## TABLE OF CONTENTS

|   |  |     |
|---|--|-----|
| <a href="#"><u>A WARNING ABOUT FORWARD LOOKING STATEMENTS</u></a> |  | 4   |
| <a href="#"><u>PART I</u></a>                                     |  |     |
| ITEM 1.   | <a href="#"><u>Business</u></a>  | 6   |
| ITEM 1A.  | <a href="#"><u>Risk Factors</u></a>  | 19  |
| ITEM 1B.  | <a href="#"><u>Unresolved Staff Comments</u></a>   | 33  |
| ITEM 2.   | <a href="#"><u>Properties</u></a>  | 34  |
| ITEM 3.   | <a href="#"><u>Legal Proceedings</u></a>   | 36  |
| ITEM 4.   | <a href="#"><u>Mine Safety Disclosures</u></a>   | 36  |
| <a href="#"><u>PART II</u></a>                                    |  |     |
| ITEM 5.   | <a href="#"><u>Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities</u></a> | 36  |
| ITEM 6.   | <a href="#"><u>Reserved</u></a>  | 37  |
| ITEM 7.   | <a href="#"><u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u></a>                         | 38  |
| ITEM 7A.  | <a href="#"><u>Quantitative and Qualitative Disclosures About Market Risk</u></a>  | 50  |
| ITEM 8.   | <a href="#"><u>Financial Statements and Supplementary Data</u></a>   | 52  |
| ITEM 9.   | <a href="#"><u>Changes in and Disagreements With Accountants on Accounting and Financial Disclosure</u></a>                          | 94  |
| ITEM 9A.  | <a href="#"><u>Controls and Procedures</u></a>   | 94  |
| ITEM 9B.  | <a href="#"><u>Other Information</u></a>   | 95  |
| ITEM 9C.  | <a href="#"><u>Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</u></a>   | 95  |
| <a href="#"><u>PART III</u></a>                                   |  |     |
| ITEM 10.  | <a href="#"><u>Directors, Executive Officers and Corporate Governance</u></a>  | 96  |
| ITEM 11.  | <a href="#"><u>Executive Compensation</u></a>  | 96  |
| ITEM 12.  | <a href="#"><u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u></a>                | 96  |
| ITEM 13.  | <a href="#"><u>Certain Relationships and Related Transactions, and Director Independence</u></a>                                     | 96  |
| ITEM 14.  | <a href="#"><u>Principal Accountant Fees and Services</u></a>  | 96  |
| <a href="#"><u>PART IV</u></a>                                    |  |     |
| ITEM 15.  | <a href="#"><u>Exhibits and Financial Statement Schedules</u></a>  | 97  |
| ITEM 16.  | <a href="#"><u>Form 10-K Summary</u></a>   | 102 |
| <a href="#"><u>SIGNATURES</u></a>                                 |  | 103 |

## A WARNING ABOUT FORWARD LOOKING STATEMENTS

We make forward-looking statements in this Annual Report on Form 10-K that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans, and objectives. Statements regarding the following subjects, among others, are forward-looking by their nature:

- our business strategy;
- our projected operating results;
- our ability to close on any pending transactions on the time schedule or terms described or at all;
- our ability to acquire, develop, and/or manage additional facilities in the United States (“U.S.”), Europe, Australia, South America, or other foreign locations;
- availability of suitable facilities to acquire or develop;
- our ability to enter into, and the terms of, our prospective leases and loans;
- our ability to raise additional funds through offerings of debt and equity securities, joint venture arrangements, and/or property disposals;
- our ability to obtain future financing arrangements;
- estimates relating to, and our ability to pay, future distributions;
- our ability to service our debt and comply with all of our debt covenants;
- our ability to compete in the marketplace;
- lease rates and interest rates;
- market trends;
- projected capital expenditures; and
- the impact of technology on our facilities, operations, and business.

Forward-looking statements are based on our beliefs, assumptions, and expectations of our future performance, taking into account information currently available to us. These beliefs, assumptions, and expectations can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, and results of operations may vary materially from those expressed in our forward-looking statements. You should carefully consider these risks before you make an investment decision with respect to our common stock and other securities, along with, among others, the following factors that could cause actual results to vary from our forward-looking statements:

- the factors referenced in this Annual Report on Form 10-K, including those set forth under the sections captioned “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business;”
- the political, economic, business, real estate, and other market conditions in the U.S. (both national and local), Europe (in particular the United Kingdom, Germany, Switzerland, Spain, Italy, and Portugal), Australia, South America (in particular Colombia), and other foreign jurisdictions where we may own healthcare facilities or transact business, which may have a negative effect on the following, among other things:
  - the financial condition of our tenants, our lenders, or institutions that hold our cash balances or are counterparties to certain hedge agreements, which may expose us to increased risks of default by these parties;
  - our ability to obtain equity or debt financing on attractive terms or at all, which may adversely impact our ability to pursue acquisition and development opportunities, refinance existing debt, and our future interest expense; and
  - the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing secured by our real estate assets or on an unsecured basis;
- the impact of the coronavirus (“COVID-19”) pandemic on our business, our joint ventures, and the business of our tenants/borrowers and the economy in general, as well as the impact of other factors that may affect our business, our joint ventures or that of our tenants/borrowers that are beyond our control, including natural disasters, health crises, or other pandemics and subsequent government actions in reaction to such matters;
- the risk that a condition to closing under the agreements governing any or all of our pending transactions (including the transactions described in [the](#) notes to Item 8 of this Annual Report on Form 10-K) that have not closed as of the date hereof may not be satisfied;

- the possibility that the anticipated benefits from any or all of the transactions we have entered into or will enter into may take longer to realize than expected or will not be realized at all;
- the competitive environment in which we operate;
- the execution of our business plan;
- financing risks;
- acquisition and development risks;
- potential environmental contingencies and other liabilities;
- adverse developments affecting the financial health of one or more of our tenants, including insolvency;
- other factors affecting the real estate industry generally or the healthcare real estate industry in particular;
- our ability to maintain our status as a REIT for U.S. federal and state income tax purposes;
- our ability to attract and retain qualified personnel;
- changes in foreign currency exchange rates;
- changes in federal, state, or local tax laws in the U.S., Europe, Australia, South America, or other jurisdictions in which we may own healthcare facilities or transact business; and
- healthcare and other regulatory requirements of the U.S., Europe, Australia, South America, and other foreign countries.

When we use the words “believe,” “expect,” “may,” “potential,” “anticipate,” “estimate,” “plan,” “will,” “could,” “intend,” or similar expressions, we are identifying forward-looking statements. You should not place undue reliance on these forward-looking statements. Except as required by law, we disclaim any obligation to update such statements or to publicly announce the result of any revisions to any of the forward-looking statements contained in this Annual Report on Form 10-K.

**ITEM 1. Business****Overview**

We are a self-advised real estate investment trust (“REIT”) formed in 2003 to acquire and develop net-leased healthcare facilities. We currently have investments in 437 facilities and approximately 46,000 licensed beds in 32 states in the U.S., in six countries in Europe, across Australia, and in Colombia in South America. We have operated as a REIT since April 6, 2004, and accordingly, elected REIT status upon the filing of our calendar year 2004 federal income tax return. Medical Properties Trust, Inc. was incorporated under Maryland law on August 27, 2003, and MPT Operating Partnership, L.P. was formed under Delaware law on September 10, 2003. We conduct substantially all of our business through MPT Operating Partnership, L.P.

Our business strategy is to acquire and develop healthcare facilities and lease the facilities to healthcare operating companies under long-term net leases, which require the tenant to bear most of the costs associated with the property. We also make mortgage loans to healthcare operators collateralized by their real estate assets. In addition, we may make loans to certain of our operators through our taxable REIT subsidiaries (“TRS”), the proceeds of which are typically used for acquisition, working capital, and other purposes. From time-to-time, we may also acquire a profits or other equity interest in certain of our tenants that gives us a right to share in such tenant’s profits and losses. Our business model facilitates acquisitions and recapitalization, and allows operators of healthcare facilities to unlock the value of their real estate assets to fund facility improvements, technology upgrades, and other investments in operations.

Our investments in healthcare real estate, other loans, and any equity investments in our tenants are considered a single reportable segment as further discussed in [Note 1](#) of Item 8 of this Annual Report on Form 10-K.

At December 31, 2021 and 2020, our total assets were made up of the following (dollars in thousands):

|   | 2021                 |               | 2020                 |               |
|---|----------------------|---------------|----------------------|---------------|
| Real estate assets - at cost                          | \$ 17,425,765        | 84.9%         | \$ 14,337,929        | 85.2%         |
| Accumulated real estate depreciation and amortization | (993,100)            | -4.8%         | (833,529)            | -5.0%         |
| Cash and cash equivalents                             | 459,227              | 2.2%          | 549,884              | 3.3%          |
| Equity investments                                    | 1,181,025            | 5.8%          | 1,123,623            | 6.7%          |
| Other loans   | 1,328,653            | 6.5%          | 858,368              | 5.1%          |
| Other   | 1,118,231            | 5.4%          | 792,739              | 4.7%          |
| <b>Total assets(1)</b>                                | <b>\$ 20,519,801</b> | <b>100.0%</b> | <b>\$ 16,829,014</b> | <b>100.0%</b> |

- (1) At December 31, 2021, our total pro forma gross assets were \$22.3 billion, which represents total assets plus accumulated depreciation and amortization adjusted for our unconsolidated real estate joint ventures and assumes funding of all real estate commitments and unfunded amounts on development deals and commenced capital improvement projects at December 31, 2021 – see section titled “Non-GAAP Financial Measures” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in [Item 7](#) of this Annual Report on Form 10-K.

**Revenues**

The following is a breakdown of our revenues for the years ended December 31 (dollars in thousands):

|                              | 2021                |               | 2020                |               |
|------------------------------|---------------------|---------------|---------------------|---------------|
| Rent billed                  | \$ 931,942          | 60.4%         | \$ 741,311          | 59.4%         |
| Straight-line rent           | 241,433             | 15.6%         | 158,881             | 12.7%         |
| Income from financing leases | 202,599             | 13.1%         | 206,550             | 16.5%         |
| Interest and other income    | 168,695             | 10.9%         | 142,496             | 11.4%         |
| <b>Total revenues(1)</b>     | <b>\$ 1,544,669</b> | <b>100.0%</b> | <b>\$ 1,249,238</b> | <b>100.0%</b> |

- (1) For 2021 and 2020, our adjusted revenues were \$1.7 billion and \$1.4 billion, respectively, which adjusts actual total revenues to include our pro rata portion of similar revenues in our unconsolidated real estate joint venture arrangements. See section titled “Non-GAAP Financial Measures” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in [Item 7](#) of this Annual Report on Form 10-K.

See “Overview” in [Item 7](#) of this Annual Report on Form 10-K for details of transaction activity for 2021 and 2020.

## Portfolio of Properties

As of February 18, 2022, our portfolio consisted of 437 properties: 423 facilities are leased to 52 tenants, three are under development, five are in the form of mortgage loans to three operators, and six properties, representing less than 1% of total pro forma gross assets, are not currently leased to a tenant, as discussed in [Note 3](#) to Item 8 of this Annual Report on Form 10-K. Of our portfolio of properties, 98 facilities are owned by way of our four unconsolidated real estate joint venture arrangements in which we share control with our joint venture partners. Our facilities consist of 206 general acute care hospitals, 58 behavioral health facilities, 111 inpatient rehabilitation hospitals (“IRFs”), 20 long-term acute care hospitals (“LTACHs”), and 42 freestanding ER/urgent care facilities (“FSERs”).

## Outlook and Strategy

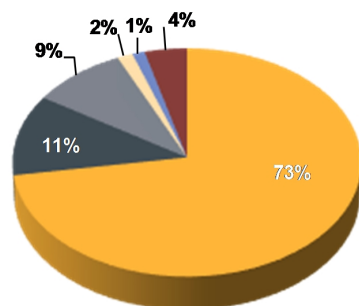
Our strategy is to lease the facilities that we acquire or develop to experienced healthcare operators pursuant to long-term net leases. In addition, we may selectively structure certain of our investments as long-term, interest-only mortgage loans to healthcare operators. Our mortgage loans are typically structured such that we obtain annual cash returns similar to our net leases. In addition, we have obtained and may continue to obtain profits or other interests in certain of our tenants’ operations in order to enhance our overall return.

The market for healthcare real estate is extensive and includes real estate owned by a variety of healthcare operators. For example, there are 5,139 community hospitals (according to the American Hospital Association) and an estimated \$500-\$750 billion of operator-owned hospital real estate facilities in the U.S. alone (according to industry reports). We typically focus on acquiring and developing net-leased facilities that are specifically designed to reflect the latest trends in healthcare delivery methods and that focus on the most critical components of healthcare. We typically invest in facilities that have the highest intensity of care including:

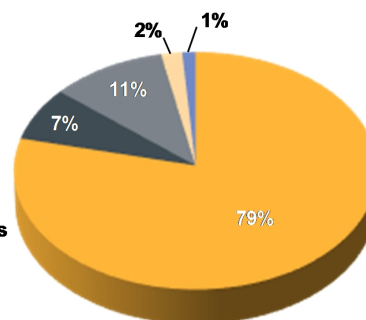
- General acute care hospitals — provide inpatient care for the treatment of acute conditions and manifestations of chronic conditions. This type of facility also provides ambulatory care through onsite emergency rooms.
- Behavioral health facilities — specialty facilities focused on the treatment of mental, social, and even physical illnesses, while promoting the health and well-being of the body, mind, and spirit. Behavioral health services range in acuity of care from outpatient therapy and drug and alcohol rehabilitation services to secured, inpatient mental health hospital care.
- IRFs — provide rehabilitation to patients with various neurological, musculoskeletal orthopedic, and other medical conditions following stabilization of their acute medical issues.
- LTACHs — specialty-care hospitals designed for patients with serious medical problems that require intense, specialized treatment for an extended period of time, sometimes requiring a hospital stay averaging in excess of three weeks.
- FSERs — provide emergency medical services comparable to most hospital emergency rooms, while not physically attached to a hospital campus. Urgent care centers operate similarly, but generally provide care for non-emergent injuries and illnesses.

On a property type basis, our total pro forma gross assets at December 31, 2021 and total adjusted revenues for the 2021 year are as follows:

**TOTAL PRO FORMA GROSS ASSETS BY ASSET TYPE**



**TOTAL ADJUSTED REVENUES BY ASSET TYPE**

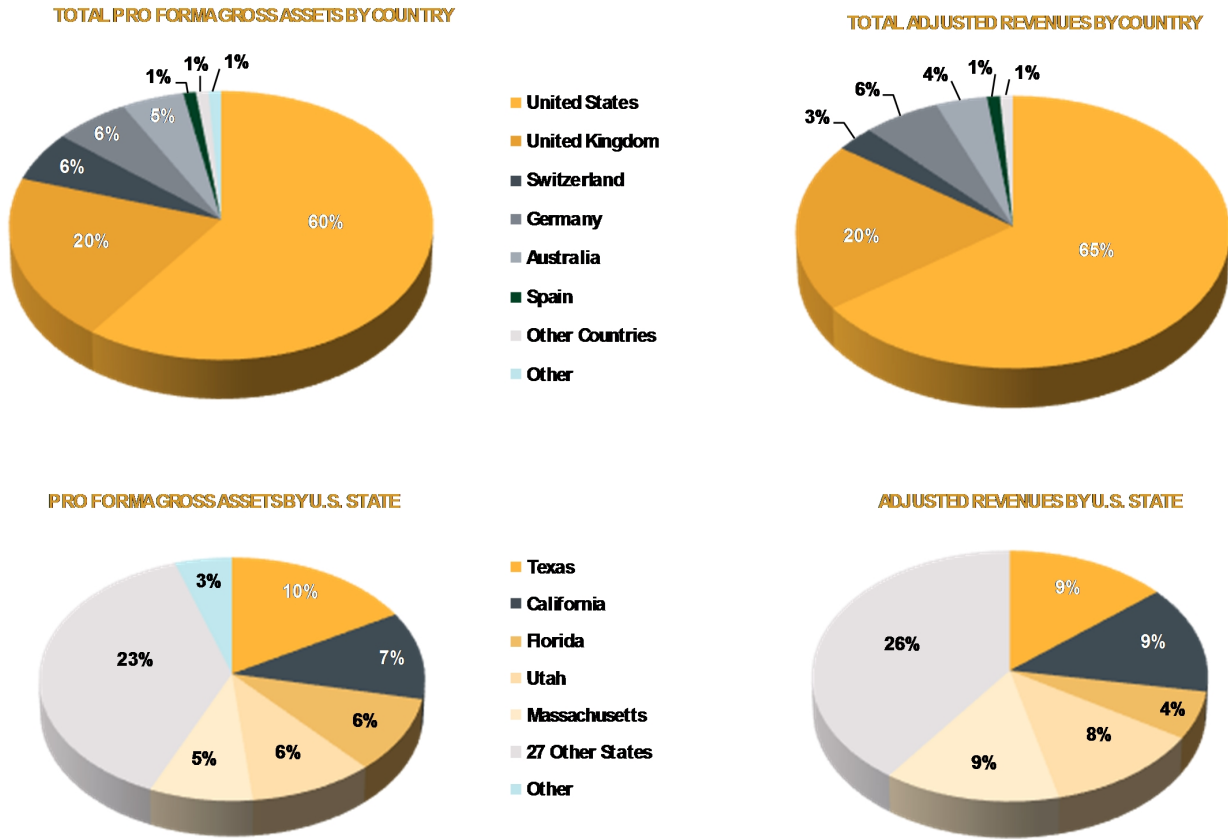


See section titled “Non-GAAP Financial Measures” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 7 of this Annual Report on Form 10-K.

**Diversification**

A fundamental component of our business plan is the continued diversification of our portfolio. We monitor diversification in several ways, including concentration in any one facility, our tenant relationships, the types of hospitals we own, and the geographic areas in which we invest.

At December 31, 2021, no single property accounted for more than 3% of our total assets or our total pro forma gross assets, similar to the prior year. From a tenant relationship perspective, see section titled “Significant Tenants” below for detail. See sections titled “Portfolio of Properties” and “Outlook and Strategy” above for information on the diversification of our hospital types. From a geographical perspective, we have investments across the U.S., and in Europe, Australia, and South America. See below for investment concentration in the U.S. and our global concentration at December 31, 2021, along with our concentration of adjusted revenues for the year ended December 31, 2021:



See section titled “Non-GAAP Financial Measures” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 7 of this Annual Report on Form 10-K.

**Underwriting/Asset Management**

Our revenues are derived from rents we earn pursuant to the lease agreements with our tenants, from interest income from loans to our tenants and other facility owners, and from profits or equity interests in certain of our tenants’ operations. Our tenants operate in the healthcare industry, generally providing medical, surgical, rehabilitative, and behavioral health care to patients. The capacity of our tenants to pay our rents and interest is dependent upon their ability to conduct their operations at profitable levels. We believe that the business environment of the industry segments in which our tenants operate is generally positive for efficient operators. However, our tenants’ operations are subject to economic, regulatory, healthcare, and market conditions that may affect their profitability, which could impact our results. Accordingly, we monitor certain key performance indicators that we believe provides us with early indications of conditions that could affect the level of risk in our portfolio.



Key factors that we may consider in underwriting prospective deals and in our ongoing monitoring of our tenants' (and guarantors') performance, as well as the condition of our properties, include, but are not limited to, the following:

- the scope and breadth of clinical services and programs, including utilization trends (both inpatient and outpatient) by service type;
- the size and composition of medical staff and physician leadership at our facilities, including specialty, tenure, and number of procedures performed and/or referrals;
- an evaluation of our operators' administrative team, as applicable, including background and tenure within the healthcare industry;
- staffing trends, including ratios, turnover metrics, recruitment and retention strategies at corporate and individual facility levels;
- facility operating performance measured by current, historical, and prospective operating margins (measured by a tenant's earnings before interest, taxes, depreciation, amortization, management fees, and facility rent) of each tenant and at each facility;
- the ratio of our tenants' operating earnings to facility rent and to other fixed costs, including debt costs;
- changes in revenue sources of our tenants, including the relative mix of public payors (including Medicare, Medicaid/MediCal, and managed care in the U.S., as well as equivalent payors in Europe, Australia, and South America) and private payors (including commercial insurance and private pay patients);
- historical support (financial or otherwise) from governments and/or other public payor systems during major economic downturns/depressions;
- trends in tenants' cash collections, including comparison to recorded net patient service revenues;
- tenants' free cash flow;
- the potential impact of healthcare pandemics/epidemics, legislation, and other regulations (including changes in reimbursement) on our tenants' profitability and liquidity;
- the potential impact of any legal, regulatory, or compliance proceedings with our tenants;
- an ongoing assessment of the operating environment of our tenants, including demographics, competition, market position, status of compliance, accreditation, quality performance, and health outcomes as measured by The Centers for Medicare and Medicaid Services ("CMS"), Joint Commission, and other governmental bodies in which our tenants operate;
- the level of investment in the hospital infrastructure and health IT systems; and
- physical real estate due diligence, typically including property condition and Phase 1 environmental assessments, along with annual property inspections thereafter.

In addition to the key factors above, we may analyze the physician relationships with the hospital and study admissions to understand how broad such referrals are to the hospital. Finally, we typically address two primary questions when underwriting an investment – 1) is this hospital truly needed in the market? and 2) would the community suffer were the hospital not there? We believe answers to these two questions can usually provide significant insight on whether or not to move forward with a particular investment.

### **Healthcare Industry**

The delivery of healthcare services, whether in the U.S. or elsewhere, requires real estate. The global outbreak of COVID-19 has further validated this, as hospitals during the pandemic have proven invaluable. As a consequence, healthcare providers depend on real estate to maintain and grow their businesses. We believe that the healthcare real estate market provides investment opportunities due to the:

- compelling demographics driving the demand for health services;
- specialized nature of healthcare real estate investing; and
- consolidation of the fragmented healthcare real estate sector.

As noted previously, we have investments in nine different countries across four continents. Although there are regulatory, cultural, and other differences between these countries, the importance of healthcare and its impact on the economy is a consistent theme. See below for details of the healthcare industry in each of the countries in which we currently do business (according to government sources and healthcare industry reports):

#### *United States*

- U.S. citizens receive healthcare primarily through private (via insurance carried by the individual or its employer) or public (Medicare/Medicaid) payors.
- U.S. currently ranks highest in overall health expenditure in the world with \$4.1 trillion in 2020, or \$12,530 per person. U.S. health expenditures as a percentage of Gross Domestic Product (“GDP”) were 19.7% in 2020.
- National health spending grew 9.7% in 2020 and is expected to be \$6.2 trillion by 2028.
- The largest share of total health spending was paid by the federal government at 36.3%, with individual pay at 26.1%, private business funding 16.7%, state and local governments making up 14.3%, and other private sources accounting for 6.6%.
- Medicare spending grew 3.8% to \$829.5 billion in 2020, or 20% of total National Health Expenditures (“NHE”).
- Medicaid spending grew 9.4% to \$671.2 billion in 2020, or 16% of total NHE.
- Hospital expenditures grew 6.6% to \$1,270.1 billion in 2020.
- Out-of-pocket spending declined 3.7% to \$388.6 billion in 2020.

#### *United Kingdom*

- All English residents are entitled to public healthcare through the National Health Service (“NHS”), including hospital, physician, and mental health care.
- Overall health expenditures grew to £269.5 billion in 2020, up from £225.2 billion in 2019.
- Health expenditures accounted for 12.8% of GDP in 2020, compared to 10.3% in 2019.
- Government-financed healthcare expenditure made up 79% of healthcare spending in 2019.
- The main provider type of government-financed healthcare was hospitals, making up 48% of government healthcare expenditure in 2019.
- Private household out-of-pocket and voluntary health insurance spending totaled £42.1 billion in 2019, up from £40 billion in 2018.

#### *Switzerland*

- Switzerland operates a universal healthcare system which is highly decentralized with the cantons, or states, playing a key role in its operation.
- Health expenditures accounted for 11.3% of GDP in 2019.
- Overall health expenditures were CHF82.1 billion in 2019, which was a 2.3% increase from 2018.
- In 2019, hospital care represented 37% of total health expenditures.

#### *Germany*

- Health insurance in Germany is compulsory and consequently offers almost universal coverage.
- Health expenditures were 12.5% of GDP in 2020, compared to 11.7% in 2019.
- Health expenditures were €410.8 billion in 2019, or €4,944 per person, which was a 4.9% increase from 2018.
- As of 2020, approximately 11.2% of the German population was covered by private health insurance.
- Hospital expenditures totaled €93.5 billion in 2018, up from €91.3 billion in 2017.

### *Australia*

- Australia has a regionally administered, universal public health insurance program that is financed through general tax revenue and a government levy.
- In 2019, health expenditures accounted for 10% of GDP.
- Overall health expenditures were A\$202.5 billion in 2020, or A\$7,926 per person, compared to A\$7,772 per person in 2019.
- Health spending increased by 1.8% in 2020, which was lower than the decade average of 3.4%, primarily due to the impact of COVID-19.
- The federal and local government funded approximately 70% of health spending in 2020.
- In 2020, Australia spent A\$83.5 billion of health expenditure on hospitals, which was an increase of 2.9% compared with the previous year.

### *Spain*

- Spain has a public healthcare system, mainly financed by taxes; as a result, residents have access to free or very low-cost healthcare.
- In 2020, health expenditures accounted for 18.7% of GDP.
- Overall health expenditures were €109.9 billion in 2018, a 4.3% increase from 2017.
- In 2019, hospital care represented approximately 62% of the overall public healthcare expenditure.
- Public spending accounted for 70% of all health spending in 2018.
- Out-of-pocket payments were 22% in 2018.

### *Italy*

- Italy's healthcare system provides universal coverage for all citizens and legal foreign residents and is funded by corporate and value-added tax revenues collected by the central government.
- In 2020, total health expenditures were €203 billion, or 9.7% of GDP.
- In 2020, public spending on healthcare was €114 billion and private funding was €38 billion.
- Approximately 10% of the population has some form of voluntary health insurance.
- In 2019, 23% of total health spending was paid out-of-pocket.

### *Portugal*

- Portugal provides universal health coverage to its citizens through its National Health Service, which is financed through taxation.
- Health spending in Portugal accounted for 10.1% of GDP in 2020, up from 9.6% in 2019.
- Overall health expenditures were €173 billion in 2017, or €1,122 per person.
- Public spending accounted for 67% of all health spending in 2017.
- In 2019, 31% of total health spending was paid out-of-pocket.

### *Colombia*

- Colombia provides universal public and private coverage available for purchase through private companies where all citizens are entitled to a comprehensive health benefit package.
- In 2019, health expenditures were 7.3% of GDP.
- In 2020, overall health expenditures were \$22.6 billion and are projected to grow to \$27.8 billion in 2023.
- Out-of-pocket payments were 15% in 2018.

## Our Leases and Loans

The leases of our facilities are generally “net” leases with terms requiring the tenant to pay all ongoing operating and maintenance expenses of the facility, including property, casualty, general liability, and other insurance coverages, utilities, and other charges incurred in the operation of the facilities, as well as real estate and certain other taxes, ground lease rent (if any), and the costs of capital expenditures, repairs, and maintenance (including any repairs mandated by regulatory requirements). Similarly, borrowers under our mortgage loan arrangements retain the responsibilities of ownership, including physical maintenance and improvements and all costs and expenses. Our leases and loans typically require our tenants to indemnify us for any past or future environmental liabilities. Our current leases and loans have a weighted-average remaining initial term of 17.8 years (see [Item 2](#) for more information on remaining lease and loan terms) and most include renewal options at the election of our tenants. Based on current monthly revenue, over 99% of our leases provide annual rent escalations based on increases in the Consumer Price Index (“CPI”), or similar indexes for properties outside the U.S. and/or fixed minimum annual rent escalations.

## RIDEA and Similar Investments

We have made, and may make in the future, investments in the operations of our tenants in the form of equity investments, loans (with equity-like returns), or profit interests. Some of these investments fall under a structure permitted by the REIT Investment Diversification and Empowerment Act of 2007 (“RIDEA”). Under the provisions of RIDEA, a REIT may lease “qualified health care properties” on an arm’s length basis to a TRS that owns health operations so long as the property is operated by an entity that qualifies as an “eligible independent contractor.” We view RIDEA as a structure primarily to be used on properties that present attractive valuation entry points. At December 31, 2021, our RIDEA and similarly structured investments totaled approximately \$1 billion.

## Significant Tenants

On a total pro forma gross asset basis, our top five tenants were as follows (dollars in thousands):

### Total Pro Forma Gross Assets by Operator

|                                 | As of December 31, 2021      |  | As of December 31, 2020      |  |
|---------------------------------|------------------------------|--|------------------------------|--|
|                                 | Total Pro Forma Gross Assets | Percentage of Total Pro Forma Gross Assets | Total Pro Forma Gross Assets | Percentage of Total Pro Forma Gross Assets |
| <b>Operators</b>                |                              |  |                              |  |
| <b>Steward</b>                  |                              |  |                              |  |
| Florida market                  | \$ 1,334,834                 | 6.0%                                       | \$ 215,105                   | 1.1%                                       |
| Massachusetts market(1)         | 1,177,914                    | 5.3%                                       | 1,500,915                    | 7.3%                                       |
| Texas/Arkansas/Louisiana market | 1,129,624                    | 5.1%                                       | 1,045,982                    | 5.1%                                       |
| Arizona market                  | 338,612                      | 1.5%                                       | 332,239                      | 1.6%                                       |
| Ohio/Pennsylvania market        | 141,506                      | 0.6%                                       | 151,785                      | 0.7%                                       |
| Utah market(1)                  | —                            | —  | 1,260,147                    | 6.2%                                       |
| Circle                          | 2,481,001                    | 11.1%                                      | 2,520,019                    | 12.3%                                      |
| Prospect                        | 1,631,691                    | 7.3%                                       | 1,597,950                    | 7.8%                                       |
| Swiss Medical Network           | 1,300,431                    | 5.8%                                       | 1,177,520                    | 5.8%                                       |
| HCA(1)                          | 1,240,546                    | 5.6%                                       | 8,844                        | —  |
| Other operators                 | 10,632,605                   | 47.6%                                      | 9,826,336                    | 48.2%                                      |
| Other assets                    | 920,573                      | 4.1%                                       | 792,739                      | 3.9%                                       |
| Total                           | <u>\$ 22,329,337</u>         | <u>100.0%</u>                              | <u>\$ 20,429,581</u>         | <u>100.0%</u>                              |

(1) 2021 column is shown pro forma for the pending transactions discussed in [Note 3](#) and [Note 8](#) to Item 8 of this Annual Report on Form 10-K.

## Steward

Affiliates of Steward Health Care System LLC (collectively, “Steward”) lease 39 facilities across six different markets pursuant to one master lease agreement, which had an initial 15-year term with three five-year extension options (two of which were exercised in August 2021 to extend the initial fixed term to October 2041), plus annual inflation-based escalators. At December 31, 2021, these facilities had an average remaining initial lease term of 19.8 years. The master lease agreement’s remaining five-year extension option must include all leased properties, if elected. The master lease includes a right of first refusal for the repurchase of the leased properties. In addition to the master lease, we hold a promissory note totaling approximately \$44 million, which consists of three tranches with varying terms. On January 8, 2021, we made a \$335 million loan to affiliates of Steward, the terms of which provide us

opportunities for participation in the value of Steward's growth. All of the proceeds from this loan were used to redeem a similarly sized convertible loan from Steward's former private equity sponsor. Finally, we hold a 9.9% equity investment in Steward.

As previously announced, on August 28, 2021, we entered into a definitive agreement with Macquarie Asset Management ("MAM") to form a partnership, pursuant to which a fund managed by MAM will acquire a 50% interest in a portfolio of eight Massachusetts-based general acute care hospitals that we currently own and lease to Steward. We expect to close this transaction in the first quarter of 2022.

Additionally, on September 15, 2021, we entered into definitive agreements to lease five general acute care hospitals located in Utah to HCA Healthcare, Inc. ("HCA") following an agreement by HCA to purchase the operations of these facilities from Steward. We expect this transaction will close during the first half of 2022.

#### *Circle*

Affiliates of Circle Health Ltd. (collectively, "Circle") lease 36 facilities pursuant to separate lease agreements. Of these leases, 31 are cross-defaulted individual leases guaranteed by Circle and have initial fixed terms ending in 2050, with two five-year extension options plus annual inflation-based escalators. The remaining five facilities are leased pursuant to four separate leases with a weighted-average remaining initial fixed life of 14.6 years along with annual inflation-based escalators and extension options.

#### *Prospect*

Affiliates of Prospect Medical Holdings, Inc. (collectively, "Prospect") lease 13 facilities pursuant to two master lease agreements. Both master leases had initial fixed terms of 15 years (ending in August 2034) and contain two extension options of five years and one extension option of four years and nine months, plus annual inflation-based escalators. In addition to these master leases, we hold a mortgage loan secured by a first mortgage on an acute care hospital and a term loan. The master leases, mortgage loan, and term loan are all cross-defaulted and cross-collateralized.

#### *Swiss Medical Network*

Affiliates of Swiss Medical Network lease 17 facilities (all of which are owned through our Infracore SA ("Infracore") joint venture arrangement – see [Note 3](#) to Item 8 of this Annual Report on Form 10-K for more information) pursuant to 18 stand-alone leases, most of which end in 2040 or later. None of the master lease agreements have renewal or repurchase options, and each lease provides for fixed increases or inflation-based escalators. We also made a CHF 145 million investment in Swiss Medical Network on April 16, 2021.

#### *HCA*

Currently, HCA leases four facilities pursuant to one master lease agreement with varying initial terms approximating ten years, multiple extension options of five years each, and annual inflation-based escalators. As stated above, we entered into definitive agreements to lease five general acute care hospitals located in Utah to HCA. These facilities will be subject to a master lease with an initial term of 15 years with five extension options of five years each and annual inflation-based escalators. HCA will have certain options to purchase the facilities starting in 2028, while we will have certain options to sell the facilities to HCA. The purchase price under either option scenario will not be less than fair value.

No other tenant accounted for more than 6% of our total pro forma gross assets at December 31, 2021.

#### **Environmental Matters**

Under various U.S. federal, state, and local environmental laws and regulations and similar international laws, a current or previous owner, operator, or tenant of real estate may be required to remediate hazardous or toxic substance releases or threats of releases. There may also be certain obligations and liabilities on property owners with respect to asbestos containing materials. Investigation, remediation, and monitoring costs may be substantial. The confirmed presence of contamination or the failure to properly remediate contamination on a property may adversely affect our ability to sell or rent that property or to borrow funds using such property as collateral and may adversely impact our investment in that property. Generally, prior to completing an acquisition or closing a mortgage loan, we obtain Phase I environmental assessments (or similar studies outside the U.S.) in order to attempt to identify potential environmental concerns at the facilities. These assessments are carried out in accordance with an appropriate level of due diligence and generally include a physical site inspection, a review of relevant environmental and health agency database records, one or more interviews with appropriate site-related personnel, review of the property's chain of title, and review of historic aerial photographs and other information on past uses of the property. We may also conduct limited subsurface investigations and test for substances of concern where the results of the Phase I environmental assessments or other information indicates possible contamination or where our consultants recommend such procedures. Upon closing and for the remainder of the lease or loan term,

our transaction documents typically require our tenants to repair and remediate environmental issues at the applicable facility, and to comply in full with all environmental laws and regulations.

## **Seismic Standards**

### California Seismic Standards

The Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 (“Alquist Act”), establishes, under the jurisdiction of the Office of Statewide Health Planning and Development (“OSHPD”), a program of seismic safety building standards for certain hospitals constructed on and after March 7, 1973. The law requires the California Building Standards Commission to adopt earthquake performance categories, seismic evaluation procedures, standards and timeframes for upgrading certain facilities, and seismic retrofit building standards. This legislation was adopted to avoid the loss of life and the disruption of operations and the provision of emergency medical services that may result from structural damage sustained to hospitals resulting from an earthquake. A violation of any provision of the act is a misdemeanor.

Under the Alquist Act and related rules and regulations, all general acute care hospital buildings in California are assigned a structural performance category (“SPC”). SPC ratings range from 1 to 5 with SPC-1 assigned to buildings that may be at risk of collapse during a strong earthquake and SPC-5 assigned to buildings reasonably capable of providing services to the public following a strong earthquake. Pursuant to the Alquist Act, state law initially required all SPC-1 buildings to be removed from providing general acute care services by 2020 and all SPC-2 buildings to be removed from providing general acute care services by 2030. However, in 2017, OSHPD adopted a new performance category that allowed hospitals to explore the possibilities of upgrading nonconforming buildings to a new performance level that is not as rigorous. Under SPC-4D, buildings undergoing a retrofit to this level can continue functioning indefinitely beyond 2030. In addition, California AB 2190 bill required OSHPD to grant an additional extension of time to an owner who was subject to the January 1, 2020, deadline if specified conditions were met. The bill authorized the additional extension to be until July 1, 2022, if the compliance plan was based upon replacement or retrofit or up to five years if the compliance plan was for a rebuild.

As of December 31, 2021, we have 28 licensed hospitals in California totaling investments of approximately \$1.7 billion. Exclusive of one hospital granted an OSHPD extension to mid-2022 (representing less than 0.6% of our total assets), under California AB 2190, all of our California hospitals are seismically compliant through 2030 as determined by OSHPD. We expect full compliance by mid-2022 for the one remaining hospital.

### Colombia Seismic Standards

Similar to California, the design, construction, and technical supervision of buildings in Colombia must meet certain minimum seismic standards. Such standards divide the country into seismic hazard zones: low threat, intermediate threat, and high threat. Two of our facilities are located in Bogotá, an intermediate threat zone, and one is located in Pereira, a high threat zone.

In addition, all buildings are classified into use groups. Clinical hospitals and health centers fall into Group IV, which are deemed indispensable buildings and are held to a higher standard of earthquake resistant construction. Buildings in Group IV are considered essential for the recovery of the community after the occurrence of an emergency, including an earthquake, and the additional structural requirements are in place to ensure that they can remain operational.

As of December 31, 2021, we estimate that our three facilities need approximately \$7 million of seismic upgrades to become compliant under Colombian law. The deadline for making such upgrades is December 2024, which we fully expect to meet.

Under our current lease and loan agreements, our tenants (or borrowers) are responsible for capital expenditures in connection with seismic laws. We do not currently expect California or Colombia seismic standards to have a negative impact on our financial condition or cash flows. We also do not currently expect compliance with seismic standards to materially impact the financial condition of our tenants.

## **Competition**

We compete in acquiring and developing facilities with financial institutions, other lenders, real estate developers, healthcare operators, other REITs, other public and private real estate companies, and private real estate investors. Among the factors that may adversely affect our ability to compete are the following:

- we may have less knowledge than our competitors of certain markets in which we seek to invest in or develop facilities;
- some of our competitors may have greater financial and operational resources than we have;
- some of our competitors may have lower costs of capital than we do;

- our competitors or other entities may pursue a strategy similar to ours; and
- some of our competitors may have existing relationships with our potential tenants/operators.

To the extent that we experience vacancies in our facilities, we will also face competition in leasing those facilities to prospective tenants. The actual competition for tenants varies depending on the characteristics of each local market. Virtually all of our facilities operate in highly competitive environments, and patients and referral sources, including physicians, may change their preferences for healthcare facilities from time-to-time. The operators of our properties compete on a local and regional basis with operators of properties that provide comparable services. Operators compete for patients based on a number of factors, including quality of care, reputation, physical appearance of a facility, location, services offered, physicians, staff, and price. We also face competition from other healthcare facilities for tenants, such as physicians and other healthcare providers that provide comparable facilities and services.

For additional information, see “Risk Factors” in [Item 1A](#) of this Annual Report on Form 10-K.

## **Insurance**

We obtain various types of insurance to mitigate the impact of property, business interruption, liability, flood, earthquake, fire, wind, and other environmental losses. We attempt to obtain the appropriate policy terms, conditions, limits, and deductibles considering the relative risk of loss and cost of coverage. However, there are certain types of extraordinary losses that may be either uninsurable or not economically insurable.

We maintain or require in our leases and mortgage loans that our tenants maintain applicable types of insurance on our facilities and their operations. In addition, we have a comprehensive insurance program to further protect our interests. At December 31, 2021, we believe that the policy specifications and insured limits of our tenant’s policies and our own policies are appropriate given the relative risk of loss, the cost of the coverage, and standard industry practice. However, no assurances can be given that we will not incur losses that are uninsured or that exceed our insurance coverage.

## **Healthcare Regulatory Matters**

The following discussion describes certain material federal healthcare laws and regulations that may affect our operations and those of our tenants. The discussion, however, does not address all applicable federal healthcare laws, and does not address state healthcare laws and regulations, except as otherwise indicated. These state laws and regulations, like the federal healthcare laws and regulations, could affect the operations of our tenants and, accordingly, our operations. In addition, in some instances we own a minority interest in our tenants’ operations and, in addition to the effect on our tenant’s ability to meet its financial obligations to us, our ownership and investment returns may also be negatively impacted by such laws and regulations. Moreover, the discussion relating to reimbursement for healthcare services addresses matters that are subject to frequent review and revision by Congress and the agencies responsible for administering federal payment programs. Consequently, predicting future reimbursement trends or changes, along with the potential impact to us, is inherently difficult and imprecise. Finally, though we have not included a comprehensive discussion of applicable foreign laws or regulations, our tenants in Europe, Australia, and South America are subject to similar laws and regulations governing the ownership or operation of healthcare facilities including, without limitation, laws governing patient care and safety, reimbursement, licensure, and data protection.

Ownership and operation of hospitals and other healthcare facilities are subject, directly and indirectly, to substantial U.S. federal, state, and local government healthcare laws, rules, and regulations. Our tenants’ failure to comply with these laws and regulations could adversely affect their ability to meet their obligations to us. Physician investment in our facilities or in real estate joint ventures is also subject to such laws and regulations. Although we are not a healthcare provider or in a position to influence the referral of patients or ordering of items and services reimbursable by the federal government, to the extent that a healthcare provider engages in transactions with our tenants, such as sublease or other financial arrangements, the Anti-Kickback Statute and the Stark Law (both discussed in this section), and any state counterparts thereto, could be implicated. Our leases and mortgage loans require our tenants to comply with all applicable laws, including healthcare laws. We intend for all of our business activities and operations to conform in all material respects with all applicable laws, rules, and regulations, including healthcare laws, rules, and regulations.

As in the U.S. under HIPAA, our tenants in foreign jurisdictions are typically subject to strict laws and regulations governing data protection, generally, and the protection of a patient’s personal health information, specifically. Tenants may also be subject to laws and regulations addressing billing and reimbursement for healthcare items and services. Furthermore, in certain cases, as with certificate of need laws in the U.S., government approval in foreign jurisdictions may also be required prior to the transfer of a healthcare facility or prior to the establishment of new or replacement facilities, the addition of beds, the addition or expansion of services, and certain capital expenditures. Our leases and loan documents typically require our tenants, both domestic and foreign, to comply with all applicable laws, including healthcare laws, and we intend for all our business activities and operations in such jurisdictions to conform in all material respects with all applicable healthcare laws, rules, and regulations.

### **Applicable Laws (not intended to be a complete list)**

**Anti-Kickback Statute.** The federal Anti-Kickback Statute (codified at 42 U.S.C. § 1320a-7b(b)) prohibits, among other things, the offer, payment, solicitation, or acceptance of remuneration, directly or indirectly, in return for referring an individual to a provider of items or services for which payment may be made in whole, or in part, under a federal healthcare program, including the Medicare or Medicaid programs. Violation of the Anti-Kickback Statute is a crime, punishable by fines of up to \$100,000 per violation, ten years imprisonment, or both. Violations may also result in civil sanctions, including civil monetary penalties of up to \$50,000 per violation, exclusion from participation in federal healthcare programs, including Medicare and Medicaid, and additional monetary penalties in amounts treble to the underlying remuneration. The Anti-Kickback Statute is an intent based statute, and has been broadly interpreted. As an example, courts have held that there is a violation of the Anti-Kickback Statute if just one purpose of an arrangement is to generate referrals despite the fact that there may be one or more other lawful purposes to the arrangement at issue.

The Office of Inspector General of the Department of Health and Human Services (“OIG”) has issued “Safe Harbor Regulations” that describe practices that will not be considered violations of the Anti-Kickback Statute. Nonetheless, the fact that a particular arrangement does not meet safe harbor requirements does not also mean that the arrangement violates the Anti-Kickback Statute. Rather, the safe harbor regulations simply provide a guaranty that qualifying arrangements will not be prosecuted under the Anti-Kickback Statute. The OIG recently issued revisions to the Safe Harbor Regulations aimed at reducing barriers to care coordination and allowing for greater flexibility in pursuing value-based care arrangements. Among other things, the revisions include new safe harbor protection for certain arrangements involving value-based care, patient engagement and support, cybersecurity technology and services, and outcomes-based payments. We intend to use commercially reasonable efforts to structure our arrangements with tenants so as to satisfy, or meet as closely as possible, all safe harbor conditions. We also require our tenants, under our lease or loan agreements, to comply with applicable laws which would include structuring their arrangements with third parties in a manner that complies with the Anti-Kickback Statute. We cannot assure you, however, that we or our tenants will meet all the conditions for an applicable safe harbor.

**Physician Self-Referral Statute (“Stark Law”).** Unless subject to an exception, the Ethics in Patient Referrals Act of 1989, or the Stark Law (codified at 42 U.S.C. § 1395nn) prohibits a physician from making a referral to an “entity” furnishing “designated health services” (which would include, without limitation, certain inpatient and outpatient hospital services) paid by Medicare or Medicaid if the physician or a member of his immediate family has a “financial relationship” with that entity. The prohibition further bars the entity from billing Medicare or Medicaid for any services furnished pursuant to a prohibited referral. Sanctions for violating the Stark Law include denial of payment, refunding amounts received for services provided pursuant to prohibited referrals, civil monetary penalties of up to \$15,000 per prohibited service provided, and exclusion from the participation in federal healthcare programs. The statute also provides for a penalty of up to \$100,000 for a circumvention scheme.

There are exceptions to the self-referral prohibition for many of the customary financial arrangements between physicians and providers, including, without limitation, employment contracts, rental of office space or equipment, personal services agreements and recruitment agreements. Unlike safe harbors under the Anti-Kickback Statute, the Stark Law imposes strict liability on the parties to an arrangement, and an arrangement must comply with every requirement of a Stark Law exception or the arrangement is in violation of the Stark Law.

CMS has issued multiple phases of final regulations implementing the Stark Law and continues to make changes to these regulations. For example, consistent with the OIG’s safe harbor revisions noted above, CMS recently adopted new exceptions for value-based arrangements and finalized protection for certain non-abusive arrangements, such as donations of cybersecurity technology. These and other proposals continue to focus on lowering barriers to care coordination and management to make it easier for providers to enter into value-based arrangements without running afoul of self-referral (and kickback) laws. Although our lease and loan agreements require lessees and borrowers to comply with the Stark Law and we intend for them to comply with the Stark Law, we cannot offer assurance that the arrangements entered into by us, our facilities, or our tenants and borrowers will be found to be in compliance with the Stark Law, as it ultimately may be implemented or interpreted. In addition, changes to the Stark Law could require our tenants to restructure certain arrangements with physicians, which could impact the business of our tenants.

**False Claims Act.** The federal False Claims Act prohibits the making or presenting of any false claim for payment to the federal government. It is the civil equivalent to federal criminal provisions prohibiting the submission of false claims to federally funded programs. Additionally, *qui tam*, or whistleblower, provisions of the federal False Claims Act allow private individuals to bring actions on behalf of the federal government alleging that the defendant has defrauded the federal government. Whistleblowers may collect a portion of the federal government’s recovery — an incentive for private parties to bring such actions. A successful federal False Claims Act case may result in a penalty of three times the actual damages, plus additional civil penalties payable to the government, plus reimbursement of the fees of counsel for the whistleblower. Many states have enacted similar statutes preventing the presentation of a false claim to a state government.

**The Civil Monetary Penalties Law.** The Civil Monetary Penalties Law (“CMPL”) is a comprehensive statute that covers an array of fraudulent and abusive activities and is very similar to the False Claims Act. Among other things, the CMPL prohibits the knowing presentation of a claim for certain healthcare services that is false or fraudulent, the presentation of false or misleading



information in connection with claims for payment, and other acts involving fraudulent conduct. Violation of the CMPL may result in penalties ranging from \$20,000 to in excess of \$100,000 (penalties are periodically adjusted). Notably, such penalties apply to each instance of prohibited conduct, including, for example, each item or service not provided as claimed, and each provision of false information or each false record. In addition, violators of the CMPL may be penalized up to three times the amount unlawfully claimed and may be excluded from participation in federal healthcare programs.

*Licensure.* Our tenants are subject to extensive federal, state, and local licensure, certification, and inspection laws and regulations including, in some cases, certificate of need laws. Further, various licenses and permits are required to dispense narcotics, operate pharmacies, handle radioactive materials, and operate equipment. Failure to comply with any of these laws could result in loss of licensure, certification, or accreditation, denial of reimbursement, imposition of fines, and suspension or decertification from federal and state healthcare programs.

*EMTALA.* Our tenants that provide emergency care in the U.S. are subject to the Emergency Medical Treatment and Active Labor Act (“EMTALA”). Regardless of an individual’s ability to pay, this federal law requires such healthcare facilities to conduct an appropriate medical screening examination of every individual who presents to the hospital’s emergency room for treatment and, if the individual is suffering from an emergency medical condition, to either stabilize the condition or make an appropriate transfer of the individual to a facility able to handle the condition. Liability for violations of EMTALA are severe and include, among other things, civil monetary penalties and exclusion from participation in federal healthcare programs. Our lease and mortgage loan agreements require our tenants to comply with EMTALA, and we believe our tenants conduct business in substantial compliance with EMTALA.

#### *Other Healthcare Matters*

*Reimbursement Pressures.* Healthcare facility operating margins have faced significant pressure due to the deterioration in pricing flexibility and payor mix, a continued shift toward alternative payment models, increases in operating expenses that exceed increases in payments under the Medicare program, reductions in levels of Medicaid funding due to state budget shortfalls, and other similar cost pressures on our tenants. More specifically, certain facilities and departments such as IRFs, LTACHs, and Hospital Outpatient Departments (“HOPDs”) face reimbursement pressures because of legislative and regulatory restrictions and limitations on reimbursement. We cannot predict how and to what extent these or other initiatives will impact the business of our tenants or whether our business will be adversely impacted.

*Healthcare Reform.* The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the “ACA”) has expanded health insurance coverage through tax subsidies and federal health insurance programs, individual and employer mandates for health insurance coverage, and health insurance exchanges. A number of reforms stem from the ACA, and federal agencies, including CMS, continue to propose and implement policies founded in the ACA. These include various cost containment initiatives, quality improvement efforts, pay-for-performance criteria, and value-based purchasing programs, among others. Health information technology standards for healthcare providers also continue to be implemented as a means of improving quality and reducing costs. The new presidential administration has indicated that it will maintain and build upon the ACA and has suggested proposals that would include the adoption of a public health insurance option, increasing the value of current tax credits related to insurance premiums, and expanding coverage to low-income individuals. We cannot predict the impact of the new presidential administration’s proposals, if adopted, on our business, as some aspects may benefit the operations of our tenants, while other aspects may present challenges.

*COVID-19 Pandemic.* In January 2020, the Secretary of the U.S. Department of Health and Human Services (“HHS”) declared a national public health emergency due to a novel strain of coronavirus. In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The initial outbreak of the COVID-19 pandemic materially adversely affected our tenants and their operations, as well as the global economy and financial markets. For example, as a result of the COVID-19 pandemic, elective surgery volumes at our tenants’ facilities declined and routine physician office visits were down due to stay-at-home orders and general reluctance on the part of patients to visit facilities for non-emergent health services. Although COVID-19 vaccines continue to roll out, the related variants seem to be less negatively impactful, and hospitals around the world have generally returned to their normal operations, the overall impact of the COVID-19 pandemic will continue to be driven by factors beyond our or our tenants’ control including stay-at-home trends, government-imposed or suggested business closures or restrictions, unemployment and corresponding increases in uninsured patients, healthcare worker shortages and related increased labor costs, and increases in expenses and changes in reimbursement for healthcare providers. As a result of all these factors, we and our tenants’ results of operations, financial condition, and cash flows may continue to be materially adversely affected by the COVID-19 pandemic.

#### **Sustainability**

Environmental, social, and governance (“ESG”) initiatives are an important part of our overall corporate activities, and we intend to further our sustainability efforts in each of the three ESG pillars. Our approach to sustainability is overseen by our board (including relevant committees) and executive management team. In addition, we have established a committee with responsibility for recommending and monitoring environmental performance improvements across all aspects of our business.

Our environmental sustainability initiatives focus on environmental improvements to our corporate operations and development of new hospital facilities.

For additional information regarding our ESG initiatives, please visit our website at [www.medicalpropertytrust.com](http://www.medicalpropertytrust.com).

## Human Capital

Our employees are our most valuable asset. Led by our three founding executives, we have a total of 112 high-performing employees as of February 18, 2022, located in the U.S., Luxembourg, United Kingdom, and Australia. As we continue to grow, we expect our head count to increase as well. However, we do not believe that any year-over-year adjustments to the number of employees will have a material effect on our operations or to general and administrative expense as a percent of revenues. None of our employees are currently members of any union.

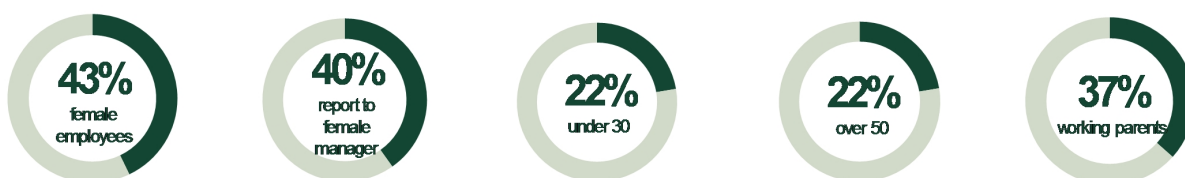
We believe that our relations with our employees are good, and we are committed to providing a dynamic and supportive workplace for our employees that encourages both personal and professional growth through significant training and continuing education opportunities. We offer employees the opportunity to attend continuing education courses in order to maintain their professional certifications, participate in seminars and workshops on topics related to their job responsibilities, and build upon their leadership abilities through management development programs. In addition, we provide regular training for all employees on topics such as personal safety, cybersecurity, and data security awareness, and we have established company-wide human rights, and health and safety policies.

We offer a competitive benefits package that has recently included annual performance-based bonuses and stock compensation, a 401(k) plan, leading healthcare and insurance benefits, paid time off, health and wellness reimbursement programs, etc. designed to help recruit and retain high-quality, motivated employees, and to contribute to their health and security. We routinely evaluate and benchmark the competitiveness of our compensation and benefit programs to ensure that we are rewarding our employees and supporting their needs. During the majority of 2021, most of our employees worked remotely due to the ongoing pandemic. However, in October 2021 and after a staggered transition, we reopened our offices to all of our employees.

In 2021, we conducted an employee satisfaction survey to measure the level of satisfaction of each employee and gain insight into the health of our company. The responses and comments we received were overwhelmingly positive. As a result, MPT earned a 98% overall engagement score and particularly high levels of employee satisfaction and confidence in executive management and was selected as one of Modern Healthcare's Best Places to Work in healthcare for 2021.

Given the value placed on our employees and their interests, we believe it is important to improve the communities in which they live. We do this by providing financial support for private and public non-profit programs aimed at improving community public health and supporting the diverse interests of our employees. In addition, we encourage each of our employees to get involved in their communities to make a positive difference, and we provide time off to do so.

We are firmly committed to providing equal opportunity in all aspects of employment. We forbid discrimination against any person or harassment, intimidation, or hostility of any kind, including on the basis of race, religion, color, sex, sexual orientation, sexual or gender identity, age, disability, national origin, military or veteran status, retaliation or any other characteristic or conduct that may be protected by applicable local, state, or federal law. Our hiring process includes a robust search for the best available candidate and each candidate is properly vetted through interviews with numerous MPT employees. The company also retains the services of an experienced independent industrial psychologist to ensure a strong fit exists between the company and the candidate and that the candidate meets the standards for the specific job and the needs of the company. We provide regular training on anti-harassment policies. Our commitment to a diverse and inclusive workplace is demonstrated by the following:



## Available Information

Our website address is [www.medicalpropertytrust.com](http://www.medicalpropertytrust.com) and provides access in the "Investor Relations" section, free of charge, to our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, including exhibits, and all

amendments to these reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. We use, and intend to continue to use, the “Investor Relations” section of our website as a means of disclosing material nonpublic information and of complying with our disclosure obligations under Regulation FD, including, without limitation, through the posting of investor presentations that may include material nonpublic information. Accordingly, investors should monitor the “Investor Relations” section, in addition to following our press releases, SEC filings, public conference calls, presentations, and webcasts. Also available on our website, free of charge, are our Corporate Governance Guidelines, the charters of our Ethics, Nominating, and Corporate Governance, Audit and Compensation Committees and our Code of Ethics and Business Conduct. If you are not able to access our website, the information is available in print free of charge to any stockholder who should request the information directly from us at (205) 969-3755. Information on or connected to our website is neither part of nor incorporated by reference into this Annual Report on Form 10-K or any other SEC filings.

#### **ITEM 1A. Risk Factors**

*The risks and uncertainties described herein are not the only ones facing us and there may be additional risks that we do not presently know of or that we currently consider not likely to have a significant impact on us. All of these risks could adversely affect our business, results of operations, financial condition, and our ability to service our debt and make distributions to our stockholders. Some statements in this report including statements in the following risk factors constitute forward-looking statements. Please refer to the section entitled “A Warning About Forward Looking Statements” at the beginning of this Annual Report.*

#### **RISKS RELATED TO OUR BUSINESS AND GROWTH STRATEGY**

***The ongoing COVID-19 pandemic and the health and safety measures intended to reduce its spread could adversely impact our financial condition and results of operations.***

The spread of the COVID-19 virus during 2020 and 2021 negatively affected economies around the globe and the healthcare industry has experienced significant volatility, which has adversely affected our tenants’ respective businesses, financial condition, liquidity and results of operations. We own hospitals throughout the U.S., as well as affected countries in Europe, Australia, and South America. As the pandemic evolved, many countries reacted by instituting quarantines and restrictions on travel, closing financial markets and/or restricting trade, including requiring non-critical surgeries and treatments be deferred at hospitals to make beds available for COVID-19 patients. Deferring these treatments resulted in reductions in revenue for some of our tenant-operators, while funding continued for the physicians, nurses, equipment, drugs, and supplies that this particular illness required. Accordingly, many operators in the hospital industry, including our tenants, looked to their cash reserves and/or government support to bridge the disruption in their cash flows.

Although most hospitals are back accepting patients and performing medically necessary elective procedures, the extent of the effect of the COVID-19 pandemic continues to remain uncertain and cannot be predicted with confidence, including the duration, scope and severity of the pandemic (including virus variants), the actions taken to contain or mitigate its impact (including vaccines), and the direct and indirect economic effects of the pandemic and related containment measures, among others. The COVID-19 pandemic continues to present material uncertainty and risk with respect to the performance, financial condition, results of operations, and cash flows of our tenant-operators, and thus on their continued ability to pay us rent and interest in a timely manner or at all. If our tenant-operators are unable to meet their payment obligations to us, our performance, financial condition, and cash flows could be materially adversely affected, along with our ability to grow our portfolio through new investments, service our debt in accordance with our debt agreements, and make quarterly distributions to our shareholders (whether at reduced levels or at all).

***Adverse U.S. and global market, economic and political conditions, health crises and other events beyond our control could have a material adverse effect on our business, results of operations, and financial condition.***

Another economic or financial crisis, significant concerns over energy costs and inflation, geopolitical issues, the availability and cost of credit, or a declining real estate market in the U.S. or abroad can contribute to increased volatility, diminished expectations for the economy and the markets, shortage of available healthcare workers and related increased labor costs, and high levels of structural unemployment by historical standards. As was the case from 2008 through 2010, these factors, combined with volatile oil prices and fluctuating business and consumer confidence, can precipitate a steep economic decline.

Adverse U.S. and global market, economic and political conditions, including dislocations and volatility in the credit markets and general global economic uncertainty, could have a material adverse effect on our business, results of operations, and financial condition as a result of the following potential consequences, among others:

- reduced values of our properties may limit our ability to dispose of assets at attractive prices, or at all, or to obtain debt financing secured by our properties and may reduce the availability of unsecured loans; and

- our ability to obtain financing on terms and conditions that we find acceptable, or at all, may be limited, which could reduce our ability to pursue acquisition and redevelopment opportunities and refinance existing debt, reduce our returns from our acquisition and redevelopment activities and increase our future interest expense.

Public health crises, pandemics and epidemics, such as those caused by new strains of viruses such as H5N1 (avian flu), severe acute respiratory syndrome (SARS) and, most recently, COVID-19, could adversely impact our and our tenants' business by disrupting supply chains and transactional activities, and negatively impacting local, national, or global economies.

***Our revenues are dependent upon our relationships with and success of our tenants, particularly our largest tenants, like Steward, Circle, Prospect, Swiss Medical Network, and HCA.***

Our tenants' financial performance and resulting ability to satisfy their lease and loan obligations to us are material to our financial results and our ability to service our debt and make distributions to our stockholders. We are dependent upon the ability of these tenants to make rent and loan payments to us, and any failure to meet these obligations could have a material adverse effect on our financial condition and results of operations.

As of December 31, 2021, our largest tenants – Steward, Circle, Prospect, Swiss Medical Network, and HCA – represented 18.5%, 11.1%, 7.3%, 5.8%, and 5.6%, respectively, of our total pro forma gross assets (which consists primarily of real estate leases and loans). See section titled “Non-GAAP Financial Measures” in Management’s Discussion and Analysis of Financial Condition and Results of Operations” in [Item 7](#) of this Annual Report on Form 10-K.

Our tenants operate in the healthcare industry, which is highly regulated by U.S. federal, state, and local laws along with laws in Europe, Australia, and South America and changes in regulations may temporarily impact our tenants' operations until they are able to make the appropriate adjustments to their business. In addition, our tenants experience operational challenges from time-to-time, and this can be even more of a risk for those tenants that grow (or have grown) via acquisitions in a short time frame, like Steward, Circle, and others. The ability of our tenants and operators to integrate newly acquired businesses into their existing operational, financial reporting, and collection systems is critical towards ensuring their continued success. If such integration is not successfully implemented in a timely manner, operators can be negatively impacted in the form of write-offs of uncollectible accounts receivable, higher expenses, or even insolvency in certain extreme cases.

Any adverse result to our tenants (particularly Steward, Circle, Prospect, Swiss Medical Network, and HCA) in regulatory proceedings or financial or operational setbacks may have a material adverse effect on the relevant tenant's operations and on its ability to make required lease and loan payments to us. If any one of these tenants were to file for bankruptcy protection, we may not be able to collect any pre-filing amounts owed to us by such tenant. In a bankruptcy proceeding, such tenant may terminate our lease(s), in which case we would have a general unsecured claim that would likely be for less than the full amount owed to us. Any secured claims we have against such tenant may only be paid to the extent of the value of the collateral, which may not cover all or any of our losses. The protections that we have in our leases, which can include letters of credit, cross default provisions, parent guarantees, repair reserves, and the right to exercise remedies including the termination of the lease and replacement of the operator, may prove to be insufficient, in whole or in part, or may entail further delays. In instances where we have an equity investment in our tenant's operations, in addition to the effect on these tenants' ability to meet their financial obligation to us, our ownership and investment interests may also be negatively impacted.

***We have experienced rapid growth, and our failure to effectively manage our growth may adversely impact our financial condition and cash flows, which could negatively affect our ability to service our debt and make distributions.***

We have experienced rapid growth through investments in healthcare properties. Year-over-year, our total assets grew by more than 21%. In addition, we continually evaluate property acquisition and development opportunities as they arise, and we typically have a number of potential acquisition and development transactions under active consideration.

There is no assurance that we will be able to adapt our management, administrative, accounting, and operational systems, or hire and retain sufficient operational staff, to manage the facilities we have acquired over the years across nine countries and those that we may acquire or develop in the future. Additionally, investing in real estate located in foreign countries creates risks associated with the uncertainty of foreign laws, economies, and markets, and exposes us to local economic downturns and adverse market developments.

Our failure to manage such growth effectively may adversely impact our financial condition and cash flows, which could negatively affect our ability to service our debt and make distributions to our stockholders. Our rapid growth could also increase our capital requirements, which may require us to issue potentially dilutive equity securities and/or incur additional debt.

***It may be costly to replace defaulting tenants and we may not find suitable replacements on suitable terms.***

Failure on the part of a tenant to comply materially with the terms of a lease could give us the right to terminate the lease, repossess the facility, cross default certain other leases and loans with that tenant, and enforce the payment obligations under the lease. The process of terminating a lease with a defaulting tenant and repossessing the applicable facility may be costly and require a disproportionate amount of management's attention. In addition, defaulting tenants may initiate litigation in connection with a lease

termination or repossession against us. If a tenant-operator defaults and we choose to terminate the lease, we would then be required to find another tenant-operator or to sell the facility. The transfer of healthcare facilities is highly regulated, which may result in delays and increased costs in locating a suitable replacement tenant. The lease of these properties to non-healthcare operators may be difficult due to the added cost and time of refitting the properties. If we are unable to re-let the properties, we may be forced to sell the properties at a loss. There can be no assurance that we would be able to find another tenant in a timely fashion, or at all, or that, if another tenant were found, we would be able to enter into a new lease on favorable terms. Defaults by our tenants under our leases may adversely affect our results of operations, financial condition, and our ability to service our debt and make distributions to our stockholders. Defaults by our significant tenants under master leases (like Steward, Circle, and Prospect) will have an even greater effect.

***It may be costly to find new tenants when lease terms end and we may not be able to replace such tenants with suitable replacements on suitable terms.***

Failure on the part of a tenant to renew or extend the lease at the end of its fixed term could result in us having to search for, negotiate with, and execute new lease agreements. The process of finding and negotiating with a new tenant, along with costs (such as maintenance, property taxes, utilities, ground lease expenses, etc.) that we will incur while the facility is untenanted, may be costly and require a disproportionate amount of our management's attention. There can be no assurance that we would be able to find another tenant in a timely fashion, or at all, or that, if another tenant were found, we would be able to enter into a new lease on favorable terms. If we are unable to re-let the properties to healthcare operators, we may be forced to sell the properties at a loss due to the repositioning expenses likely to be incurred by non-healthcare purchasers. Alternatively, we may be required to spend substantial amounts to adapt the facility to other uses. Thus, the non-renewal or extension of leases may adversely affect our results of operations, financial condition, and our ability to service our debt and make distributions to our stockholders. This risk is even greater for those properties under master leases (like Steward, Circle, and Prospect) because several properties have the same lease ending dates. See [Item 2](#) for our lease and loan maturity schedule.

***We have made investments in the operators of certain of our healthcare facilities and the cash flows (and related returns) from these investments are subject to more volatility than our properties with the traditional net leasing structure.***

At December 31, 2021, we have approximately \$1 billion of investments in the operations of certain of our healthcare facilities by utilizing RIDEA or similar investments. These investments include profits interest and equity investments that generate returns dependent upon the operator's performance. As a result, the cash flow and returns from these investments may be more volatile than that of our traditional triple-net leasing structure. Our results of operations and financial condition may be adversely affected if the related operators fail to successfully operate the facilities efficiently and in a manner that is in our best interest.

***We have less experience with healthcare facilities located outside the U.S.***

At December 31, 2021, we had approximately 40% of our total pro forma gross assets located outside the U.S. We have less experience investing in healthcare properties or other real estate-related assets located outside the U.S. Investing in real estate located in foreign countries, including the United Kingdom, Germany, Italy, Spain, Portugal, Switzerland, Australia, and Colombia creates risks associated with the uncertainty of foreign laws and markets including, without limitation, laws respecting foreign ownership, the enforceability of loan and lease documents, and foreclosure laws. Foreign real estate and tax laws are complex and subject to change, and we cannot assure you we will always be in compliance with those laws or that compliance will not expose us to additional expense. The properties we have acquired internationally will face risks in connection with unexpected changes in regulatory requirements, political and economic instability, potential imposition of adverse or confiscatory taxes, possible challenges to the anticipated tax treatment of the structures that allow us to acquire and hold investments, possible currency transfer restrictions, the difficulty in enforcing obligations in other countries, the impact from Brexit and future developments in the European Union, and the burden of complying with a wide variety of foreign laws. In addition, to qualify as a REIT, we generally will be required to operate any non-U.S. investments in accordance with the rules applicable to U.S. REITs, which may be inconsistent with local practices. We may also be subject to fluctuations in local real estate values or markets or the economy as a whole, which may adversely affect our investments.

In addition, the revenues and expenses incurred internationally are denominated in either euros, British pounds, Swiss francs, Australian dollars, or Colombian pesos, which could expose us to losses resulting from fluctuations in exchange rates to the extent we have not hedged our position, which in turn could adversely affect our revenues, operating margins, and dividends, and may also affect the book value of our assets and the amount of stockholders' equity. While we may hedge some of our foreign currency risk, we may not be able to do so successfully and may incur losses on our investments as a result of exchange rate fluctuations. Furthermore, we are subject to laws and regulations, such as the Foreign Corrupt Practices Act and similar local anti-bribery laws, which generally prohibit companies and their employees, agents, and contractors from making improper payments to governmental officials for the purpose of obtaining or retaining business. Failure to comply with these laws could subject us to civil and criminal penalties that could materially and adversely affect our results of operations, the value of our international investments, and our ability to service our debt and make distributions to our stockholders.

***We have exposure to contingent rent escalators, which could hinder our growth and profitability.***

We receive a significant portion of our revenues by leasing assets under long-term net leases that generally provide for fixed rental rates subject to annual escalations. These annual escalations may be contingent on changes in CPI (or a similar index internationally), typically with specified caps and floors. If, as a result of weak economic conditions or other factors, the CPI does not increase, our growth and profitability may be hindered by these leases. In addition, if strong economic conditions result in significant increases in CPI, but the escalations under our leases are capped, our growth and profitability may be limited.

***The bankruptcy or insolvency of our tenants or investees could harm our operating results and financial condition.***

Some of our tenants may be newly organized, have limited or no operating history and may be dependent on loans from us to acquire the facility's operations and for initial working capital. Any bankruptcy filings by one of our tenants could bar us from collecting pre-bankruptcy debts from that tenant or their property, unless we receive an order permitting us to do so from the bankruptcy court. A tenant bankruptcy can be expected to delay our efforts to collect past due balances under our leases and loans, and could ultimately preclude collection of these sums. If a lease is assumed by a tenant in bankruptcy, we expect that all pre-bankruptcy balances due under the lease would be paid to us in full. However, if a lease is rejected by a tenant in bankruptcy, we would have only a general unsecured claim for damages. Any secured claims we have against our tenants may only be paid to the extent of the value of the collateral, which may not cover any or all of our losses. Any unsecured claim (such as our equity interests in our tenants) we hold against a bankrupt entity may be paid only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims. We may recover none or substantially less than the full value of any unsecured claims, which would harm our financial condition.

***Our business is highly competitive, and we may be unable to compete successfully.***

We compete for development opportunities and opportunities to purchase healthcare facilities with, among others: private investors, including large private equity funds; healthcare providers, including physicians; other REITs; real estate developers; government-sponsored and/or not-for-profit agencies; financial institutions; and other lenders. Some of these competitors may have substantially greater financial resources than we have and may have better relationships with lenders and sellers. Competition for healthcare facilities from competitors may adversely affect our ability to acquire or develop healthcare facilities and the prices we pay for those facilities. If we are unable to acquire or develop facilities or if we pay too much for facilities, our revenue, earnings growth, and financial return could be materially adversely affected. Certain of our facilities, or facilities we may acquire or develop in the future, will face competition from other nearby facilities that provide services comparable to those offered at our facilities. Some of those facilities are owned by governmental agencies and supported by tax revenues, and others are owned by tax-exempt corporations and may be supported to a large extent by endowments and charitable contributions. Those types of support are not generally available to our facilities. In addition, competing healthcare facilities located in the areas served by our facilities may provide healthcare services that are not available at our facilities. From time-to-time, referral sources, including physicians and managed care organizations, may change the healthcare facilities to which they refer patients, which could adversely affect our tenants and indirectly our results of operations, financial condition, and ability to service our debt and make distributions.

***Many of our tenants have an option to purchase the facilities we lease to them, which could disrupt our operations.***

Many of our tenants have the option to purchase the facilities we lease to them. There is no assurance that the formulas we have developed for setting the purchase price will yield a fair market value purchase price. In the event our tenants decide to purchase the facilities at the end of the lease term, we may not be able to re-invest the capital on as favorable terms, or at all. Our inability to effectively manage the turnover of our facilities could materially adversely affect our ability to execute our business plan and our results of operations.

We have 126 leased properties that are subject to purchase options as of December 31, 2021. For 101 of these properties, the purchase option generally allows the lessee to purchase the real estate at the end of the lease term, assuming not currently in default, at a price equivalent to the greater of (i) fair market value or (ii) our original purchase price (increased, in some cases, by a certain annual rate of return from the lease commencement date). The lease agreements provide for an appraisal process to determine fair market value. For 17 of these properties, the purchase option generally allows the lessee to purchase the real estate at the end of the lease term, assuming not currently in default, at our purchase price (increased, in some cases, by a certain annual rate of return from lease commencement date). For the remaining eight leases, the purchase options approximate fair value.

In certain circumstances, a prospective purchaser of our hospital real estate may be deemed to be subject to Anti-Kickback and Stark statutes, which are described in the "Healthcare Regulatory Matters" section in [Item 1](#) of this Annual Report on Form 10-K. In such event, it may not be practicable for us to sell a property to such prospective purchaser at a price other than fair market value.

***Merger and acquisition activity or consolidation in the healthcare industry may result in a change of control of, or a competitor's investment in, one or more of our tenants or operators, which could have a material adverse effect on us.***

The healthcare industry continues to experience consolidation, including among owners of real estate and healthcare providers. We compete with other healthcare REITs, healthcare providers, healthcare lenders, real estate partnerships, banks, insurance companies, private equity firms, and other investors that pursue a variety of investments, which may include investments in our tenants. We have historically developed strong, long-term relationships with many of our tenants. A competitor's investment in one of our tenants, any change of control of a tenant, or a change in the tenant's management team could enable our competitor to influence or control that tenant's business and strategy. This influence could have a material adverse effect on us by impairing our relationship with the tenant, negatively affecting our interest, or impacting the tenant's financial and operational performance, including their ability to pay us rent or interest. Depending on our contractual agreements and the specific facts and circumstances, we may have consent rights, termination rights, remedies upon default, or other rights and remedies related to a competitor's investment in, a change of control of, or other transactions impacting a tenant. In deciding whether to exercise our rights and remedies, including termination rights or remedies upon default, we assess numerous factors, including legal, contractual, regulatory, business, and other relevant considerations.

***Our investments in joint ventures could be adversely affected by our lack of control, our partners' failure to meet their obligations, and disputes with our partners.***

We have investments in four real estate joint ventures with independent parties that total approximately \$817.4 million at December 31, 2021. In addition, we expect to enter into another joint venture arrangement in 2022, as described in [Note 3](#) to Item 8 of this Annual Report on Form 10-K. Joint venture arrangements involve risks including the possibility that the other party may refuse or not be able to make capital contributions when due, that our partner might have economic or other interests that are inconsistent with the joint venture's interests, or that we may become engaged in a dispute with our partner. If any of these events occur, we may need to provide additional funding to the joint ventures to meet its obligations, incur additional expenses to resolve disputes, or be forced to buy out the partner's interest or to sell our interests at a time that is not advantageous to us. Any loss of income, cash flow, or disruption of management's time could have a negative impact on the rest of our business.

***Increased scrutiny and changing expectations from investors, employees and other stakeholders regarding our ESG practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, tenant and employee acquisition and retention, and access to capital.***

Companies across all industries are facing increasing scrutiny related to their ESG practices and reporting. Investors, employees and other stakeholders have begun to focus increasingly on ESG practices and to place increasing importance on the implications and social cost of their investments and business decisions. For example, an increasing number of investment funds focus on positive ESG practices and sustainability scores when making an investment decision. In addition, investors, particularly institutional investors, use ESG practices and scores to benchmark companies against their peers and if a company is perceived as lagging, such investors may engage with a company to improve ESG disclosure or performance and may also make voting decisions on this basis. Given this increased focus and demand, public reporting regarding ESG practices is becoming more broadly expected. If our ESG practices and reporting regarding, among others, corporate governance, environmental compliance, human capital management, and workforce inclusion and diversity do not meet investor, employee and other stakeholder expectations, our reputation may be negatively impacted. We could also incur additional costs and devote additional resources to monitoring, reporting and implementing various ESG practices. Our failure, or perceived failure, to meet the goals and objectives we set in our sustainability disclosure or the expectations of our various stakeholders, could negatively impact our reputation, tenant and employee retention, and access to capital.

## **RISKS RELATED TO FINANCING OUR BUSINESS**

***Limited access to capital may restrict our growth.***

Our business plan contemplates growth through acquisitions and development of facilities. As a REIT, we are required to make cash distributions, which reduce our ability to fund acquisitions and developments with retained earnings. Thus, access to the capital markets, bank borrowings, and other financing vehicles are important to fund new opportunistic investments. Due to market or other conditions, we may not be able to obtain additional equity or debt capital or dispose of assets on favorable terms, if at all, at the time we need additional capital to acquire healthcare properties, which could have a material adverse effect on our results of operations and our ability to service our debt and make distributions to our stockholders.

***Our indebtedness could adversely affect our financial condition and may otherwise adversely impact our business operations and our ability to make distributions to stockholders.***

As of February 18, 2022, we had approximately \$11.4 billion of debt outstanding. Our indebtedness could have significant effects on our business. For example, it could require us to use a substantial portion (or all) of our cash flow from operations to service our indebtedness, which would reduce the available cash flow to fund working capital, development projects, and other general

corporate purposes and reduce cash for distributions; force us to dispose of one or more of our properties, possibly on disadvantageous terms, to make payments on our debt; increase our vulnerability to general adverse economic and industry conditions; limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; restrict us from making strategic acquisitions or exploiting other business opportunities; and place us at a competitive disadvantage compared to our competitors that have less debt.

Our future borrowings under our loan facilities may bear interest at variable rates in addition to the \$1.8 billion in variable interest rate debt that we had outstanding as of February 18, 2022 (excluding the variable rate debt that we have fixed through interest rate swaps). If interest rates increase significantly, our operating results would decline along with the cash available for distributions to our stockholders.

In July 2017, the Financial Conduct Authority that regulates the London Interbank Offered Rate (“LIBOR”) announced that it would stop compelling banks to submit rates for the calculation of LIBOR and begin phasing out the different LIBOR settings starting at the end of 2021. In the fourth quarter of 2021, we amended our unsecured credit facility (“Credit Facility”) and British pound sterling term loan and corresponding interest rate swap to replace the British pound LIBOR with the Sterling Overnight Index Average (SONIA). We are still monitoring and evaluating USD LIBOR alternatives, which is currently scheduled to cease publication in June 2023. As of February 18, 2022, approximately \$1.8 billion of our outstanding debt is indexed to USD LIBOR. If the methods of calculating the new index significantly change from their current form, interest rates on our indebtedness currently indexed to USD LIBOR may be adversely affected.

In addition, most of our current debt is, and we anticipate that much of our future debt will be, non-amortizing and payable in balloon payments. Therefore, we will likely need to refinance at least a portion of that debt as it matures. There is a risk that we may not be able to refinance debt maturing in future years or that the terms of any refinancing will not be as favorable as the terms of the then-existing debt. If principal payments due at maturity cannot be refinanced, extended, or repaid with proceeds from other sources, such as new equity capital, joint venture proceeds, or sales of facilities, our cash flow may not be sufficient to repay all maturing debt in years when significant balloon payments come due. See Item 7 of Part II of this Annual Report on Form 10-K for further information on our current debt maturities.

***Covenants in our debt instruments limit our operational flexibility, and a breach of these covenants could materially affect our financial condition and results of operations.***

The terms of our Credit Facility and the indentures governing our outstanding unsecured senior notes, and other debt instruments that we may enter into in the future are subject to customary financial and operational covenants. For example, our Credit Facility imposes certain restrictions on us, including restrictions on our ability to: incur debts; create or incur liens; provide guarantees in respect of obligations of any other entity; make redemptions and repurchases of our capital stock; prepay, redeem, or repurchase debt; engage in mergers or consolidations; enter into affiliated transactions; dispose of real estate; and change our business. In addition, our Credit Facility and senior unsecured notes limit the amount of dividends we can pay. Finally, our senior unsecured notes require us to maintain total unencumbered assets (as defined in the related indenture) of not less than 150% of our unsecured indebtedness. From time-to-time, the lenders of our Credit Facility may adjust certain covenants to give us more flexibility to complete a transaction; however, such modified covenants are temporary, and we must be in a position to meet the lowered reset covenants in the future. Our continued ability to incur debt and operate our business is subject to compliance with the covenants in our debt instruments, which limit operational flexibility. Breaches of these covenants could result in defaults under applicable debt instruments and other debt instruments due to cross-default provisions, even if payment obligations are satisfied. Financial and other covenants that limit our operational flexibility, as well as defaults resulting from a breach of any of these covenants in our debt instruments, could have a material adverse effect on our financial condition and results of operations.

***Failure to hedge effectively against interest rate changes may adversely affect our results of operations and our ability to make distributions to our stockholders.***

As of February 18, 2022, we had approximately \$3.6 billion in variable interest rate debt along with €655 million in our joint venture arrangement with Primotop Holdings S.à.r.l. (“Primotop”). This variable rate debt subjects us to interest rate volatility. To manage this interest rate volatility, we have entered into interest rate swaps to fix the interest rate on all but \$1.8 billion of this debt. However, even these hedging arrangements involve risk, including the risk that counterparties may fail to honor their obligations, that these arrangements may not be effective in reducing our exposure to interest rate changes and that these arrangements may result in higher interest rates than we would otherwise have. Moreover, no hedging activity can completely insulate us from the risks associated with changes in interest rates. Failure to hedge effectively against interest rate changes may materially adversely affect our results of operations and our ability to service our debt and make distributions to our stockholders.



***The market price and trading volume of our common stock may be volatile.***

The market price of our common stock may be highly volatile and be subject to wide fluctuations. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the market price of our common stock declines significantly, you may be unable to sell your shares at or above your purchase price.

We cannot assure you that the market price of our common stock will not fluctuate or decline significantly in the future. Although not a comprehensive list, some possible factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include:

- actual or anticipated variations in our quarterly operating results or distributions;
- changes in our earnings estimates, or publications of research, news, or other reports about us or the real estate industry;
- changes in market valuations of similar companies;
- changes in the market value of our facilities;
- adverse market reaction to any increased indebtedness we incur in the future;
- additions or departures of key management personnel;
- actions by institutional stockholders;
- an oversupply of, or a reduction in demand for, general acute care hospitals, behavioral health facilities, IRFs, LTACHs, or freestanding ER/urgent care facilities;
- speculation in the press or investment community; and
- general market and economic conditions.

***Future sales of common stock may have adverse effects on our stock price.***

We cannot predict the effect, if any, of future sales of common stock on the market price of our common stock. Sales of substantial amounts of common stock, or the perception that these sales could occur, may adversely affect prevailing market prices for our common stock. If the market price of our common stock declines significantly, you may be unable to sell your shares at or above your purchase price. In addition, such a share price decline could impair our ability to raise future capital through a sale of additional equity securities.

***Downgrades in our credit ratings could have a material adverse effect on our cost and availability of capital.***

As of February 18, 2022, our issue-level rating on our unsecured notes remained at BBB-, while our corporate credit rating from S&P remained at BB+ and our corporate family rating from Moody's Investors Service was Ba1. There can be no assurance that we will be able to maintain our current credit ratings. Any downgrades in terms of ratings or outlook by any or all of the rating agencies could have a material adverse effect on our cost and availability of capital, which could in turn have a material adverse effect on our financial condition and results of operations.

***An increase in market interest rates may have an adverse effect on the market price of our securities.***

One of the factors that investors may consider in deciding whether to buy or sell our securities is our dividend rate as a percentage of our price per share of common stock, relative to market interest rates. If market interest rates increase, prospective investors may desire a higher distribution on our securities or seek securities paying higher distributions. The market price of our common stock likely will be based primarily on the earnings that we derive from rental and interest income with respect to our facilities and our related distributions to stockholders, and not from the underlying appraised value of the facilities themselves. As a result, interest rate fluctuations and capital market conditions can affect the market price of our common stock. In addition, rising interest rates would result in increased interest expense on our variable-rate debt, thereby adversely affecting cash flow and our ability to service our indebtedness and make distributions.

**RISKS RELATING TO REAL ESTATE INVESTMENTS**

***Our investments are and are expected to continue to be concentrated in a single industry segment, making us more vulnerable economically than if our investments were more diversified.***

We acquire, develop, and make investments in healthcare real estate. In addition, we selectively make RIDEA investments (or similar investments) in healthcare operators. We are subject to risks inherent in concentrating investments in real estate. The risks resulting from a lack of diversification become even greater as a result of our business strategy to invest solely in healthcare facilities.

A downturn in the real estate industry could materially adversely affect the value of our facilities. A downturn in the healthcare industry could negatively affect our tenants' ability to make lease or loan payments to us as well as our return on our equity investments. Consequently, our ability to meet debt service obligations or make distributions to our stockholders is dependent on the real estate and healthcare industries.

***Our facilities may not have efficient alternative uses, which could impede our ability to find replacement tenants in the event of termination or default under our leases.***

Primarily all of the facilities in our current portfolio are net-leased healthcare facilities. If we, or our tenants, terminate the leases for these facilities, or if these tenants lose their regulatory authority to operate these facilities, we may not be able to locate suitable replacement tenants to lease the facilities for their specialized uses. Alternatively, we may be required to spend substantial amounts to adapt the facilities to other uses. Any loss of revenues or additional capital expenditures occurring as a result could have a material adverse effect on our financial condition and results of operations and could hinder our ability to meet debt service obligations or make distributions to our stockholders.

***Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our facilities and harm our financial condition.***

Real estate investments are relatively illiquid. Additionally, the real estate market is affected by many factors beyond our control, including adverse changes in global, national, and local economic and market conditions and the availability, costs, and terms of financing. Our ability to quickly sell or exchange any of our facilities in response to changes in economic and other conditions will be limited. No assurances can be given that we will recognize full value for any facility that we are required to sell for liquidity reasons. Our inability to respond rapidly to changes in the performance of our investments could adversely affect our financial condition and results of operations.

***Development and construction risks could adversely affect our ability to service debt and make distributions.***

We have developed and constructed facilities in the past and are currently developing three facilities. Our development and related construction activities may subject us to the following risks: we may have to compete for suitable development sites; our ability to complete construction is dependent on there being no title, environmental, or other legal proceedings arising; we may be subject to delays due to weather conditions, strikes, and other contingencies beyond our control; we may be unable to obtain, or suffer delays in obtaining necessary zoning, land-use, building, occupancy, and other required governmental permits, which could result in increased costs, delays, or our abandonment of these projects; and we may incur construction costs for a facility which exceed our original estimates due to increased costs for materials or labor or other costs that we did not anticipate.

We expect to fund our development projects over time. The time frame required for development and construction of these facilities means that we may have to wait for some time to earn significant cash returns. In addition, our tenants may not be able to obtain managed care provider contracts in a timely manner or at all. Risks associated with our development projects may reduce anticipated rental revenue which could affect our ability to service our debt and make distributions.

***We may be subject to risks arising from future acquisitions of real estate.***

We may be subject to risks in connection with our acquisition of healthcare real estate, including:

- we may have no previous business experience with the tenants at the facilities acquired, and we may face difficulties in working with them;
- underperformance of the acquired facilities due to various factors, including unfavorable terms and conditions of any acquired lease agreements, disruptions caused by the management of our tenants, or changes in economic conditions;
- diversion of our management's attention away from other business concerns;
- exposure to any undisclosed or unknown potential liabilities (including environmental liabilities) relating to the acquired facilities (or entities acquired in a share deal); and
- potential underinsured losses on the acquired facilities.

We cannot assure you that we will be able to manage the new properties without encountering difficulties or that any such difficulties will not have a material adverse effect on us.

***Our facilities may not achieve expected results, which may harm our financial condition and operating results and our ability to service our debt and make the distributions to our stockholders required to maintain our REIT status.***

Acquisitions and developments entail risks that investments will fail to perform in accordance with expectations and that estimates of the costs of necessary improvements may prove inaccurate, as well as general investment risks associated with any new real estate investment. Newly-developed or newly-renovated facilities may not have operating histories that are helpful in making objective pricing decisions. The purchase prices of these facilities will be based in part upon projections by management as to the expected operating results of the facilities, subjecting us to risks that these facilities may not achieve anticipated operating results or may not achieve these results within anticipated time frames. If our facilities do not achieve expected results and generate ample cash flows from operations, amounts available to service our debt or to make distributions to stockholders in order to maintain our status as a REIT could be adversely affected.

***We may suffer losses that are not covered by insurance or that are in excess of our insurance coverage limits.***

Our leases and mortgage loans generally require our tenants/borrowers to carry property, general liability, professional liability, loss of earnings, all risk, and extended coverage insurance in amounts sufficient to permit the replacement of the facility in the event of a total loss, subject to applicable deductibles. We carry general liability insurance and loss of earnings coverage on all of our properties as a contingent measure in case our tenant's coverage is not sufficient. However, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, and acts of terrorism, which may be uninsurable or not insurable at a price we or our tenants/borrowers can afford. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also might make it impracticable to use insurance proceeds to replace a facility after it has been damaged or destroyed. Under such circumstances, the insurance proceeds we receive might not be adequate to restore our economic position with respect to the affected facility. If any of these or similar events occur, it may reduce our return from the facility and the value of our investment. We continually review the insurance maintained by our tenants/borrowers and believe the coverage provided to be adequate and customary for similarly situated companies in our industry. However, we cannot provide any assurances that such insurance will be available at a reasonable cost in the future. Also, we cannot assure you that material uninsured losses, or losses in excess of insurance proceeds, will not occur in the future.

***Capital expenditures for facility renovation may be greater than anticipated and may adversely impact rent payments by our tenants and our ability to service debt and make distributions to stockholders.***

Facilities, particularly those that consist of older structures, have an ongoing need for capital improvements, including periodic replacement of fixtures and fixed equipment. Although our leases generally require our tenants to be primarily responsible for the cost of such expenditures, renovation of facilities involves certain risks, including the possibility of environmental problems, regulatory requirements, construction cost overruns and delays, uncertainties as to market demand or deterioration in market demand after commencement of renovation, and the emergence of unanticipated competition from other facilities. All of these factors could adversely impact rent and loan payments by our tenants and returns on our equity investments, which in turn could have a material adverse effect on our financial condition, results of operations, and our ability to service debt and make distributions.

***All of our healthcare facilities are subject to property taxes that may increase in the future and adversely affect our business.***

Our facilities are subject to real and personal property taxes that may increase as property tax rates change and as the facilities are assessed or reassessed by taxing authorities. Our leases generally provide that the property taxes are charged to our tenants as an expense related to the facilities that they occupy. As the owner of the facilities, however, we are ultimately responsible for payment of the taxes to the government. If property taxes increase, our tenants may be unable to make the required tax payments, ultimately requiring us to pay the taxes. If we incur these tax liabilities, our ability to service our debt and make expected distributions to our stockholders could be adversely affected. In addition, if such taxes increase on properties in which we have an equity investment in the tenant, our return on investment maybe negatively affected.

***As the owner and lessor of real estate, we are subject to risks under environmental laws, the cost of compliance with which and any violation of which could materially adversely affect us.***

Various environmental laws may impose liability on the current or prior owner or operator of real property for removal or remediation of hazardous or toxic substances. Current or prior owners or operators may also be liable for government fines and damages for injuries to persons, natural resources, and adjacent property. These environmental laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence or disposal of the hazardous or toxic substances. The cost of complying with environmental laws could materially adversely affect our ability to service our debt or make distributions to our stockholders. In addition, the presence of hazardous or toxic substances, or the failure of our tenants to properly manage, dispose of, or remediate such substances, including medical waste generated by other healthcare operators, may adversely affect our tenants or our ability to use, sell, or rent such property or to borrow using such property as collateral which, in turn, could reduce our revenue and our financing ability. We typically obtain Phase I environmental assessments (or similar studies) on facilities we acquire or develop or on which we make mortgage loans. However, even if the Phase I environmental assessment reports do not reveal any material

environmental contamination, it is possible that material environmental contamination and liabilities may exist, of which we are unaware.

Although our leases and mortgage loans require our operators to comply with laws and regulations governing their operations, including the disposal of medical waste, and to indemnify us for environmental liabilities, the scope of their obligations may be limited. We cannot assure you that our tenants would be able to fulfill their indemnification obligations and, therefore, any material violation of environmental laws could have a material adverse effect on us. In addition, environmental laws are constantly evolving, and changes in laws or regulations, or changes in interpretations of the foregoing, could create liabilities where none exist today.

***Our interests in facilities through ground leases expose us to the loss of the facility upon breach or termination of the ground lease, may limit our use of the facility, and may result in additional expense to us if our tenants vacate our facility.***

We have acquired interests in 28 facilities, at least in part, by acquiring leasehold interests in the land on which the facility is located rather than an ownership interest in the property. As lessee under ground leases, we are exposed to the possibility of losing the property upon termination, or an earlier breach by us, which could be a negative impact to our financial condition. Ground leases may also restrict our use of facilities, which may limit our flexibility in renting the facility and may impede our ability to sell the property. Finally, if our facility lease expires or is terminated for whatever reason resulting in the tenant vacating the facility, we would be responsible for the ground lease payments until we found a replacement tenant, which would negatively impact our cash flows and results of operations.

## **RISKS RELATING TO THE HEALTHCARE INDUSTRY**

***The continued pressure on fee-for-service reimbursement from third-party payors and the shift towards alternative payment models, could adversely affect the profitability of our tenants and hinder their ability to make payments to us.***

Sources of revenue for our tenants may include the Medicare and Medicaid programs, private insurance carriers, and health maintenance organizations, among others. In addition to ongoing efforts to reduce healthcare costs, the failure of any of our tenants to comply with various laws and regulations could jeopardize their ability to continue participating in Medicare, Medicaid, and other government-sponsored payment programs.

The shift in our tenants' payor mix away from fee-for-service payors results in an increase in the percentage of revenues attributable to alternative payment models implemented by private and government payors, which can lead to reductions in reimbursement for services provided by our tenants. There is continued focus on transitioning Medicare from its traditional fee-for-service model to models that employ one or more capitated, value-based, or bundled payment approaches, and private payors have implemented similar types of alternative payment models. Such efforts from private and government payors, in addition to general industry trends, continue to place pressures on our tenants to control healthcare costs. Furthermore, pressures to control healthcare costs and a shift away from traditional health insurance reimbursement have resulted in an increase in the number of patients whose healthcare coverage is provided under managed care plans, such as health maintenance organizations and preferred provider organizations. These shifts place further cost pressures on our tenants. We also continue to believe that, due to the aging of the population and the expansion of governmental payor programs, there will be a marked increase in the number of patients relying on healthcare coverage provided by governmental payors. In instances where we have an equity investment in our tenants' operations, in addition to the effect on these tenants' ability to meet their financial obligations to us, our ownership and investment interests may also be negatively impacted.

The CMS regulatory restrictions on reimbursement for LTACHs and IRFs can lead to reduced reimbursement for our tenants that operate such facilities and departments. CMS continues to explore restrictions on LTACH and IRF reimbursement focused on more restrictive facility and patient level criteria.

The Reform Law enacted in 2010 represented a major shift in the U.S. healthcare industry by, among other things, allowing millions of formerly uninsured individuals to obtain health insurance coverage and by significantly expanding Medicaid. Though efforts to repeal and replace the Reform Law was the focus of the previous administration, with a new democratic party controlled government in 2021, such efforts have halted. Regardless, we believe that certain trends, including, but not limited to, various quality and reimbursement initiatives discussed above, will continue.

We cannot predict with absolute precision how these changes will affect the long-term financial condition of our tenants. However, any significant negative impact to our tenants could have a material adverse effect on our financial condition and results of operations and could negatively affect our ability to service our debt and make distributions to our stockholders.

***Significant regulation and loss of licensure or certification or failure to obtain licensure or certification could negatively impact our tenants' financial condition and results of operations and affect their ability to make payments to us.***

The U.S. healthcare industry is highly regulated by federal, state, and local laws and is directly affected by federal conditions of participation, state licensing requirements, facility inspections, state and federal reimbursement policies, regulations concerning capital and other expenditures, certification requirements and other such laws, regulations, and rules. As with the U.S. healthcare industry, our tenants in Australia, the United Kingdom, South America, and other parts of Europe are also subject in some instances to comparable types of laws, regulations, and rules that affect their ownership and operation of healthcare facilities. Although our lease and mortgage loan agreements require our tenants/borrowers to comply with applicable laws, and we intend for these facilities to comply with such laws, we do not actively monitor compliance. Therefore, we cannot offer any assurance that our tenants/borrowers will be found to be in compliance with such, as the same may ultimately be implemented or interpreted.

From time-to-time, our tenants are subject to various federal and state inquiries, investigations, and other proceedings and would expect such governmental compliance and enforcement activities to be ongoing at any given time with respect to one or more of our tenants, either on a confidential or public basis. An adverse result to our tenant/borrower in one or more such governmental proceedings may have a material adverse effect on their operations and financial condition and on its ability to make required lease and/or loan payments to us. In instances where we have an equity investment in the operator, in addition to the effect on these tenants'/borrowers' ability to meet their financial obligation to us, our ownership and investment interests may be negatively impacted.

In the U.S., licensed health care facilities must comply with minimum health and safety standards and are subject to survey and inspection by state and federal agencies and their agents or affiliates, including CMS, the Joint Commission, and state departments of health. CMS develops Conditions of Participation and Conditions for Coverage that health care organizations must meet in order to begin and continue participating in the Medicare and Medicaid programs and receive payment under such programs. These minimum health and safety standards are aimed at improving quality and protecting the health and safety of beneficiaries, and there are several common criteria that exist across health entities. The failure to comply with any of these standards could jeopardize a healthcare organization's Medicare certification and, in turn, its right to receive payment under the Medicare and Medicaid programs.

Further, many hospitals and other institutional providers in the U.S. are accredited by accrediting organizations, such as the Joint Commission. The Joint Commission was created to accredit healthcare providers, including our tenants that meet its minimum health and safety standards. A national accrediting organization, such as the Joint Commission, enforces standards that meet or exceed such requirements. Once hospitals achieve a minimum number of patients and approximately every three years thereafter, surveyors for the Joint Commission conduct on site surveys of facilities for compliance with a multitude of patient safety, treatment, and administrative requirements. Facilities may lose accreditation for failure to meet such requirements, which in turn may result in the loss of license or certification including under the Medicare and Medicaid programs, as well as inability to participate in certain managed care plans, which require the healthcare provider to be accredited.

Finally, healthcare facility reimbursement practices and quality of care issues may result in loss of license or certification- such as engaging in the practice of "upcoding," whereby services are billed for higher procedure codes, or an event involving poor quality of care, which leads to the serious injury or death of a patient. The failure of any tenant/borrower to comply with such laws, requirements, and regulations resulting in a loss of its license would affect its ability to continue its operation of the facility and would adversely affect its ability to make lease and/or loan payments to us. This, in turn, could have a material adverse effect on our financial condition and results of operations and could negatively affect our ability to service our debt and make distributions.

In addition, establishment of healthcare facilities and transfers of operations of healthcare facilities in the U.S are typically subject to regulatory approvals, such as state certificate of need laws in the U.S. Restrictions and delays in transferring the operations of healthcare facilities, in obtaining new third-party payor contracts, including Medicare and Medicaid provider agreements, and in receiving licensure and certification approval from appropriate state and federal agencies by new tenants, may affect our ability to terminate lease agreements, remove tenants that violate lease terms, and replace existing tenants with new tenants. Furthermore, these matters may affect a new tenant's/borrower's ability to obtain reimbursement for services rendered, which could adversely affect its ability to make lease and/or loan payments to us. In instances where we have an equity investment in the operator, in addition to the effect on these tenants'/borrowers' ability to meet their financial obligations to us, our ownership and investment interests may also be negatively impacted.

***Our tenants are subject to fraud and abuse laws, the violation of which by a tenant may jeopardize the tenant's ability to make payments to us and adversely affect their profitability.***

As noted earlier, in the U.S., the federal government and numerous state governments have passed laws and regulations that attempt to eliminate healthcare fraud and abuse by prohibiting business arrangements that induce patient referrals, the ordering of specific ancillary services, or the submission of false claims for payment. The trend towards increased investigation and enforcement activity in the areas of fraud and abuse and patient self-referrals to detect and eliminate fraud and abuse in the Medicare and Medicaid programs is likely to continue in future years. As described above, the penalties for violations of these laws can be substantial and may

result in the imposition of criminal and civil penalties and possible exclusion from federal and state healthcare programs. Imposition of any of these penalties upon any of our tenants could jeopardize a tenant's ability to operate a facility or to make lease and/or loan payments, thereby potentially adversely affecting us.

In the case of an acquisition of a provider's operations, some of our tenants have accepted an assignment of the previous operator's Medicare provider agreement. Such operators that take assignment of Medicare provider agreements might be subject to liability for federal or state regulatory, civil, and criminal investigations of the previous owner's operations and claims submissions. These types of issues may not be discovered prior to purchase or after our tenants commence operations in these facilities. Adverse decisions, fines, or recoupments might negatively impact our tenants' financial condition, and in turn their ability to make lease and/or loan payments to us.

***Certain of our lease arrangements may be subject to laws related to fraud and abuse or physician self-referrals.***

Physician investment in subsidiaries that lease our facilities could subject our leases to scrutiny under fraud and abuse and physician self-referral laws. Under the Stark Law, and its implementing regulations, if our leases do not satisfy the requirements of an applicable exception, the ability of our tenants to bill for services provided to Medicare beneficiaries pursuant to referrals from physician investors could be adversely impacted and subject our tenants to fines, which could impact our tenants' ability to make lease and/or loan payments to us. In instances where we have an equity investment in our tenants' operations, in addition to the effect on the tenants' ability to meet their financial obligations to us, our ownership and investment interests may also be negatively impacted. Therefore, in all cases, we intend to use our good faith efforts to structure our lease arrangements to comply with these laws.

***We may be required to incur substantial renovation costs to make our healthcare properties suitable for other tenants.***

Healthcare facilities are typically highly customized and subject to healthcare-specific building code requirements. The improvements generally required to conform a property to healthcare use can be costly and at times tenant-specific. A new or replacement operator may require different features in a property, depending on that operator's particular business. If a current operator is unable to pay rent and/or vacates a property, we may incur substantial expenditures to modify a property before we are able to secure another tenant. Also, if the property needs to be renovated to accommodate multiple tenants, or regulatory requirements, we may incur substantial expenditures before we are able to re-lease the space. These expenditures or renovations may have a material adverse effect on our business, results of operations, and financial condition.

***State certificate of need laws may adversely affect our development of facilities and the operations of our tenants.***

Certain healthcare facilities in which we invest may be subject to state laws in the U.S. which require regulatory approval in the form of a certificate of need prior to the transfer of a healthcare facility or prior to initiation of certain projects, including the establishment of new or replacement facilities, the addition of beds, the addition or expansion of services, and certain capital expenditures. State certificate of need laws are not uniform throughout the U.S., are subject to change, and may delay developments of facilities or acquisitions or certain other transfers of ownership of facilities. We cannot predict the impact of state certificate of need laws on any of the preceding activities or on the operations of our tenants. Certificate of need laws often materially impact the ability of competitors to enter into the marketplace of our facilities. As a result, a portion of the value of the facility may be related to the limitation on new competitors. In the event of a change in the certificate of need laws, this value may markedly change.

## **RISKS RELATING TO OUR ORGANIZATION AND STRUCTURE**

***We depend on key personnel, the loss of any one of whom may threaten our ability to operate our business successfully.***

We depend on the services of our executive officers to carry out our business and investment strategy. If we were to lose any of these executive officers, it may be more difficult for us to locate attractive acquisition targets, complete our acquisitions, and manage the facilities that we have acquired or developed. Additionally, as we expand, we will continue to need to attract and retain additional qualified officers and employees. The loss of the services of any of our executive officers, or our inability to recruit and retain qualified personnel in the future, could have a material adverse effect on our business and financial results.

***Pursuant to Maryland law, our charter and bylaws contain provisions that may have the effect of deterring changes in management and third-party acquisition proposals, which in turn could depress the price of our common stock or cause dilution.***

Our charter contains ownership limitations that may restrict business combination opportunities, inhibit change of control transactions, and reduce the value of our common stock. To qualify as a REIT under the Internal Revenue Code of 1986, as amended, ("the Code"), no more than 50% in value of our outstanding stock, after taking into account options to acquire stock, may be owned, directly or indirectly, by five or fewer persons during the last half of each taxable year. Our charter generally prohibits direct or indirect ownership by any person of more than 9.8% in value or in number, whichever is more restrictive, of outstanding shares of any

class or series of our securities, including our common stock. Generally, our common stock owned by affiliated owners will be aggregated for purposes of the ownership limitation. The ownership limitation could have the effect of delaying, deterring, or preventing a change in control or other transaction in which holders of common stock might receive a premium for their common stock over the then-current market price or which such holders otherwise might believe to be in their best interests. The ownership limitation provisions also may make our common stock an unsuitable investment vehicle for any person seeking to obtain, either alone or with others as a group, ownership of more than 9.8% of either the value or number of the outstanding shares of our common stock.

Our charter and bylaws contain provisions that may impede third-party acquisition proposals. Our charter and bylaws also provide restrictions on replacing or removing directors. Directors may be removed by the affirmative vote of the holders of two-thirds of our common stock. Additionally, stockholders are required to give us advance notice of director nominations. Special meetings of stockholders can only be called by our president, our board of directors, or the holders of at least 25% of stock entitled to vote at the meetings. These and other charter and bylaw provisions may delay or prevent a change of control or other transaction in which holders of our common stock might receive a premium for their common stock over the then-current market price or which such holders otherwise might believe to be in their best interests.

***We rely on information technology in our operations, and any material failure, inadequacy, interruption, or security failure of our technology (or that of our third-party vendors) could harm our business.***

We rely on information technology networks and systems, including the Internet, to process, transmit, and store electronic information, and to manage or support a variety of business processes, including financial transactions and records, and maintaining personal identifying information (in accordance with GDPR law in Europe and similar laws elsewhere) along with tenant and lease data. We purchase or license some of our information technology from vendors. We rely on commercially available systems, software, tools, and monitoring to provide security for the processing, transmission, and storage of confidential data. Although we have taken steps to protect the security of our information systems and the data maintained in those systems, it is possible that our safety and security measures will not prevent the systems' improper functioning or the improper access or disclosure of our or our tenant's information such as in the event of cyber-attacks.

Even well-protected information systems remain potentially vulnerable because the techniques used in security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us to entirely mitigate this risk.

A security breach, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, or other significant disruption involving our IT networks and related systems (or that of our third-party vendors) could:

- disrupt the proper functioning of our networks and systems and therefore our operations;
- result in misstated financial reports, violations of loan covenants, and/or missed reporting deadlines;
- result in our inability to properly monitor our compliance with regulations regarding our qualification as a REIT;
- result in the unauthorized access to, and destruction, loss, theft, misappropriation, or release of proprietary, confidential, sensitive, or otherwise valuable information of ours or others, which others could use to compete against us or for disruptive, destructive, or otherwise harmful purposes;
- require management attention and resources to remedy any resulting damages;
- subject us to liability claims or regulatory penalties; or
- damage our reputation among our tenants and investors generally.

Any of the foregoing could have a materially adverse effect on our business, financial condition, and results of operations.

***Unfavorable resolution of pending and future litigation or other regulatory proceedings could have a material adverse effect on our financial condition.***

From time-to-time, we may be involved in litigation and regulatory proceedings. Additionally, we may be named as defendants in lawsuits arising out of the actions of our tenants, in which such tenants have agreed to indemnify, defend, and hold us harmless from and against various claims, litigation, and liabilities. An unfavorable resolution of pending or future litigation, regulatory proceedings, or other claims may have a material adverse effect on our business, results of operations, and financial condition. Regardless of outcome, litigation and regulatory proceedings may result in substantial costs and expenses, significantly divert the attention of management, and could damage our reputation. An unfavorable outcome may result in our having to pay significant fines, judgments, or settlements, which, if not indemnifiable by our tenants, or if uninsured, or if exceeding insurance coverage, could adversely impact our financial condition, cash flows, results of operations, and the trading price of our common stock.

***Changes in accounting pronouncements could adversely affect us and the reported financial performance of our tenants.***

Uncertainties posed by various initiatives of accounting standard-setting by the Financial Accounting Standards Board ("FASB") and the SEC, which create and interpret applicable accounting standards for U.S. companies, may change the financial

accounting and reporting standards or their interpretation and application of these standards that govern the preparation of our financial statements.

These changes could have a material impact on our reported financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in potentially material restatements of prior period financial statements. Similarly, these changes could have a material impact on our tenants'/borrowers' reported financial condition or results of operations or could affect our tenants' preferences regarding leasing real estate.

## **TAX RISKS**

### ***Loss of our tax status as a REIT would have significant adverse consequences to us and the value of our common stock.***

We believe that we qualify as a REIT as of December 31, 2021. In addition, we own a direct interest in a subsidiary REIT that has elected to be taxed as a REIT commencing with the 2019 tax year. The REIT qualification requirements are extremely complex, and interpretations of the federal income tax laws governing qualification as a REIT are limited. Accordingly, there is no assurance that we will be successful in operating so as to qualify as a REIT. At any time, new laws, regulations, interpretations, or court decisions may change the federal tax laws relating to, or the federal income tax consequences of, qualification as a REIT. It is possible that future economic, market, legal, tax, or other considerations may cause our board of directors to revoke the REIT election, which it may do without stockholder approval.

If we lose or revoke our REIT status, we will face serious tax consequences that will substantially reduce the funds available for distribution because we would not be allowed a deduction for distributions to stockholders in computing our taxable income; therefore, we would be subject to federal income tax at regular corporate rates, and we might need to borrow money or sell assets in order to pay any such tax. We also could be subject to increased state and local taxes. Unless we are entitled to relief under statutory provisions, we also would be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify.

As a result of all these factors, a loss or revocation of our REIT status could have a material adverse effect on our financial condition and results of operations and would adversely affect the value of our common stock.

### ***Failure to make required distributions as a REIT would subject us to tax.***

In order to qualify as a REIT, each year we must distribute to our stockholders at least 90% of our REIT taxable income, excluding net capital gains. To the extent that we satisfy the distribution requirement, but distribute less than 100% of our taxable income, we will be subject to federal corporate income tax on our undistributed income. In addition, we will incur a 4% nondeductible excise tax on the amount, if any, by which our distributions in any year are less than the sum of (1) 85% of our ordinary income for that year; (2) 95% of our capital gain net income for that year; and (3) 100% of our undistributed taxable income from prior years.

We may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution. Differences in timing between the recognition of income and the related cash receipts or the effect of required debt amortization payments could require us to borrow money or sell assets to pay out enough of our taxable income to satisfy the distribution requirement and to avoid corporate income tax and the 4% excise tax in a particular year. In the future, we may borrow to pay distributions to our stockholders. Any funds that we borrow would subject us to interest rate and other market risks.

### ***Complying with REIT requirements may cause us to forego otherwise attractive opportunities.***

To qualify as a REIT for U.S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders, and the ownership of our stock. In order to meet these tests, we may be required to forego attractive business or investment opportunities. Currently, no more than 20% of the value of our assets may consist of securities of one or more TRS and no more than 25% of the value of our assets may consist of securities that are not qualifying assets under the test requiring that 75% of a REIT's assets consist of real estate and other related assets. In addition, at least 75% of our gross income must be generated from either rents from real estate or interest on loans secured by real estate (i.e. mortgage loans). Further, a TRS may not directly or indirectly operate or manage a healthcare facility. Compliance with current and future changes to REIT requirements may limit our flexibility in executing our business plan.

### ***If certain sale-leaseback transactions are not characterized by the Internal Revenue Service ("IRS") or similar tax authorities internationally as "true leases," we may be subject to adverse tax consequences.***

We have purchased certain properties and leased them back to the sellers of such properties. We intend for any such sale-leaseback transactions to be structured in a manner that the lease will be characterized as a "true lease," thereby allowing us to be treated as the owner of the property for income tax purposes. However, depending on the terms of any specific transaction, taxing authorities might take the position that the transaction is not a "true lease". In the event any sale-leaseback transaction is challenged



and successfully re-characterized, we might not be able to deduct depreciation expense on the real estate, resulting in potential higher income taxes.

***Transactions with TRSs may be subject to excise tax.***

We have historically entered into lease and other transactions with our TRS and its subsidiaries and expect to continue to do so in the future. Under applicable rules, transactions such as leases between our TRS and its parent REIT that are not conducted on a market terms basis may be subject to a 100% excise tax. While we believe that all of our transactions with our TRS are at arm's length, imposition of a 100% excise tax could have a material adverse effect on our financial condition and results of operations.

***Loans to our tenants could be characterized as equity, in which case our income from that tenant might not be qualifying income under the REIT rules and we could lose our REIT status.***

Our TRS may make loans to tenants of our facilities to acquire operations or for working capital purposes. The IRS may take the position that certain loans to tenants should be treated as equity interests rather than debt, and that our interest income from such tenant should not be treated as qualifying income for purposes of the REIT gross income tests. If the IRS were to successfully treat a loan to a particular tenant as equity interests, the tenant would be a "related party tenant" with respect to our company and the rent that we receive from the tenant would not be qualifying income for purposes of the REIT gross income tests. As a result, we could be in jeopardy of failing the 75% income test discussed above, which if we did would cause us to lose our REIT status. In addition, if the IRS were to successfully treat a particular loan as interests held by our operating partnership rather than by our TRS, we could fail the 5% asset test, and if the IRS further successfully treated the loan as other than straight debt, we could fail the 10% asset test with respect to such interest. As a result of the failure of either test, we could lose our REIT status, which would subject us to corporate level income tax and adversely affect our ability to service our debt and make distributions to our stockholders.

***Certain transfers may generate prohibited transaction income, resulting in a penalty tax on gain attributable to the transaction.***

From time-to-time, we may transfer or otherwise dispose of some of our properties, including by contributing properties as part of joint venture investments. Under the Code, any gain resulting from transfers of properties we hold as inventory or primarily for sale to customers in the ordinary course of business is treated as income from a prohibited transaction subject to a 100% penalty tax. We do not believe that our transfers or disposals of property or our contributions of properties into joint venture investments are prohibited transactions. However, whether property is held for investment purposes is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. The IRS may contend that these types of transfers or dispositions are prohibited transactions. While we believe that the IRS would not prevail in any such dispute, if the IRS were to argue successfully that a transfer, disposition, or contribution of property constituted a prohibited transaction, we would be required to pay a 100% penalty tax on any gain allocable to us from the prohibited transaction. In addition, income from a prohibited transaction might adversely affect our ability to satisfy the income tests for qualification as a REIT.

***Changes in U.S. or foreign tax laws, regulations, including changes to tax rates, may adversely affect our results of operations.***

We are headquartered in the U.S. with subsidiaries and investments globally and are subject to income taxes in these jurisdictions. Significant judgment is required in determining our provision for income taxes. Although we believe that we have adequately assessed and accounted for our potential tax liabilities, and that our tax estimates are reasonable, there can be no assurance that additional taxes will not be due upon audit of our tax returns or as a result of changes to applicable tax laws. The U.S. government, as well as, the governments of many of the locations in which we operate (such as Australia, Germany, the United Kingdom, Colombia, and Luxembourg, which is where most of our Europe entities are domiciled) are actively discussing changes to corporate taxation. Our future tax expense could be adversely affected by these changes in tax laws or their interpretation, both domestically and internationally. Potential tax reforms being considered by many countries include changes that could impact, among other things, global tax reporting, intercompany transfer pricing arrangements, the definition of taxable permanent establishments, and other legal or financial arrangements. The nature and timing of any changes to each jurisdiction's tax laws and the impact on our future tax exposure both in the U.S. and abroad cannot be predicted with any accuracy but could materially and adversely impact our results of operations and cash flows.

**ITEM 1B. *Unresolved Staff Comments***

None.

**ITEM 2. Properties**

At December 31, 2021, our portfolio (including properties in our four real estate joint ventures) consisted of 438 properties: 424 facilities (of the 433 facilities that we owned) were in operation and leased to 53 operators, five assets were in the form of first mortgage loans to three operators, and three properties were under construction.

|                            | <u>Total<br/>Properties</u> | <u>Total 2021<br/>Revenues</u> | <u>Total<br/>Assets(A)</u> |
|----------------------------|-----------------------------|--------------------------------|----------------------------|
| (Dollars in thousands)     |                             |                                |                            |
| <b>United States:</b>      |                             |                                |                            |
| Alabama                    | 2                           | \$ 791                         | \$ 8,910                   |
| Arizona                    | 17                          | 56,258                         | 591,712                    |
| Arkansas                   | 2                           | 9,007                          | 99,873                     |
| California                 | 28                          | 153,818                        | 1,626,550 (B)              |
| Colorado                   | 14                          | 12,170                         | 173,597                    |
| Connecticut                | 3                           | 46,648                         | 484,840                    |
| Florida                    | 8                           | 62,762                         | 1,213,964                  |
| Idaho                      | 6                           | 32,716                         | 301,727                    |
| Indiana                    | 6                           | 7,966                          | 108,073                    |
| Iowa                       | 1                           | 4,976                          | 57,029                     |
| Kansas                     | 12                          | 27,176                         | 373,250                    |
| Kentucky                   | 1                           | 10,785                         | 253,750                    |
| Louisiana                  | 6                           | 15,247                         | 150,847                    |
| Massachusetts              | 10                          | 154,197                        | 1,296,624                  |
| Michigan                   | 2                           | 3,441                          | 29,875                     |
| Missouri                   | 4                           | 16,230                         | 170,921                    |
| Montana                    | 1                           | 1,941                          | 18,218                     |
| Nevada                     | 1                           | 10,495                         | 88,268                     |
| New Jersey                 | 6                           | 33,465                         | 304,897                    |
| New Mexico                 | 2                           | 5,034                          | 46,103                     |
| North Carolina             | 1                           | 610                            | 34,017                     |
| Ohio                       | 9                           | 18,695                         | 377,406                    |
| Oklahoma                   | 2                           | 6,523                          | 80,831                     |
| Oregon                     | 1                           | 10,075                         | 110,000                    |
| Pennsylvania               | 10                          | 81,187                         | 851,407                    |
| South Carolina             | 7                           | 13,476                         | 161,910                    |
| Texas                      | 54                          | 141,902                        | 2,295,023 (C)              |
| Utah                       | 7                           | 132,255                        | 1,255,277                  |
| Virginia                   | 2                           | 3,035                          | 25,575                     |
| Washington                 | 2                           | 7,265                          | 40,401                     |
| West Virginia              | —                           | 561                            | —                          |
| Wisconsin                  | 1                           | 3,227                          | 29,062                     |
| Wyoming                    | 3                           | 9,142                          | 102,939                    |
| Other assets               | —                           | —                              | 330,426                    |
| <b>Total United States</b> | <b>231</b>                  | <b>\$ 1,093,076</b>            | <b>\$ 13,093,302</b>       |
| <b>International:</b>      |                             |                                |                            |
| Australia                  | 11                          | \$ 62,234                      | \$ 956,109                 |
| Colombia                   | 3                           | 11,715                         | 122,968                    |
| Germany                    | 82                          | 36,625                         | 738,223 (D)                |
| Italy                      | 8                           | —                              | 95,468 (D)                 |
| Portugal                   | 2                           | 2,327                          | 56,665                     |
| Spain                      | 3                           | 934                            | 151,793 (D)                |
| Switzerland                | 17                          | 874                            | 696,672 (D)                |
| United Kingdom             | 81                          | 336,884                        | 4,354,668                  |
| Other assets               | —                           | —                              | 253,933                    |
| <b>Total International</b> | <b>207</b>                  | <b>\$ 451,593</b>              | <b>\$ 7,426,499</b>        |
| <b>Total</b>               | <b>438</b>                  | <b>\$ 1,544,669</b>            | <b>\$ 20,519,801</b>       |

(A) Represents total assets at December 31, 2021.

(B) Includes two development projects still under construction at December 31, 2021.

(C) Includes one development project still under construction and six facilities that were vacant at December 31, 2021. Our investment in facilities that were vacant at December 31, 2021 is less than 0.5% of total assets.

- (D) For Germany, Switzerland, Spain, and Italy, we own properties through four real estate joint venture arrangements. The table below shows revenues earned from our joint venture arrangements:

|              | Total<br>Properties | Total 2021 Revenues    |                |
|--------------|---------------------|------------------------|----------------|
|              |                     | (Dollars in thousands) |                |
| Germany      | 71                  | \$                     | 66,599         |
| Switzerland  | 17                  |                        | 44,511         |
| Spain        | 2                   |                        | 11,625 (A)     |
| Italy        | 8                   |                        | 8,278          |
| <b>Total</b> | <b>98</b>           | <b>\$</b>              | <b>131,013</b> |

- (A) We purchased the remaining 50% interest in IMED Valencia Hospitals in December 2021, which was formerly owned by our joint venture partner. Revenues prior to the date of acquiring the additional interest are included.

A breakout of our facilities at December 31, 2021 based on property type is as follows:

|                              | Number of<br>Properties | Total<br>Square<br>Footage | Total<br>Licensed<br>Beds(A) |
|------------------------------|-------------------------|----------------------------|------------------------------|
| General acute care hospitals | 207                     | 38,797,345                 | 24,874                       |
| Behavioral health facilities | 58                      | 2,842,629                  | 3,983                        |
| IRFs                         | 111                     | 12,633,103                 | 16,245                       |
| LTACHs                       | 20                      | 1,174,007                  | 939                          |
| FSERs                        | 42                      | 319,524                    | —                            |
|                              | <b>438</b>              | <b>55,766,608</b>          | <b>46,041</b>                |

- (A) Excludes our three facilities that are under development.

The following table shows lease and loan expirations, assuming that none of the tenants/borrowers exercise any of their renewal options (dollars in thousands):

|  | Total<br>Leases/<br>Loans(2) | Annualized<br>Base<br>Rent/<br>Interest(3) | % of Total<br>Annualized<br>Base<br>Rent/<br>Interest | Total<br>Square<br>Footage | Total<br>Licensed<br>Beds |
|--|------------------------------|--|---|----------------------------|---------------------------|
| <b>Total Lease and Loan Portfolio(1)</b> |                              |  |   |                            |                           |
| 2022                                     | 12                           | \$ 46,646                                  | 3.6%  | 2,684,319                  | 1,918                     |
| 2023                                     | 5                            | 14,360                                     | 1.1%  | 959,652                    | 761                       |
| 2024                                     | 1                            | 2,731                                      | 0.2%  | 115,039                    | 170                       |
| 2025                                     | 6                            | 17,448                                     | 1.3%  | 1,324,928                  | 730                       |
| 2026                                     | 2                            | 1,829                                      | 0.1%  | 319,742                    | 238                       |
| 2027                                     | 1                            | 3,221                                      | 0.2%  | 102,948                    | 13                        |
| 2028                                     | 4                            | 5,676                                      | 0.4%  | 142,328                    | 74                        |
| 2029                                     | 6                            | 15,853                                     | 1.2%  | 689,378                    | 405                       |
| 2030                                     | 11                           | 5,737                                      | 0.4%  | 220,258                    | 59                        |
| 2031                                     | 4                            | 4,326                                      | 0.3%  | 172,655                    | 89                        |
| Thereafter                               | 378                          | 1,187,260                                  | 91.2%   | 48,732,864                 | 41,584                    |
| <b>Total</b>                             | <b>430</b>                   | <b>\$ 1,305,087</b>                        | <b>100.0%</b>   | <b>55,464,111</b>          | <b>46,041</b>             |

- (1) Schedule includes leases and mortgage loans.  
(2) Reflects all properties, including properties owned through our real estate joint ventures, except vacant properties representing less than 0.5% of our total assets, and three facilities that are under development.  
(3) The December 2021 base rent and mortgage loan interest annualized, adjusted for the expected decrease in annualized rent from the Macquarie Transaction as further described in [Note 3](#) to Item 8 of this Annual Report. This does not include tenant recoveries, additional rents, and other lease/loan-related adjustments to revenue (i.e., straight-line rents and deferred revenues).

**ITEM 3. Legal Proceedings**

From time to time, we are a party to various legal proceedings, claims or regulatory inquiries and investigations arising out of, or incident to, our ordinary course of business. While we are unable to predict with certainty the outcome of any particular matter, management does not expect, when such matters are resolved, that our resulting exposure to loss contingencies, if any, will have a material adverse effect on our consolidated financial position.

**ITEM 4. Mine Safety Disclosures**

None.

**PART II****ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities**

(a) Medical Properties' common stock is traded on the New York Stock Exchange under the symbol "MPW." The following table sets forth the high and low sales prices for the common stock for the periods indicated, as reported by the New York Stock Exchange Composite Tape, and the dividends per share declared by us with respect to each such period.

|                                     | <u>High</u> | <u>Low</u> | <u>Dividends</u> |
|-------------------------------------|-------------|------------|------------------|
| <b>Year Ended December 31, 2021</b> |             |            |                  |
| First Quarter                       | \$ 22.75    | \$ 19.91   | \$ 0.28          |
| Second Quarter                      | 22.82       | 19.80      | 0.28             |
| Third Quarter                       | 21.99       | 19.39      | 0.28             |
| Fourth Quarter                      | 23.74       | 19.45      | 0.28             |
| <b>Year Ended December 31, 2020</b> |             |            |                  |
| First Quarter                       | \$ 24.29    | \$ 12.35   | \$ 0.27          |
| Second Quarter                      | 20.90       | 14.20      | 0.27             |
| Third Quarter                       | 20.72       | 16.10      | 0.27             |
| Fourth Quarter                      | 21.96       | 17.13      | 0.27             |

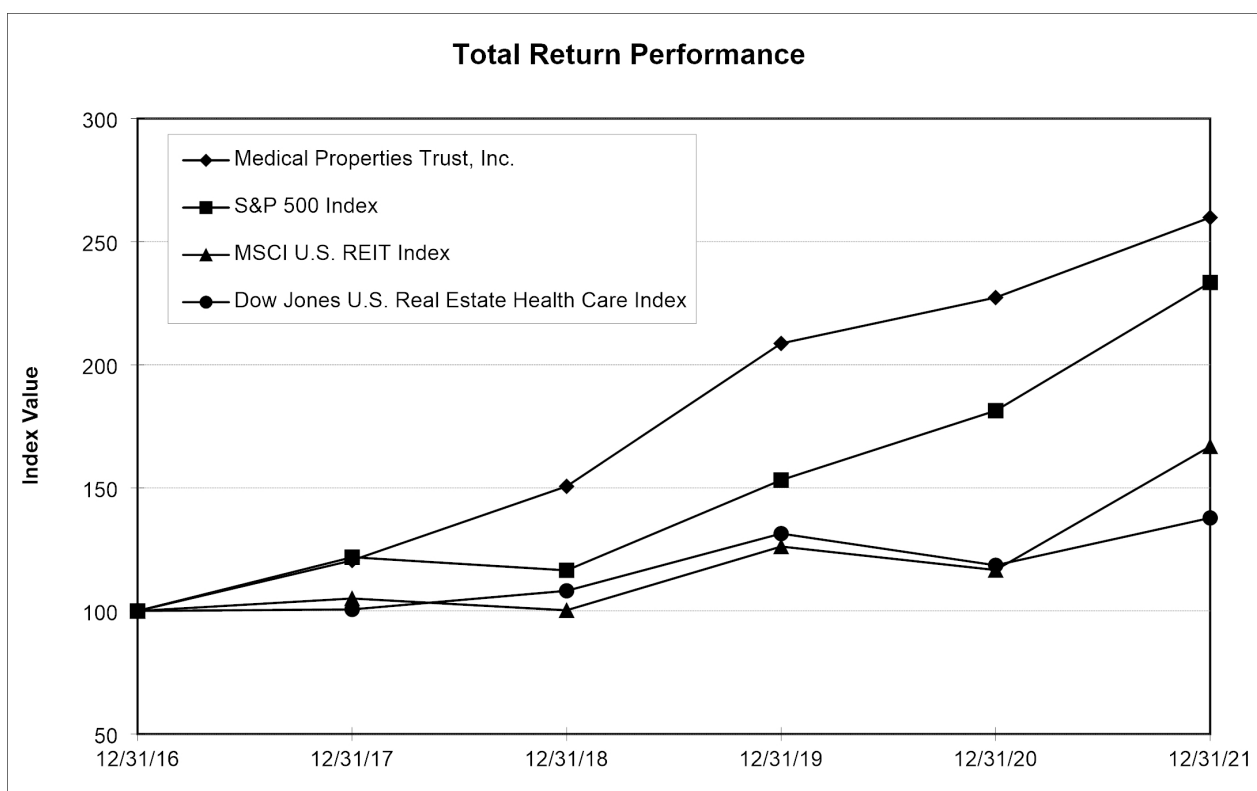
On February 18, 2022, the closing price for our common stock, as reported on the New York Stock Exchange, was \$20.50 per share. As of February 18, 2022, there were 45 holders of record of our common stock. This figure does not reflect the beneficial ownership of shares held in nominee name.

To qualify as a REIT, we must distribute at least 90% of our REIT taxable income, excluding net capital gain, as dividends to our stockholders. If dividends are declared in a quarter, those dividends will be paid during the subsequent quarter. We expect to continue the policy of distributing our taxable income through regular cash dividends on a quarterly basis, although there is no assurance as to future dividends because they depend on future earnings, capital requirements, and our financial condition. In addition, our Credit Facility limits the amounts of dividends we can pay — see [Note 4](#) of Item 8 of this Annual Report on Form 10-K for more information.

(b) Not applicable.

(c) None.

The following graph provides comparison of cumulative total stockholder return for the period from December 31, 2016 through December 31, 2021, among us, the S&P 500 Index, MSCI U.S. REIT Index, and Dow Jones U.S. Real Estate Health Care Index. The stock performance graph assumes an investment of \$100 in us and the three indices, and the reinvestment of dividends. The historical information below is not indicative of future performance.



| Index  | Period Ending |            |            |            |            |            |
|--|---------------|------------|------------|------------|------------|------------|
|  | 12/31/2016    | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 |
| Medical Properties Trust, Inc.               | 100.00        | 120.55     | 150.72     | 208.79     | 227.68     | 260.16     |
| S&P 500 Index                                | 100.00        | 121.83     | 116.49     | 153.17     | 181.35     | 233.41     |
| MSCI U.S. REIT Index                         | 100.00        | 105.07     | 100.27     | 126.18     | 116.62     | 166.84     |
| Dow Jones U.S. Real Estate Health Care Index | 100.00        | 100.63     | 108.19     | 131.43     | 118.55     | 137.80     |

The graph and accompanying text shall not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended.

**ITEM 6. Reserved.**

## ITEM 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

*Unless otherwise indicated, references to "our," "we," and "us" in this management's discussion and analysis of financial condition and results of operations refer to Medical Properties Trust, Inc. and its consolidated subsidiaries, including MPT Operating Partnership, L.P.*

### **Overview**

We are a self-advised healthcare REIT that was incorporated in Maryland on August 27, 2003, primarily for the purpose of investing in and owning net-leased healthcare facilities. We may also make real estate mortgage loans and other loans to our tenants. We conduct our business operations in one segment. We currently have healthcare investments in the U.S., Europe, Australia, and South America. Our existing tenants are, and our prospective tenants will generally be, healthcare operating companies and other healthcare providers that use substantial real estate assets in their operations. We offer financing to these operators through 100% lease and mortgage financing and generally seek lease and loan terms on a long-term basis (typically initial fixed terms of at least 15 years) with a series of shorter renewal terms at the option of our tenants and borrowers. We also have included and intend to include in our lease and loan agreements annual contractual minimum rate increases. Our existing portfolio's minimum escalators are typically at least 2.0%. In addition, most of our leases and loans include rate increases based on the general rate of inflation (based on CPI or similar indices) if greater than the minimum contractual increases. Beyond rent or mortgage interest, our leases and loans typically require our tenants to pay all operating costs and expenses associated with the facility. Finally, we may acquire a profits or other equity interest in our tenants that gives us a right to share in the tenant's income or loss.

We may make loans to certain of our operators through our TRSs, which the operators use for acquisitions and working capital. We consider our lending business an important element of our overall business strategy for two primary reasons: (1) it provides opportunities to make income-earning investments that yield attractive risk-adjusted returns in an industry in which our management has expertise, and (2) by making debt capital available to certain qualified operators, we believe we create a competitive advantage for our company over other buyers of, and financing sources for, healthcare facilities.

Finally, we may also acquire a profits or other equity interest in certain of our tenants that gives us a right to share in such tenant's profits and losses.

At December 31, 2021, our portfolio (including real estate assets in joint ventures) consisted of 438 properties leased or loaned to 53 operators, of which three were under development and five were in the form of mortgage loans.

The information set forth in this Item 7 is intended to provide readers with an understanding of our financial condition, changes in financial condition, and results of operations. This section generally discusses the results of our operations for the year ended December 31, 2021 compared to the year ended December 31, 2020. For a discussion of the year ended December 31, 2020 compared to the year ended December 31, 2019, please refer to Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on March 1, 2021.

### **Selected Financial Data**

The following sets forth selected consolidated financial and operating data. You should read the following selected financial data in conjunction with the consolidated financial statements and notes thereto of each of Medical Properties Trust, Inc. and MPT Operating Partnership, L.P. and their respective subsidiaries included in Item 8 to this Annual Report on Form 10-K.

|  | <b>For the Years Ended December 31,</b> |              |
|--|---|--------------|
|  | <b>2021</b>                             | <b>2020</b>  |
| <b>(In thousands except per share data)</b>                          |   |              |
| <b>OPERATING DATA</b>  |   |              |
| Total revenues   | \$ 1,544,669                            | \$ 1,249,238 |
| Expenses:  |   |              |
| Interest   | 367,393                                 | 328,728      |
| Real estate depreciation and amortization                            | 321,249                                 | 264,245      |
| Property-related   | 39,098                                  | 24,890       |
| General and administrative   | 145,638                                 | 131,663      |
| Total expenses   | 873,378                                 | 749,526      |
| Other income (expense):  |   |              |
| Gain (loss) on sale of real estate                                   | 52,471                                  | (2,833)      |
| Real estate impairment charges                                       | —                                       | (19,006)     |
| Earnings from equity interests                                       | 28,488                                  | 20,417       |
| Debt refinancing and unutilized financing costs                      | (27,650)                                | (28,180)     |
| Other (including mark-to-market adjustments on equity securities)    | 6,288                                   | (6,782)      |
| Income tax (expense) benefit   | (73,948)                                | (31,056)     |
| Net income   | 656,940                                 | 432,272      |
| Net income attributable to non-controlling interests                 | (919)                                   | (822)        |
| Net income attributable to MPT common stockholders                   | \$ 656,021                              | \$ 431,450   |
| Net income attributable to MPT common stockholders per diluted share | \$ 1.11                                 | \$ 0.81      |
| Weighted-average shares outstanding — diluted                        | 590,139                                 | 530,461      |
| <b>OTHER DATA</b>  |   |              |
| Dividends declared per common share                                  | \$ 1.12                                 | \$ 1.08      |
| FFO(1)   | \$ 975,988                              | \$ 757,677   |
| Normalized FFO(1)  | \$ 1,035,920                            | \$ 831,209   |
| Normalized FFO per share(1)  | \$ 1.75                                 | \$ 1.57      |
| Cash paid for acquisitions and other related investments             | \$ 4,246,829                            | \$ 3,414,437 |

|   | <b>December 31,</b> |               |
|---|---------------------|---------------|
|   | <b>2021</b>         | <b>2020</b>   |
| <b>(In thousands)</b>                                     |                     |               |
| <b>BALANCE SHEET DATA</b>                                 |                     |               |
| Real estate assets — at cost                              | \$ 17,425,765       | \$ 14,337,929 |
| Real estate accumulated depreciation/amortization         | (993,100)           | (833,529)     |
| Cash and cash equivalents                                 | 459,227             | 549,884       |
| Equity investments  | 1,181,025           | 1,123,623     |
| Other loans   | 1,328,653           | 858,368       |
| Other   | 1,118,231           | 792,739       |
| Total assets  | \$ 20,519,801       | \$ 16,829,014 |
| Debt, net   | \$ 11,282,770       | \$ 8,865,458  |
| Other liabilities   | 791,360             | 619,699       |
| Total Medical Properties Trust, Inc. stockholders' equity | 8,440,188           | 7,338,532     |
| Non-controlling interests                                 | 5,483               | 5,325         |
| Total equity  | 8,445,671           | 7,343,857     |
| Total liabilities and equity                              | \$ 20,519,801       | \$ 16,829,014 |

- (1) See section titled “Non-GAAP Financial Measures” for an explanation of why these non-GAAP financial measures are useful along with a reconciliation to our GAAP earnings.

## **2021 Highlights**

2021 started much like 2020, with our business and that of our tenants being impacted by the ongoing COVID-19 pandemic. Like most of the world, our employees worked remotely through much of the year. While our offices re-opened in October 2021, we had less than 100% of our employees in the office due to spikes in COVID-19 and related variants throughout the fourth quarter. Despite the continued effects of the pandemic, MPT had a record year, just like our 2020 year. In 2021, we invested approximately \$3.9 billion in hospital real estate, our revenues surpassed \$1.5 billion for the first time in our history, and we generated over \$1 billion in normalized FFO – a record for MPT. Additionally, we maintained a strong liquidity position throughout the year and kept our leverage substantially in line with 2020 by raising more than \$1.0 billion in proceeds through sales of our common stock and receiving approximately \$0.5 billion from payoffs on our loan portfolio and proceeds from strategic divestitures. In addition, we lowered our weighted-average interest rate during 2021 by extending and improving pricing on our revolving credit and term loan facilities, completing an £850 million senior unsecured notes offering at a weighted-average rate of 2.9%, and completing a €500 million 0.993% senior unsecured notes offering, of which all of the proceeds were used to redeem our outstanding €500 million senior unsecured notes that had a higher interest rate of 4.000%. Finally, we increased our dividend to \$0.28 per share per quarter in 2021, which is the 7<sup>th</sup> year in a row for such an increase.

The COVID-19 pandemic has had a severe impact on the world from a business and personal health perspective over the past two years. However, as we have noted before, we believe this pandemic has further validated our business model, which focuses on hospitals as the centerpiece of healthcare delivery across the world. In addition, the pandemic has proven the ability of our employees and our hospital operators to overcome significant challenges for the good of our stakeholders and mankind.

A summary of additional 2021 highlights is as follows:

- Increased the number of our properties to 438, added eight new operators, and significantly expanded our footprint in the behavioral health space by the following:
  - Acquired 35 behavioral health facilities currently owned and operated by the Priory Group (“Priory”) for an aggregate purchase price of approximately £800 million, along with a 9.9% passive equity interest in Waterland Private Equity Fund VI C.V. that indirectly owns Priory;
  - Invested in 18 inpatient behavioral health facilities throughout the U.S., leased to Springstone, LLC (“Springstone”), and an interest in the operations of Springstone for approximately \$950 million;
  - Acquired five general acute care facilities in South Florida for approximately \$900 million that are leased to Steward; and
  - Acquired four acute care facilities and two on-campus medical office buildings in California for \$215 million, leased to Pipeline Health Systems.
- Grew net income and Normalized FFO (both on a per diluted share basis) by 37% and 11%, respectively;
- Generated total shareholder return of over 14%, up from prior year growth of 9%;
- Entered into definitive agreements to (i) form a partnership with MAM, whereby MAM will acquire a 50% interest in a portfolio of eight Massachusetts-based acute care facilities that are leased to Steward and (ii) lease five acute care facilities in Utah to HCA that are currently leased to Steward. These two transformational transactions will validate the value of our facilities and reduce our asset concentration in our largest tenant from 22% at December 31, 2020 to 18.5% at closing; and
- Selected as one of Modern Healthcare’s Best Places to Work in healthcare in 2021.

## **2020 Highlights**

In addition to the collection of almost all of our rent and interest during the COVID-19 pandemic, we, along with our operators, executed on several accretive growth initiatives during 2020 despite the environment created by the pandemic. In 2020, we invested approximately \$3.6 billion in hospital real estate across five countries and three continents. Additionally, we maintained liquidity during the pandemic by raising more than \$400.0 million in proceeds through sales of our common stock in our at-the-market program, receiving more than \$500.0 million from payoffs on our loan portfolio and divestitures, and completing a \$1.3 billion 3.50% senior unsecured notes offering, of which approximately \$833 million was used to refinance debt with a weighted-average interest rate of 6%.

A summary of our 2020 highlights was as follows:

- Acquired 30 acute care hospitals in the United Kingdom for a purchase price of approximately £1.5 billion. These facilities are leased to Circle;
- Formed a new joint venture for the purpose of investing in the operations of international hospitals and originated a \$205 million acquisition loan as part of this formation. We have a 49% interest in this joint venture, which simultaneously purchased from Steward the rights and existing assets related to all present and future international



opportunities. Through this venture, we were able to finance the acquisition of three general acute care hospitals in Colombia for approximately \$135 million;

- Acquired the fee simple real estate of two general acute care hospitals in Utah for a total investment of \$950 million in exchange for the reduction of the mortgage loans made to Steward for such properties and additional cash consideration of \$200 million based on their relative fair value;
- Acquired a general acute care hospital in Lynwood, California for a total investment of approximately \$300 million. This facility is leased to affiliates of Prime Healthcare Services, Inc. (collectively, “Prime”);
- Acquired an additional equity ownership in Infracore for CHF 206.5 million; and
- In addition to the specific investments noted above, we acquired seven other properties in separate transactions for approximately \$314 million.

### Critical Accounting Policies

In order to prepare financial statements in conformity with generally accepted accounting principles (“GAAP”) in the U.S., we must make estimates about certain types of transactions and account balances. We believe that our estimates of the amount and timing of credit losses, fair value adjustments (either as part of a purchase price allocation, recurring accounting for those investments that we have selected under the fair value option method, or impairment analyses), and periodic depreciation of our real estate assets, along with our assessment as to whether investments we make in certain businesses/entities should be consolidated with our results, have significant effects on our financial statements. Each of these items involves estimates that require us to make subjective judgments. We rely on our experience, collect historical and current market data, and develop relevant assumptions to arrive at what we believe to be reasonable estimates. Under different conditions or assumptions, materially different amounts could be reported related to the critical accounting policies described below. In addition, application of these critical accounting policies involves the exercise of judgment on the use of assumptions as to future uncertainties (such as the ultimate impact from the COVID-19 pandemic) and, as a result, actual results could materially differ from these estimates. See [Note 2](#) to Item 8 of this Annual Report on Form 10-K for more information regarding our accounting policies and recent accounting developments. Our accounting estimates include the following:

#### *Credit Losses:*

**Losses from Rent Receivables:** For all leases, we continuously monitor the performance of our existing tenants including, but not limited to: admission levels and surgery/procedure volumes by type; current operating margins; ratio of our tenants’ operating margins both to facility rent and to facility rent plus other fixed costs; trends in revenue, cash collections, patient mix; and the effect of evolving healthcare regulations, adverse economic and political conditions, and other events ongoing (such as the health crisis caused by the COVID-19 outbreak) on tenants’ profitability and liquidity.

**Losses from Operating Lease Receivables:** We utilize the information above along with the tenants’ payment and default history in evaluating (on a property-by-property basis) whether or not a provision for losses on outstanding billed rent and/or straight-line rent receivables is needed. A provision for losses on rent receivables (including straight-line rent receivables) is ultimately recorded when it becomes probable that the receivable will not be collected in full. The provision is an amount which reduces the receivable to its estimated net realizable value based on a determination of the eventual amounts to be collected either from the debtor or from existing collateral, if any.

**Losses on Financing Lease Receivables:** Upon the adoption of Accounting Standards Update (“ASU”) No. 2016-13 “Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”) on January 1, 2020, we began applying a new forward-looking “expected loss” model to all of our financing receivables, including financing leases and loans. With this change, we have grouped our financial instruments into two primary pools of similar credit risk: secured and unsecured. The secured instruments include our investments in financing receivables as all are secured by the underlying real estate, among other collateral. Within the two primary pools, we further grouped our instruments into sub-pools based on several tenant/borrower characteristics, including years of experience in the healthcare industry and in a particular market or region and overall capitalization. We then determined a credit loss percentage per pool based on our history over a period of time that closely matches the remaining terms of the financial instruments being analyzed and adjusted as needed for current trends or unusual circumstances. We have applied these credit loss percentages to the book value of the related instruments to establish a credit loss reserve on our financing lease receivables and such credit loss reserve (including the underlying assumptions) is reviewed and adjusted quarterly. If a financing receivable is underperforming and is deemed uncollectible based on the lessee’s overall financial condition, we will adjust the credit loss reserve based on the fair value of the underlying collateral.

With the adoption of ASU 2016-13, we made the accounting policy election to exclude interest receivables from the credit loss reserve analysis. Such receivables are impaired and an allowance recorded when it is deemed probable that we will be unable to collect all amounts due. Like operating lease receivables, the need for an allowance is based upon our assessment of the lessee’s overall financial condition, economic resources and payment record, the prospects for support from any financially responsible guarantors, and, if appropriate, the realizable value of any collateral. Financing leases are placed on non-

accrual status when we determine that the collectability of contractual amounts is not reasonably assured. If on non-accrual status, we generally account for the financing lease on a cash basis, in which income is recognized only upon receipt of cash.

**Loans:** Loans consist of mortgage loans, working capital loans, and other loans. Mortgage loans are collateralized by interests in real property. Working capital and other loans are generally collateralized by interests in receivables and corporate and individual guarantees. We record loans at cost. Like our financing lease receivables, we are using ASU 2016-13 to establish credit loss reserves on all outstanding loans based on historical credit losses of similar instruments. Such credit loss reserves, including the underlying assumptions, are reviewed and adjusted quarterly. If a loan's performance worsens and foreclosure is deemed probable for our collateral-based loans (after considering the borrower's overall financial condition as described above for leases), we will adjust the allowance for expected credit losses based on the current fair value of such collateral at the time the loan is deemed uncollectible. If the loan is not collateralized, the loan will be written-off once it is determined that such loan is no longer collectible. Interest receivables on loans are excluded from ASU 2016-13, and we assess their collectability similar to how we assess collectability for interest receivables on financing leases described above.

**Investments in Real Estate:** We maintain our investments in real estate at cost, and we capitalize improvements and replacements when they extend the useful life or improve the efficiency of the asset. While our tenants are generally responsible for all operating costs at a facility, to the extent that we incur costs of repairs and maintenance, we expense those costs as incurred. We compute depreciation using the straight-line method over the weighted-average useful life of approximately 35.8 years for buildings and improvements.

When circumstances indicate a possible impairment of the value of our real estate investments, we review the recoverability of the facility's carrying value. The review of the recoverability is generally based on our estimate of the future undiscounted cash flows from the facility's use and eventual disposition. Our forecast of these cash flows considers 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 facility on an undiscounted basis, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the facility. In making estimates of fair value for purposes of impairment assessments, we will look to a number of sources including independent appraisals, available broker data, or our internal data from recent transactions involving similar properties in similar markets. We do not believe that any of our facilities were impaired at December 31, 2021; however, given the highly specialized aspects of our properties, no assurance can be given that future impairment charges will not be taken.

**Acquired Real Estate Purchase Price Allocation:** For properties acquired for operating leasing purposes, we currently account for such acquisitions based on asset acquisition accounting rules. Under this accounting method, we allocate the purchase price of acquired properties to net tangible and identified intangible assets acquired based on their relative fair values. In making estimates of fair value for purposes of allocating purchase prices of acquired real estate, we may utilize a number of sources, including available real estate broker data, independent appraisals that may be obtained in connection with the acquisition or financing of the respective property, internal data from previous acquisitions or developments, and other market data, including market comparables for significant assumptions such as market rental, capitalization, and discount rates. We also consider information obtained about each property as a result of our pre-acquisition due diligence, marketing, and leasing activities in estimating the fair value of the tangible and intangible assets acquired.

We record above-market and below-market in-place lease values, if any, for the facilities we own which are based on the present value of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease. We amortize any resulting capitalized above-market lease values as a reduction of rental income over the lease term. We amortize any resulting capitalized below-market lease values as an increase to rental income over the lease term. Because our strategy to a large degree involves the origination and acquisition of long-term lease arrangements at market rates with independent parties, we do not expect the above-market or below-market in-place lease values to be significant for many of our transactions.

We measure the aggregate value of other lease intangible assets to be acquired based on the difference between (i) the property valued with new or in-place leases adjusted to market rental rates and (ii) the property valued as if vacant when acquired. Management's estimates of value are made using methods similar to those used by independent appraisers (e.g., discounted cash flow analysis). Factors considered by management in our analysis include an estimate of carrying costs during hypothetical expected lease-up periods, considering current market conditions, and costs to execute similar leases. We also consider information obtained about each targeted facility as a result of our pre-acquisition due diligence, marketing, and leasing activities in estimating the fair value of the intangible assets acquired. In estimating carrying costs, management includes real estate taxes, insurance, and other operating expenses, and estimates of lost rentals at market rates during the expected lease-up periods, which we expect to be about six months (based on experience) but can be longer depending on specific local market conditions. Management also estimates costs to execute similar leases including leasing commissions, legal costs, and other related expenses to the extent that such costs are not already incurred in connection with a new lease origination.

Other intangible assets acquired may include customer relationship intangible values, which are based on management's evaluation of the specific characteristics of each prospective tenant's lease and our overall relationship with that tenant. Characteristics to be considered by management in allocating these values include the nature and extent of our existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality, and expectations of lease renewals, including those existing under the terms of the lease agreement, among other factors. At December 31, 2021, we have not assigned any value to customer relationship intangibles.

We amortize the value of lease intangibles to expense over the term of the respective leases, which have a weighted-average useful life of 24.9 years at December 31, 2021. If a lease is terminated early, the unamortized portion of the lease intangible is charged to expense.

*Fair Value Option Election:* We elected to account for certain investments using the fair value option method, which means we mark these investments to fair market value on a recurring basis. At December 31, 2021, the amount of investments recorded using the fair value option were approximately \$550 million made up of loans and equity investments. Our loans are recorded at fair value based on Level 2 inputs by discounting the estimated cash flows using the market rates which similar loans would be made to borrowers with similar credit ratings and the same remaining maturities.

For our equity investment, fair value is determined based on Level 3 inputs, by using a discounted cash flow model, which required significant estimates of our investee such as projected revenue and expenses and appropriate consideration of the underlying risk profile of the forecasted assumptions associated with the investee. We classified the equity investment as Level 3, as we used certain unobservable inputs to the valuation methodology that were significant to the fair value measurement, and the valuation required management judgment due to the absence of quoted market prices. For the cash flow model, our observable inputs included use of a capitalization rate, discount rate (which was based on a weighted average cost of capital), and market interest rates, and our unobservable input included an adjustment for a marketability discount ("DLOM") on our equity investment of 40%. In regards to the underlying projection of revenues and expenses used in the discounted cash flow model, such projections were provided by the investees. However, we modified such projections (including underlying assumptions used) as needed based on our review and analysis of their historical results, meetings with key members of management, and our understanding of trends and developments within the healthcare industry. In arriving at the DLOM, we started with a DLOM range based on the results of studies supporting valuation discounts for other transactions or structures without a public market. To select the appropriate DLOM within the range, we then considered many qualitative factors including the percent of control, the nature of the underlying investee's business along with our rights as an investor pursuant to the operating agreement, the size of investment, expected holding period, number of shareholders, access to the capital marketplace, etc. See [Note 10](#) to Item 8 of this Annual Report on Form 10-K for additional details.

*Principles of Consolidation:* Property holding entities and other subsidiaries of which we own 100% of the equity or have a controlling financial interest evidenced by ownership of a majority voting interest are consolidated. All inter-company balances and transactions are eliminated. For entities in which we own less than 100% of the equity interest, we consolidate the property if we have the direct or indirect ability to control the entities' activities based upon the terms of the respective entities' ownership agreements. For these entities, we record a non-controlling interest representing equity held by non-controlling interests.

We continually evaluate all of our transactions and investments to determine if they represent variable interests in a variable interest entity. If we determine that we have a variable interest in a variable interest entity, we then evaluate if we are the primary beneficiary of the variable interest entity. The evaluation is a qualitative assessment as to whether we have the ability to direct the activities of a variable interest entity that most significantly impact the entity's economic performance. We consolidate each variable interest entity in which we, by virtue of or transactions with our investments in the entity, are considered to be the primary beneficiary. At December 31, 2021 and 2020, we determined that we were not the primary beneficiary of any variable interest entity in which we hold a variable interest because we do not control the activities (such as the day-to-day operations) that most significantly impact the economic performance of these entities.

## **Liquidity and Capital Resources**

Our typical sources of cash include our monthly rent and interest receipts, distributions from our real estate joint venture agreements, borrowings under our revolving credit facility, public issuances of debt and equity securities, and proceeds from bank debt, asset dispositions (either one-off or group asset sales through joint venture transactions), and principal payments on loans. Our primary uses of cash include dividend distributions, debt service (including principal and interest), new investments (including acquisitions, developments, or capital improvement projects), loan advances, property expenses, and general and administrative expenses.

Absent our requirements to make distributions to maintain our REIT qualification (as more fully described in [Note 5](#) within Item 8 of this Annual Report on Form 10-K) and our current contractual commitments discussed later, we do not have any material off-balance sheet arrangements that we expect would materially affect our liquidity and capital resources.

See below for highlights of our sources and uses of cash for the past two years:

#### *2021 Cash Flow Activity*

We generated cash of \$812 million from operating activities during 2021, primarily consisting of rent and interest from mortgage and other loans. We used these operating cash flows to fund our dividends of \$643 million and certain investing activities.

In regards to investing and financing activities in 2021, we did the following:

- a) Invested approximately \$4.0 billion in hospital real estate, representing over 65 facilities across five countries, headlined by the £800 million Priory acquisition of 35 properties in January 2021;
- b) Funded \$415.9 million of development, capital addition, and other projects;
- c) Issued 16.3 million shares of common stock under our at-the-market equity offering program, resulting in net proceeds of approximately \$340 million;
- d) Completed an underwritten public offering of 36.8 million shares, resulting in net proceeds of \$711 million;
- e) Amended and extended our unsecured revolving (with a balance of \$730 million at December 31, 2021) and term loan facility;
- f) Entered into a \$900 million interim credit facility on January 15, 2021, of which we borrowed £500 million. This facility was paid off and terminated on March 26, 2021, after the completion of an £850 million unsecured notes offering on March 24, 2021 that was issued in two tranches;
- g) Received \$11 million from Steward as a return of capital distribution;
- h) Entered into a \$1 billion interim credit facility in July 2021 (“July 2021 Interim Credit Facility”) to fund new investments and have an outstanding balance of \$827 million at February 18, 2022;
- i) Completed a €500 million, 0.993% senior unsecured notes offering on October 6, 2021, using proceeds to pay off €500 million of senior unsecured notes with an interest rate of 4.000% on October 22, 2021;
- j) Received approximately \$0.5 billion in loan principal repayments; and
- k) Sold 16 facilities and an ancillary property generating net proceeds of \$246 million.

On August 28, 2021, we entered into a definitive agreement with MAM to form a partnership, whereby they will acquire a 50% interest in a portfolio of eight facilities (See [Note 3](#) to Item 8 of this Annual Report on Form 10-K for additional details). With this transaction, which we believe will be completed in the 2022 first quarter, we expect to receive proceeds of approximately \$1.3 billion, which we plan to use to pay off the July 2021 Interim Credit Facility with the remaining proceeds used to reduce the balance on our revolving credit facility.

#### *2020 Cash Flow Activity*

We generated cash of \$617.6 million from operating activities during 2020, primarily consisting of rent and interest from mortgage and other loans. We used these operating cash flows to fund our dividends of \$568 million and certain investing activities.

In regards to investing and financing activities in 2020, we did the following:

- a) Invested \$3.6 billion in real estate assets and other loans, net of \$835 million in mortgage loan conversions, representing over 40 facilities across five countries, headlined by the £1.5 billion Circle acquisition of 30 properties in January 2020;
- b) Funded \$167.2 million of development, capital addition, and other projects;
- c) Issued 21.0 million shares of common stock under our at-the-market equity offering program, resulting in net proceeds of approximately \$411 million;
- d) Closed on a £700 million British pound sterling term loan to help fund the Circle acquisition in January 2020;
- e) Received approximately \$1.3 billion in loan principal repayments;
- f) Sold 15 facilities generating net proceeds of \$94 million; and
- g) Completed a \$1.3 billion, 3.5% senior unsecured notes offering on December 4, 2020, using proceeds to pay off \$800 million of senior unsecured notes with a weighted-average interest rate of 6%.

#### *Debt Restrictions and REIT Requirements*

Our debt facilities impose certain restrictions on us, including, but not limited to, restrictions on our ability to: incur debt; create or incur liens; provide guarantees in respect of obligations of any other entity; make redemptions and repurchases of our capital stock; prepay, redeem, or repurchase debt; engage in mergers or consolidations; enter into affiliated transactions; dispose of real estate or

other assets; and change our business. In addition, the credit agreement governing our Credit Facility limits the amount of dividends we can pay to 95% of NAFFO, as defined in the agreements, on a rolling four quarter basis. The indentures governing our senior unsecured notes also limit the amount of dividends we can pay based on the sum of 95% of funds from operations, proceeds of equity issuances, and certain other net cash proceeds. Finally, our senior unsecured notes require us to maintain total unencumbered assets (as defined in the related indenture) of not less than 150% of our unsecured indebtedness.

In addition to these restrictions, the Credit Facility contains customary financial and operating covenants, including covenants relating to our total leverage ratio, fixed charge coverage ratio, secured leverage ratio, unsecured leverage ratio, consolidated adjusted net worth, and unsecured interest coverage ratio. This facility also contains customary events of default, including among others, nonpayment of principal or interest, material inaccuracy of representations, and failure to comply with our covenants. If an event of default occurs and is continuing under the facility, the entire outstanding balance may become immediately due and payable. At December 31, 2021, we were in compliance with all such financial and operating covenants.

In order for us to continue to qualify as a REIT we are required to distribute annual dividends equal to a minimum of 90% of our REIT taxable income, computed without regard to the dividends paid deduction and our net capital gains. See section titled “Distribution Policy” within this Item 7 of this Annual Report on Form 10-K for further information on our dividend policy along with the historical dividends paid on a per share basis.

#### *Short-term Liquidity Requirements:*

As of February 18, 2022, our liquidity approximates \$1.0 billion. We believe this liquidity along with our current monthly cash receipts from rent and loan interest, regular distributions from our joint venture arrangements, and expected cash proceeds from the Macquarie Transaction of approximately \$1.3 billion (as described in [Note 3](#) to Item 8 of this Annual Report on Form 10-K) is sufficient to fund our operations, dividends in order to comply with REIT requirements, our current firm commitments (capital expenditures and expected funding requirements on development projects), and debt service obligations for the next twelve months (including contractual interest payments and the repayment of the \$827 million principal balance outstanding on the July 2021 Interim Credit Facility). We expect that other capital recycling transactions (that could include sales of single facilities) will further improve our liquidity and our leverage ratio, although no assurances can be given that our capital recycling efforts (including the closing of the Macquarie Transaction) will be successful.

#### *Long-term Liquidity Requirements:*

As of February 18, 2022, our liquidity approximates \$1.0 billion. We believe that our liquidity, along with our current monthly cash receipts from rent and loan interest, regular distributions from our joint venture arrangements, and expected cash proceeds from the Macquarie Transaction of approximately \$1.3 billion, is sufficient to fund our operations, debt and interest obligations (including repayment of the July 2021 Interim Credit Facility), our firm commitments, and dividends in order to comply with REIT requirements for the foreseeable future.

However, in order to make additional investments, to fund other debt maturities coming due in 2023 and beyond (as outlined below in our commitment schedule), or to strategically refinance any existing debt in order to reduce interest rates, or to further improve our leverage ratios, we may need to access one or a combination of the following sources of capital:

- strategic property sales or joint ventures;
- sale of equity securities;
- new bank term loans;
- new USD, EUR, or GBP denominated debt securities, including senior unsecured notes; and/or
- new secured loans on real estate.

However, there is no assurance that conditions will be favorable for such possible transactions (particularly in light of the ongoing COVID-19 pandemic) or that our plans will be successful.

## Contractual Commitments

The following table summarizes known material contractual commitments including debt service commitments (principal and interest payments) as of February 18, 2022 (amounts in thousands):

|                                     | 2022                | 2023                | 2024                | 2025                | 2026                | Thereafter          | Total                |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Senior unsecured notes(1)           | \$ 252,385          | \$ 828,380          | \$ 270,959          | \$ 837,059          | \$ 1,997,686        | \$ 5,414,993        | \$ 9,601,462         |
| Revolving credit facility(2)        | 11,883              | 13,667              | 781,139             | —                   | —                   | —                   | 806,689              |
| Term loan                           | 3,163               | 3,163               | 3,172               | 3,163               | 200,277             | —                   | 212,938              |
| Australian term loan facility(1)    | 21,099              | 21,099              | 869,564             | —                   | —                   | —                   | 911,762              |
| British pound sterling term loan(1) | 18,795              | 18,795              | 18,846              | 952,002             | —                   | —                   | 1,008,438            |
| Interim credit facility             | 831,674             | —                   | —                   | —                   | —                   | —                   | 831,674              |
| Operating lease commitments(1)(3)   | 6,829               | 7,940               | 7,119               | 6,495               | 6,003               | 247,265             | 281,651              |
| Purchase obligations(1)(4)          | 205,652             | 245,706             | 98,305              | 63,830              | 42,587              | 125,474             | 781,554              |
| <b>Totals</b>                       | <b>\$ 1,351,480</b> | <b>\$ 1,138,750</b> | <b>\$ 2,049,104</b> | <b>\$ 1,862,549</b> | <b>\$ 2,246,553</b> | <b>\$ 5,787,732</b> | <b>\$ 14,436,168</b> |

- (1) We used the exchange rates at February 18, 2022 in preparing this table.
- (2) As of February 18, 2022, we have a \$1.3 billion revolving credit facility. This table assumes the balance outstanding under the revolver (which was \$780 million as of February 18, 2022) and interest rate in effect at February 18, 2022 remain in effect through maturity.
- (3) Much of our contractual obligations to make operating lease payments are related to ground leases for which we are reimbursed by our tenants along with corporate office and equipment leases.
- (4) Includes approximately \$133.7 million of future expenditures related to development projects and \$478.3 million of future expenditures on committed capital improvement projects.

## Results of Operations

Our operating results may vary significantly from year-to-year due to a variety of reasons including acquisitions made during the year, incremental revenues and expenses from acquisitions made in the prior year, revenues and expenses from completed development properties, property disposals, annual escalation provisions, foreign currency exchange rate changes, new or amended debt agreements, issuances of shares through an equity offering, impact from accounting changes, etc. Thus, our operating results for the current year are not necessarily indicative of the results that may be expected in future years.

### Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

Net income for the year ended December 31, 2021, was \$656.0 million compared to net income of \$431.5 million for the year ended December 31, 2020. This 52% increase in net income is primarily due to incremental revenue from new investments made in 2020 and 2021 and over \$52 million from gains on sales of real estate in 2021 compared to approximately \$20 million of real estate impairments/losses in 2020, partially offset by higher interest expense (from additional debt to partially finance these new investments), depreciation expense and general and administrative costs due to the growth of the company, along with approximately \$43 million of income tax expense charged in 2021, related to the increase in corporate tax rates in the United Kingdom. Normalized FFO, after adjusting for certain items (as more fully described in the section titled “Non-GAAP Financial Measures” in this [Item 7](#) of this Annual Report on Form 10-K), was \$1.0 billion for 2021, as compared to \$831.2 million for 2020. Similar to net income, this 25% increase in Normalized FFO is primarily due to incremental revenue from new investments in 2020 and 2021.

A comparison of revenues for the years ended December 31, 2021 and 2020 is as follows (dollar amounts in thousands):

|                              | 2021                |               | 2020                |               | Change            |
|------------------------------|---------------------|---------------|---------------------|---------------|-------------------|
| Rent billed                  | \$ 931,942          | 60.4%         | \$ 741,311          | 59.4%         | \$ 190,631        |
| Straight-line rent           | 241,433             | 15.6%         | 158,881             | 12.7%         | 82,552            |
| Income from financing leases | 202,599             | 13.1%         | 206,550             | 16.5%         | (3,951)           |
| Interest and other income    | 168,695             | 10.9%         | 142,496             | 11.4%         | 26,199            |
| <b>Total revenues</b>        | <b>\$ 1,544,669</b> | <b>100.0%</b> | <b>\$ 1,249,238</b> | <b>100.0%</b> | <b>\$ 295,431</b> |

Our total revenues for 2021 are up \$295.4 million or 24% over the prior year. This increase is made up of the following:

- Operating lease revenue (includes rent billed and straight-line rent) — up \$273.2 million over the prior year of which approximately \$188.9 million is incremental revenue from acquisitions made in 2020 and 2021 (including \$51.4 million from the two Steward properties in Utah that were acquired from proceeds of the mortgage loan conversions in the third quarter of 2020 and \$48.7 million from the Priory transaction as described in [Note 3](#) to Item 8 of this Annual Report on Form 10-K), \$16.8 million is from more straight-line rent write-offs in 2020, \$19.7 million is due to the Circle lease

amendment in the second quarter of 2020 (as described in [Note 3](#) to Item 8 of this Annual Report on Form 10-K), \$21.1 million is from the reclassification of properties from deferred financing leases to operating leases due to certain lease modifications in the fourth quarter of 2020, \$7.7 million is from the commencement of rent on three development properties, \$11.2 million is from capital additions in 2021, and approximately \$19.0 million is from favorable foreign currency fluctuations. This increase is partially offset by lower revenues from disposals and properties vacated.

- Income from financing leases — down \$4.0 million compared to 2020 due to the impact from the reclassification of properties from deferred financing leases to operating leases due to certain lease modifications in the fourth quarter of 2020, partially offset by revenue from new financing leases in the 2020 fourth quarter as part of the conversion of Ernest Health, Inc. (“Ernest”) mortgage loans to fee simple asset ownership.
- Interest and other income — up \$26.2 million from the prior year due to the following:
  - Interest from loans — up \$12.1 million over the prior year due to \$84.8 million of incremental revenue earned on loan investments in 2020 and 2021, including \$41.6 million earned on the two loans made to Priory in 2021 (see [Note 3](#) to Item 8 of this Annual Report on Form 10-K for further details including when loans were repaid) and \$16.4 million from the loans made to the international joint venture and for three Colombia properties in 2020, along with \$0.7 million from favorable foreign currency fluctuations. This increase is partially offset by \$30.6 million of lower interest revenue related to Steward mortgage loans converted to fee simple assets in the third quarter of 2020, \$12.0 million of lower interest revenue related to Ernest mortgage loans converted to fee simple assets in the fourth quarter of 2020, and \$30.7 million is from the repayment of Prime loans in the fourth quarter of 2020.
  - Other income — up \$14.1 million from the prior year as we received more direct reimbursements from our tenants for ground lease, property taxes, and insurance.

Interest expense for 2021 and 2020 totaled \$367.4 million and \$328.7 million, respectively. This increase is primarily related to new debt issuances in 2020 and 2021, as our weighted-average interest rate year-over-year has decreased from 3.9% in 2020 to 3.3% in 2021.

Real estate depreciation and amortization during 2021 increased to \$321.2 million from \$264.2 million in 2020 due to new investments made in 2020 and 2021.

Property-related expenses for 2021 increased to \$39.1 million, compared to \$24.9 million in 2020. Of the property expenses in 2021 and 2020, approximately \$28 million and \$14 million, respectively, represents costs that were reimbursed by our tenants and included in the “Interest and other income” line on our consolidated statements of net income.

As a percentage of revenue, general and administrative expenses represent 9.4% for 2021, a decline from the 10.5% in the prior year. On a dollar basis, general and administrative expenses totaled \$145.6 million for 2021, which is a \$14.0 million increase from 2020 and reflective of the growth of the company, in particular our continued international expansion.

During the year ended December 31, 2021, we disposed of 16 properties and one ancillary property resulting in a net gain of \$52.5 million. In comparison, we sold nine properties and six ancillary properties in 2020 for a net loss of \$2.8 million. In addition, we made a \$19.0 million adjustment to lower the carrying value of the real estate on certain Adeptus Health, Inc. (“Adeptus”) properties and one Alecto Healthcare Services LLC (“Alecto”) facility in 2020 (see [Note 3](#) to Item 8 of this Annual Report on Form 10-K for further details).

Earnings from equity interests was \$28.5 million for 2021, up \$8.1 million from 2020, primarily due to \$5.8 million more income generated on our equity investment in Infracore, which we increased our ownership in during the 2020 fourth quarter.

Debt refinancing and unutilized financing costs were \$27.7 million in 2021 as a result of the early termination of our 4.000% Senior Unsecured Notes due 2022 in the fourth quarter of 2021, the early termination of our January 2021 Interim Credit Facility, and the amendment to our Credit Facility in the first quarter of 2021 (see [Note 4](#) to Item 8 of this Annual Report on Form 10-K for further details). In 2020, these costs were \$28.2 million due to the redemption premiums and accelerated amortization of deferred debt issuance cost incurred as a result of the prepayment of our \$800 million senior unsecured notes in the fourth quarter of 2020.

In 2021, we recorded a favorable non-cash fair value adjustment of \$8.2 million to mark our investment in Aevis Victoria SA stock to market. This adjustment (reflected in the “Other” line of our consolidated statements of net income) was a \$5.8 million unfavorable adjustment in 2020, primarily due to the decline of this stock due to the COVID-19 pandemic.

In the 2021 fourth quarter, we realized approximately \$40 million in net gains on the sale of investments in operators (two of which were in Europe). These gains were recorded in the “Other” line of our consolidated statements of net income and almost

entirely offset by the impairment on our investment in Watsonville, as described in [Note 3](#) to Item 8 of this Annual Report on Form 10-K.

Income tax expense includes U.S. federal and state income taxes on our TRS entities, as well as non-U.S. income based or withholding taxes on certain investments located in jurisdictions outside the U.S. The \$73.9 million income tax expense for 2021 is primarily based on the income generated by our investments in the United Kingdom, Colombia, and Australia, including a one-time adjustment to our net deferred tax liabilities of approximately \$43 million to reflect an increase in the United Kingdom corporate tax rate from 19% to 25% in the second quarter of 2021. In comparison, we incurred a \$31.1 million income tax expense in 2020 from income generated by our investments in the United Kingdom and Australia, including tax adjustments of \$9 million to reflect corporate tax rate changes in the United Kingdom and elsewhere. Excluding the one-time adjustments for the increase in tax rates, the increase in income tax expense is primarily related to higher foreign taxable income earned as a result of investments made in 2020 and 2021. For more detailed information, see [Note 5](#) to Item 8 of this Annual Report on Form 10-K.

We utilize the asset and liability method of accounting for income taxes. Deferred tax assets are recorded to the extent we believe these assets will more likely than not be realized. In making such determination, all available positive and negative evidence is considered, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies, and recent financial performance. Based upon our review of all positive and negative evidence, including our three-year cumulative pre-tax book loss position in certain entities, we concluded that a valuation allowance of approximately \$62 million should be reflected against certain of our international and domestic net deferred tax assets at December 31, 2021. In the future, if we determine that it is more likely than not that we will realize our net deferred tax assets, we will reverse the applicable portion of the valuation allowance, recognize an income tax benefit in the period in which such determination is made, and incur higher income taxes in future periods as income is earned. For more detailed information, see [Note 5](#) to Item 8 of this Annual Report on Form 10-K.

## **Non-GAAP Financial Measures**

We consider non-GAAP financial measures to be useful supplemental measures of our operating performance. A non-GAAP financial measure is a measure of financial performance, financial position, or cash flows that excludes or includes amounts that are not so excluded from or included in the most directly comparable measure calculated and presented in accordance with GAAP. Described below are the non-GAAP financial measures used by management to evaluate our operating performance and that we consider most useful to investors, together with reconciliations of these measures to the most directly comparable GAAP measures.

### ***Funds From Operations and Normalized Funds From Operations***

Investors and analysts following the real estate industry utilize funds from operations, or FFO, as a supplemental performance measure. FFO, reflecting the assumption that real estate asset values rise or fall with market conditions, principally adjusts for the effects of GAAP depreciation and amortization of real estate assets, which assumes that the value of real estate diminishes predictably over time. We compute FFO in accordance with the definition provided by the National Association of Real Estate Investment Trusts, or Nareit, which represents net income (loss) (computed in accordance with GAAP), excluding gains (losses) on sales of real estate and impairment charges on real estate assets, plus real estate depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures.

In addition to presenting FFO in accordance with the Nareit definition, we disclose normalized FFO, which adjusts FFO for items that relate to unanticipated or non-core events or activities or accounting changes that, if not noted, would make comparison to prior period results and market expectations less meaningful to investors and analysts.

We believe that the use of FFO, combined with the required GAAP presentations, improves the understanding of our operating results among investors and the use of normalized FFO makes comparisons of our operating results with prior periods and other companies more meaningful. While FFO and normalized FFO are relevant and widely used supplemental measures of operating and financial performance of REITs, they should not be viewed as a substitute measure of our operating performance since the measures do not reflect either depreciation and amortization costs or the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, which can be significant economic costs that could materially impact our results of operations. FFO and normalized FFO should not be considered an alternative to net income (loss) (computed in accordance with GAAP) as indicators of our financial performance or to cash flow from operating activities (computed in accordance with GAAP) as an indicator of our liquidity.



The following table presents a reconciliation of net income attributable to MPT common stockholders to FFO and Normalized FFO for the years ended December 31, 2021 and 2020 (amounts in thousands except per share data):

|  | For the Years Ended December 31, |                   |
|--|----------------------------------|-------------------|
|  | 2021                             | 2020              |
| <b>FFO Information</b>                                       |                                  |                   |
| Net income attributable to MPT common stockholders           | \$ 656,021                       | \$ 431,450        |
| Participating securities' share in earnings                  | (2,161)                          | (2,105)           |
| Net income, less participating securities' share in earnings | \$ 653,860                       | \$ 429,345        |
| Depreciation and amortization                                | 374,599                          | 306,493           |
| (Gain) loss on sale of real estate                           | (52,471)                         | 2,833             |
| Real estate impairment charges                               | —                                | 19,006            |
| Funds from operations  | \$ 975,988                       | \$ 757,677        |
| Write-off (recovery) of straight-line rent and other         | (2,271)                          | 26,415            |
| Non-cash fair value adjustments                              | (8,193)                          | 9,642             |
| Tax rate and other changes                                   | 42,746                           | 9,295             |
| Debt refinancing and unutilized financing costs              | 27,650                           | 28,180            |
| Normalized funds from operations                             | <u>\$ 1,035,920</u>              | <u>\$ 831,209</u> |
| <b>Per diluted share data</b>                                |                                  |                   |
| Net income, less participating securities' share in earnings | \$ 1.11                          | \$ 0.81           |
| Depreciation and amortization                                | 0.63                             | 0.57              |
| (Gain) loss on sale of real estate                           | (0.09)                           | 0.01              |
| Real estate impairment charges                               | —                                | 0.04              |
| Funds from operations  | \$ 1.65                          | \$ 1.43           |
| Write-off (recovery) of straight-line rent and other         | —                                | 0.05              |
| Non-cash fair value adjustments                              | (0.01)                           | 0.02              |
| Tax rate and other changes                                   | 0.07                             | 0.02              |
| Debt refinancing and unutilized financing costs              | 0.04                             | 0.05              |
| Normalized funds from operations                             | <u>\$ 1.75</u>                   | <u>\$ 1.57</u>    |

#### **Pro Forma Gross Assets**

Pro forma gross assets is total assets before accumulated depreciation/amortization (adjusted for our unconsolidated joint ventures) and assumes all real estate commitments on new investments and unfunded amounts on development deals and commenced capital improvement projects as of the applicable reporting periods are fully funded, and assumes cash on hand at period-end and cash generated from or to be generated from financing activities subsequent to period-end are used in these transactions. We believe total pro forma gross assets is useful to investors as it provides a more current view of our portfolio and allows for a better understanding of our concentration levels as our commitments close and our other commitments are fully funded. The following table presents a reconciliation of total assets to total pro forma gross assets (in thousands):

|   | As of December 31, 2021 | As of December 31, 2020 |
|---|-------------------------|-------------------------|
| Total assets  | \$ 20,519,801           | \$ 16,829,014           |
| Add:  |                         |                         |
| Real estate commitments on new investments(1)                                       | —                       | 1,901,087               |
| Unfunded amounts on development deals and commenced capital improvement projects(2) | 480,132                 | 166,258                 |
| Accumulated depreciation and amortization   | 993,100                 | 833,529                 |
| Incremental gross assets of our joint ventures and other(3)                         | 1,713,603               | 1,287,077               |
| Less:   |                         |                         |
| Cash used for funding the transactions above(4)                                     | (1,377,299)             | (587,384)               |
| Total pro forma gross assets  | <u>\$ 22,329,337</u>    | <u>\$ 20,429,581</u>    |

- (1) The 2020 column reflects investments made in 2021, including the Priory transaction that was funded on January 19, 2021.
- (2) Includes \$163.6 million and \$65.5 million of unfunded amounts on ongoing development projects and \$316.5 million and \$100.8 million of unfunded amounts on capital improvement projects, as of December 31, 2021 and 2020, respectively.
- (3) Adjustment to reflect our share of our joint ventures' gross assets.
- (4) Includes cash available on-hand plus cash generated or to be generated from activities subsequent to period-end such as loan repayments, issuances of debt or equity, or dispositions (including the Macquarie Transaction discussed in [Note 3](#) to Item 8 of this Annual Report on Form 10-K), if any.

## Adjusted Revenues

Adjusted revenues are total revenues adjusted for our pro rata portion of similar revenues in our real estate joint venture arrangements. We believe adjusted revenues are useful to investors as it provides a more complete view of revenues across all of our investments and allows for better understanding of our revenue concentration. The following table presents a reconciliation of total revenues to total adjusted revenues (in thousands):

|   | For the Years Ended December 31, |                     |
|---|----------------------------------|---------------------|
|   | 2021                             | 2020                |
| Total revenues  | \$ 1,544,669                     | \$ 1,249,238        |
| Revenues from real estate properties owned through joint venture arrangements | 131,013                          | 105,758             |
| Total adjusted revenues   | <u>\$ 1,675,682</u>              | <u>\$ 1,354,996</u> |

## Distribution Policy

We have elected to be taxed as a REIT commencing with our taxable year that began on April 6, 2004 and ended on December 31, 2004. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement that we distribute at least 90% of our REIT taxable income, excluding net capital gain, to our stockholders. It is our current intention to comply with these requirements and maintain such status going forward.

The table below is a summary of our distributions declared for the three year period ended December 31, 2021:

| Declaration Date  | Record Date        | Date of Distribution | Distribution per Share |
|-------------------|--------------------|----------------------|------------------------|
| November 11, 2021 | December 9, 2021   | January 13, 2022     | \$ 0.28                |
| August 19, 2021   | September 16, 2021 | October 14, 2021     | \$ 0.28                |
| May 26, 2021      | June 17, 2021      | July 8, 2021         | \$ 0.28                |
| February 18, 2021 | March 18, 2021     | April 8, 2021        | \$ 0.28                |
| November 12, 2020 | December 10, 2020  | January 7, 2021      | \$ 0.27                |
| August 13, 2020   | September 10, 2020 | October 8, 2020      | \$ 0.27                |
| May 21, 2020      | June 18, 2020      | July 16, 2020        | \$ 0.27                |
| February 14, 2020 | March 12, 2020     | April 9, 2020        | \$ 0.27                |
| November 21, 2019 | December 12, 2019  | January 9, 2020      | \$ 0.26                |
| August 15, 2019   | September 12, 2019 | October 10, 2019     | \$ 0.26                |
| May 23, 2019      | June 13, 2019      | July 11, 2019        | \$ 0.25                |
| February 14, 2019 | March 14, 2019     | April 11, 2019       | \$ 0.25                |

On February 17, 2022, we announced that our Board of Directors declared a regular quarterly cash dividend of \$0.29 per share of common stock to be paid on April 14, 2022, to stockholders of record on March 17, 2022.

We intend to pay to our stockholders, within the time periods prescribed by the Code, all or substantially all of our annual taxable income, including taxable gains from the sale of real estate and recognized gains on the sale of securities. It is our policy to make sufficient cash distributions to stockholders in order for us to maintain our status as a REIT under the Code and to avoid corporate income and excise taxes on undistributed income. However, our Credit Facility limits the amount of dividends we can pay — see [Note 4](#) to our consolidated financial statements in [Item 8](#) to this Annual Report on Form 10-K for further information.

## ITEM 7A. 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. We seek to mitigate the effects of fluctuations in interest rates by matching the terms of new investments with new long-term fixed rate borrowings to the extent possible. We may or may not elect to use financial derivative instruments to hedge interest rate or foreign currency exposure. For interest rate hedging, these decisions are principally based on our policy to match investments with comparable borrowings, but are also based on the general trend in interest rates at the applicable dates and our perception of the future volatility of interest rates. For foreign currency hedging, these decisions are principally based on how our investments are financed, the long-term nature of our investments, the need to repatriate earnings back to the U.S., and the general trend in foreign currency exchange rates.

In addition, the value of our facilities will be subject to fluctuations based on changes in local and regional economic conditions and changes in the ability of our tenants to generate profits.

Our primary exposure to market risks relates to fluctuations in interest rates and foreign currency. The following analyses present the sensitivity of the market value, earnings, and cash flows of our significant financial instruments to hypothetical changes in interest rates and exchange rates as if these changes had occurred. The hypothetical changes chosen for these analyses reflect our view of changes that are reasonably possible over a one-year period. These forward looking disclosures are selective in nature and only address the potential impact from these hypothetical changes. They do not include other potential effects which could impact our business as a result of changes in market conditions (such as the impact caused by COVID-19). In addition, they do not include measures we may take to minimize our exposure such as entering into future interest rate swaps to hedge against interest rate increases on our variable rate debt.

### Interest Rate Sensitivity

For fixed rate debt, interest rate changes affect the fair market value but do not impact net income to common stockholders or cash flows. Conversely, for floating rate debt, interest rate changes generally do not affect the fair market value but do impact net income to common stockholders and cash flows, assuming other factors are held constant. At December 31, 2021, our outstanding debt totaled \$11.3 billion, which consisted of fixed-rate debt of approximately \$9.5 billion (after considering interest rate swaps in-place) and variable rate debt of \$1.8 billion. If market interest rates increase by 1%, the fair value of our debt at December 31, 2021 would decrease by approximately \$8.0 million. Changes in the fair value of our fixed rate debt will not have any impact on us unless we decided to repurchase the debt in the open market.

If market rates of interest on our variable rate debt increase by 1%, the increase in annual interest expense on our variable rate debt would decrease future earnings and cash flows by \$0.3 million per year. If market rates of interest on our variable rate debt decrease by 1%, the decrease in interest expense on our variable rate debt would increase future earnings and cash flows by \$0.3 million per year. This assumes that the average amount outstanding under our variable rate debt for a year is \$1.8 billion, the balance of such variable rate debt at December 31, 2021.

### Foreign Currency Sensitivity

With our investments in the United Kingdom, Germany, Spain, Italy, Portugal, Switzerland, Australia, and Colombia, we are subject to fluctuations in the British pound, euro, Swiss franc, Australian dollar, and Colombian peso to U.S. dollar currency exchange rates. Although we generally deem investments in these countries to be of a long-term nature, are typically able to match any non-U.S. dollar borrowings with investments in such currencies, and historically have not needed to repatriate a material amount of earnings back to the U.S., increases or decreases in the value of the respective non-U.S. dollar currencies to U.S. dollar exchange rates may impact our financial condition and/or our results of operations. Based solely on our 2021 operating results, a 5% change to the following exchange rates would have impacted our net income, FFO, and Normalized FFO by the amounts below (in thousands):

|                         | Net Income Impact | FFO Impact | NFFO Impact(1) |
|-------------------------|-------------------|------------|----------------|
| British pound (£)       | \$ 3,472          | \$ 7,673   | \$ 9,638       |
| Euro (€)                | 1,517             | 3,432      | 2,358          |
| Swiss franc (CHF)       | 550               | 1,623      | 1,641          |
| Australian dollar (A\$) | 644               | 1,711      | 1,714          |
| Colombian peso (COP)    | 520               | 520        | 520            |

(1) Excludes impact from the one-time United Kingdom tax adjustment discussed in [Note 5](#) to Item 8 of this Annual Report on Form 10-K.

**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of Medical Properties Trust, Inc.

***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of Medical Properties Trust, Inc. and its subsidiaries (the “Company”) as of December 31, 2021 and 2020, and the related consolidated statements of net income, of comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes and financial statement schedules listed in the index appearing under Item 15(a) (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

***Basis for Opinions***

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

***Definition and Limitations of Internal Control over Financial Reporting***

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## ***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### ***Acquired Real Estate Purchase Price Allocations***

As described in Notes 2 and 3 to the consolidated financial statements, management allocates the purchase price of acquired properties to tangible and identified lease intangible assets based on their fair values. In 2021, the Company acquired a total of \$3.3 billion of land, building and intangible lease assets. In making estimates of fair values for purposes of allocating purchase prices of acquired real estate to tangible and identified lease intangible assets, management utilizes information from a number of sources including available real estate broker data, independent appraisals that may be obtained in connection with the acquisition of the respective property, internal data from previous acquisitions or developments, other market data, and significant assumptions such as capitalization rates and market rental rates.

The principal considerations for our determination that performing procedures relating to the acquired real estate purchase price allocations is a critical audit matter are (i) the significant judgment by management when developing the fair value measurements and allocating the purchase price of the acquired properties to the tangible and lease intangible assets acquired, which in turn led to a high degree of auditor judgment and subjectivity in performing procedures and evaluating audit evidence, (ii) significant audit effort was required in assessing the reasonableness of significant assumptions such as capitalization rates and market rental rates used by management to estimate the fair value of each tangible and lease intangible asset component, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included testing the effectiveness of controls relating to management's acquired real estate purchase price allocations, including controls over the fair value of each tangible and lease intangible asset acquired. These procedures also included, among others, testing management's process by evaluating the significant assumptions related to capitalization rates and market rental rates, and the methodology used by management in developing the estimated fair values and allocations of the purchase price to the tangible and lease intangible assets acquired. Testing management's process included using professionals with specialized skill and knowledge to assist in evaluating the valuation methodologies and significant assumptions used by management, such as capitalization rates and market rental rates, for certain acquisitions. Evaluating the reasonableness of assumptions involved considering internal data from previous acquisitions, where relevant.

/s/ PricewaterhouseCoopers LLP  
Birmingham, Alabama  
March 1, 2022

We have served as the Company's auditor since 2008.

## Report of Independent Registered Public Accounting Firm

To the Partners of MPT Operating Partnership, L.P.:

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of MPT Operating Partnership, L.P. and its subsidiaries (the “Company”) as of December 31, 2021 and 2020, and the related consolidated statements of net income, of comprehensive income, of capital and of cash flows for each of the three years in the period ended December 31, 2021, including the related notes and financial statement schedules listed in the index appearing under Item 15(a) (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

### ***Basis for Opinions***

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## ***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### *Acquired Real Estate Purchase Price Allocations*

As described in Notes 2 and 3 to the consolidated financial statements, management allocates the purchase price of acquired properties to tangible and identified lease intangible assets based on their fair values. In 2021, the Company acquired a total of \$3.3 billion of land, building and intangible lease assets. In making estimates of fair values for purposes of allocating purchase prices of acquired real estate to tangible and identified lease intangible assets, management utilizes information from a number of sources including available real estate broker data, independent appraisals that may be obtained in connection with the acquisition of the respective property, internal data from previous acquisitions or developments, other market data, and significant assumptions such as capitalization rates and market rental rates.

The principal considerations for our determination that performing procedures relating to the acquired real estate purchase price allocations is a critical audit matter are (i) the significant judgment by management when developing the fair value measurements and allocating the purchase price of the acquired properties to the tangible and lease intangible assets acquired, which in turn led to a high degree of auditor judgment and subjectivity in performing procedures and evaluating audit evidence, (ii) significant audit effort was required in assessing the reasonableness of significant assumptions such as capitalization rates and market rental rates used by management to estimate the fair value of each tangible and lease intangible asset component, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included testing the effectiveness of controls relating to management's acquired real estate purchase price allocations, including controls over the fair value of each tangible and lease intangible asset acquired. These procedures also included, among others, testing management's process by evaluating the significant assumptions related to capitalization rates and market rental rates, and the methodology used by management in developing the estimated fair values and allocations of the purchase price to the tangible and lease intangible assets acquired. Testing management's process included using professionals with specialized skill and knowledge to assist in evaluating the valuation methodologies and significant assumptions used by management, such as capitalization rates and market rental rates, for certain acquisitions. Evaluating the reasonableness of assumptions involved considering internal data from previous acquisitions, where relevant.

/s/ PricewaterhouseCoopers LLP  
Birmingham, Alabama  
March 1, 2022

We have served as the Company's auditor since 2008.

**MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**

|   | December 31,   |                      |
|---|--|----------------------|
|   | 2021   | 2020                 |
|   | (Amounts in thousands,<br>except for per share data) |                      |
| <b>ASSETS</b>   |  |                      |
| Real estate assets  |  |                      |
| Land  | \$ 1,961,478   | \$ 1,463,200         |
| Buildings and improvements  | 10,581,992   | 9,286,507            |
| Construction in progress  | 101,439  | 30,139               |
| Intangible lease assets   | 1,417,813  | 1,299,081            |
| Investment in financing leases  | 2,053,327  | 2,010,922            |
| Real estate held for sale   | 1,096,505  | —                    |
| Mortgage loans  | 213,211  | 248,080              |
| Gross investment in real estate assets  | 17,425,765   | 14,337,929           |
| Accumulated depreciation  | (853,879)  | (728,176)            |
| Accumulated amortization  | (139,221)  | (105,353)            |
| Net investment in real estate assets  | 16,432,665   | 13,504,400           |
| Cash and cash equivalents   | 459,227  | 549,884              |
| Interest and rent receivables   | 56,229   | 46,208               |
| Straight-line rent receivables  | 728,522  | 490,462              |
| Equity investments  | 1,181,025  | 1,123,623            |
| Other loans   | 1,328,653  | 858,368              |
| Other assets  | 333,480  | 256,069              |
| <b>Total Assets</b>   | <b>\$ 20,519,801</b>                                 | <b>\$ 16,829,014</b> |
| <b>LIABILITIES AND EQUITY</b>   |  |                      |
| Liabilities   |  |                      |
| Debt, net   | \$ 11,282,770  | \$ 8,865,458         |
| Accounts payable and accrued expenses   | 607,792  | 438,750              |
| Deferred revenue  | 25,563   | 36,177               |
| Obligations to tenants and other lease liabilities  | 158,005  | 144,772              |
| Total Liabilities   | 12,074,130   | 9,485,157            |
| Commitments and Contingencies   |  |                      |
| Equity  |  |                      |
| Preferred stock, \$0.001 par value. Authorized 10,000 shares; no shares outstanding   | —  | —                    |
| Common stock, \$0.001 par value. Authorized 750,000 shares; issued and outstanding —<br>596,814 shares at December 31, 2021 and 541,419 shares at December 31, 2020 | 597  | 541                  |
| Additional paid-in capital  | 8,564,786  | 7,461,503            |
| Distributions in excess of net income   | (87,691)   | (71,411)             |
| Accumulated other comprehensive loss  | (36,727)   | (51,324)             |
| Treasury shares, at cost  | (777)  | (777)                |
| Total Medical Properties Trust, Inc. stockholders' equity   | 8,440,188  | 7,338,532            |
| Non-controlling interests   | 5,483  | 5,325                |
| Total Equity  | 8,445,671  | 7,343,857            |
| <b>Total Liabilities and Equity</b>   | <b>\$ 20,519,801</b>                                 | <b>\$ 16,829,014</b> |

See accompanying notes to consolidated financial statements.



**MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Net Income**

|   | <b>For the Years Ended December 31,</b>           |                   |                   |
|---|---|-------------------|-------------------|
|   | <b>2021</b>                                       | <b>2020</b>       | <b>2019</b>       |
|   | (Amounts in thousands, except for per share data) |                   |                   |
| <b>Revenues</b>   |   |                   |                   |
| Rent billed   | \$ 931,942  | \$ 741,311        | \$ 474,151        |
| Straight-line rent  | 241,433   | 158,881           | 110,456           |
| Income from financing leases                                      | 202,599   | 206,550           | 119,617           |
| Interest and other income   | 168,695   | 142,496           | 149,973           |
| Total revenues  | <u>1,544,669</u>                                  | <u>1,249,238</u>  | <u>854,197</u>    |
| <b>Expenses</b>   |   |                   |                   |
| Interest  | 367,393   | 328,728           | 237,830           |
| Real estate depreciation and amortization                         | 321,249   | 264,245           | 152,313           |
| Property-related  | 39,098  | 24,890            | 23,992            |
| General and administrative  | 145,638   | 131,663           | 96,411            |
| Total expenses  | <u>873,378</u>                                    | <u>749,526</u>    | <u>510,546</u>    |
| <b>Other income (expense)</b>                                     |   |                   |                   |
| Gain (loss) on sale of real estate                                | 52,471  | (2,833)           | 41,560            |
| Real estate impairment charges                                    | —   | (19,006)          | (21,031)          |
| Earnings from equity interests                                    | 28,488  | 20,417            | 16,051            |
| Debt refinancing and unutilized financing costs                   | (27,650)  | (28,180)          | (6,106)           |
| Other (including mark-to-market adjustments on equity securities) | 6,288   | (6,782)           | (345)             |
| Total other income (expense)                                      | <u>59,597</u>                                     | <u>(36,384)</u>   | <u>30,129</u>     |
| <b>Income before income tax</b>                                   | 730,888   | 463,328           | 373,780           |
| Income tax (expense) benefit                                      | <u>(73,948)</u>                                   | <u>(31,056)</u>   | <u>2,621</u>      |
| <b>Net income</b>   | 656,940   | 432,272           | 376,401           |
| Net income attributable to non-controlling interests              | (919)   | (822)             | (1,717)           |
| <b>Net income attributable to MPT common stockholders</b>         | <u>\$ 656,021</u>                                 | <u>\$ 431,450</u> | <u>\$ 374,684</u> |
| <b>Earnings per common share — basic and diluted</b>              |   |                   |                   |
| <b>Net income attributable to MPT common stockholders</b>         | <u>\$ 1.11</u>                                    | <u>\$ 0.81</u>    | <u>\$ 0.87</u>    |
| <b>Weighted average shares outstanding — basic</b>                | <u>588,817</u>                                    | <u>529,239</u>    | <u>427,075</u>    |
| <b>Weighted average shares outstanding — diluted</b>              | <u>590,139</u>                                    | <u>530,461</u>    | <u>428,299</u>    |

See accompanying notes to consolidated financial statements.

**MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**

| (In thousands)   | For the Years Ended December 31, |            |            |
|--|----------------------------------|------------|------------|
|  | 2021                             | 2020       | 2019       |
| Net income   | \$ 656,940                       | \$ 432,272 | \$ 376,401 |
| Other comprehensive income:                                    |                                  |            |            |
| Unrealized gain (loss) on interest rate swaps, net of tax      | 52,288                           | (33,091)   | (9,033)    |
| Foreign currency translation (loss) gain                       | (37,691)                         | 44,672     | 4,330      |
| Total comprehensive income                                     | 671,537                          | 443,853    | 371,698    |
| Comprehensive income attributable to non-controlling interests | (919)                            | (822)      | (1,717)    |
| Comprehensive income attributable to MPT common stockholders   | \$ 670,618                       | \$ 443,031 | \$ 369,981 |

See accompanying notes to consolidated financial statements.

**MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Equity**  
**For the Years Ended December 31, 2021, 2020 and 2019**

| (In thousands, except per share amounts)                   | Preferred |           | Common  |           | Additional Paid-in Capital | Retained Earnings (Deficit) | Accumulated Other Comprehensive Loss | Treasury Shares | Non-Controlling Interests | Total Equity |
|--|-----------|-----------|---------|-----------|----------------------------|-----------------------------|--------------------------------------|-----------------|---------------------------|--------------|
|  | Shares    | Par Value | Shares  | Par Value |                            |                             |                                      |                 |                           |              |
| <b>Balance at December 31, 2018</b>                        | —         | \$ —      | 370,637 | \$ 371    | \$ 4,442,948               | \$ 162,768                  | \$ (58,202)                          | \$ (777)        | \$ 13,830                 | \$ 4,560,938 |
| Net income   | —         | —         | —       | —         | —                          | 374,684                     | —                                    | —               | 1,717                     | 376,401      |
| Unrealized loss on interest rate swaps, net of tax         | —         | —         | —       | —         | —                          | —                           | (9,033)                              | —               | —                         | (9,033)      |
| Foreign currency translation gain                          | —         | —         | —       | —         | —                          | —                           | 4,330                                | —               | —                         | 4,330        |
| Stock vesting and amortization of stock-based compensation | —         | —         | 1,536   | 2         | 32,186                     | —                           | —                                    | —               | —                         | 32,188       |
| Distributions to non-controlling interests, net            | —         | —         | —       | —         | —                          | —                           | —                                    | —               | (15,440)                  | (15,440)     |
| Proceeds from offering (net of offering costs)             | —         | —         | 145,349 | 145       | 2,533,065                  | —                           | —                                    | —               | —                         | 2,533,210    |
| Dividends declared (\$1.02 per common share)               | —         | —         | —       | —         | —                          | (454,440)                   | —                                    | —               | —                         | (454,440)    |
| <b>Balance at December 31, 2019</b>                        | —         | \$ —      | 517,522 | \$ 518    | \$ 7,008,199               | \$ 83,012                   | \$ (62,905)                          | \$ (777)        | \$ 107                    | \$ 7,028,154 |
| Net income   | —         | —         | —       | —         | —                          | 431,450                     | —                                    | —               | 822                       | 432,272      |
| Cumulative effect of change in accounting principles       | —         | —         | —       | —         | —                          | (8,399)                     | —                                    | —               | —                         | (8,399)      |
| Unrealized loss on interest rate swaps, net of tax         | —         | —         | —       | —         | —                          | —                           | (33,091)                             | —               | —                         | (33,091)     |
| Foreign currency translation gain                          | —         | —         | —       | —         | —                          | —                           | 44,672                               | —               | —                         | 44,672       |
| Stock vesting and amortization of stock-based compensation | —         | —         | 2,893   | 2         | 47,152                     | —                           | —                                    | —               | —                         | 47,154       |
| Sale of non-controlling interests                          | —         | —         | —       | —         | —                          | —                           | —                                    | —               | 5,097                     | 5,097        |
| Redemption of MOP units                                    | —         | —         | —       | —         | (4,928)                    | —                           | —                                    | —               | —                         | (4,928)      |
| Distributions to non-controlling interests                 | —         | —         | —       | —         | —                          | —                           | —                                    | —               | (701)                     | (701)        |
| Proceeds from offering (net of offering costs)             | —         | —         | 21,004  | 21        | 411,080                    | —                           | —                                    | —               | —                         | 411,101      |
| Dividends declared (\$1.08 per common share)               | —         | —         | —       | —         | —                          | (577,474)                   | —                                    | —               | —                         | (577,474)    |
| <b>Balance at December 31, 2020</b>                        | —         | \$ —      | 541,419 | \$ 541    | \$ 7,461,503               | \$ (71,411)                 | \$ (51,324)                          | \$ (777)        | \$ 5,325                  | \$ 7,343,857 |
| Net income   | —         | —         | —       | —         | —                          | 656,021                     | —                                    | —               | 919                       | 656,940      |
| Unrealized gain on interest rate swaps, net of tax         | —         | —         | —       | —         | —                          | —                           | 52,288                               | —               | —                         | 52,288       |
| Foreign currency translation loss                          | —         | —         | —       | —         | —                          | —                           | (37,691)                             | —               | —                         | (37,691)     |
| Stock vesting and amortization of stock-based compensation | —         | —         | 2,332   | 3         | 52,107                     | —                           | —                                    | —               | —                         | 52,110       |
| Distributions to non-controlling interests                 | —         | —         | —       | —         | —                          | —                           | —                                    | —               | (761)                     | (761)        |
| Proceeds from offering (net of offering costs)             | —         | —         | 53,063  | 53        | 1,051,176                  | —                           | —                                    | —               | —                         | 1,051,229    |
| Dividends declared (\$1.12 per common share)               | —         | —         | —       | —         | —                          | (672,301)                   | —                                    | —               | —                         | (672,301)    |
| <b>Balance at December 31, 2021</b>                        | —         | \$ —      | 596,814 | \$ 597    | \$ 8,564,786               | \$ (87,691)                 | \$ (36,727)                          | \$ (777)        | \$ 5,483                  | \$ 8,445,671 |

See accompanying notes to consolidated financial statements.

**MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**

|  | <b>For the Years Ended December 31,</b> |                          |                            |
|--|---|--------------------------|----------------------------|
|  | <b>2021</b>                             | <b>2020</b>              | <b>2019</b>                |
|  | (Amounts in thousands)                  |                          |                            |
| <b>Operating activities</b>  |   |                          |                            |
| Net income   | \$ 656,940                              | \$ 432,272               | \$ 376,401                 |
| Adjustments to reconcile net income to net cash provided by operating activities:                      |   |                          |                            |
| Depreciation and amortization  | 333,781                                 | 275,953                  | 156,575                    |
| Amortization of deferred financing costs and debt discount   | 16,856                                  | 13,099                   | 8,881                      |
| Straight-line rent revenue and other   | (288,717)                               | (226,906)                | (138,806)                  |
| Share-based compensation   | 52,110                                  | 47,154                   | 32,188                     |
| (Gain) loss from sale of real estate   | (52,471)                                | 2,833                    | (41,560)                   |
| Impairment charges   | —                                       | 19,006                   | 21,031                     |
| Straight-line rent and other (recovery) write-off  | (2,271)                                 | 26,415                   | 22,447                     |
| Debt refinancing and unutilized financing costs  | 27,650                                  | 28,180                   | 6,106                      |
| Tax rate and other changes   | 42,746                                  | 9,295                    | —                          |
| Pre-acquisition rent collected - Circle Transaction  | —                                       | (35,020)                 | —                          |
| Other adjustments  | 11,913                                  | 8,134                    | (2,271)                    |
| Changes in:  |   |                          |                            |
| Interest and rent receivables  | (23,867)                                | (2,438)                  | 12,906                     |
| Other assets   | (4,375)                                 | 18,264                   | (4,992)                    |
| Accounts payable and accrued expenses  | 54,058                                  | (18,424)                 | 39,630                     |
| Deferred revenue   | (12,697)                                | 19,819                   | 5,581                      |
| Net cash provided by operating activities  | <u>811,656</u>                          | <u>617,636</u>           | <u>494,117</u>             |
| <b>Investing activities</b>  |   |                          |                            |
| Cash paid for acquisitions and other related investments   | (5,350,239)                             | (4,249,180)              | (4,565,594)                |
| Net proceeds from sale of real estate  | 246,468                                 | 94,177                   | 111,766                    |
| Principal received on loans receivable   | 1,595,708                               | 1,306,187                | 920                        |
| Investment in loans receivable   | (58,932)                                | (62,651)                 | (54,088)                   |
| Construction in progress and other   | (67,725)                                | (68,350)                 | (83,798)                   |
| Proceeds from sale and return of equity investment   | 65,546                                  | 69,224                   | —                          |
| Capital additions and other investments, net   | (289,239)                               | (36,180)                 | (293,163)                  |
| Net cash used for investing activities   | <u>(3,858,413)</u>                      | <u>(2,946,773)</u>       | <u>(4,883,957)</u>         |
| <b>Financing activities</b>  |   |                          |                            |
| Proceeds from term debt, net of discount   | 3,407,535                               | 2,215,950                | 3,048,424                  |
| Payments of term debt  | (1,390,994)                             | (800,000)                | —                          |
| Revolving credit facilities, net   | 559,985                                 | 162,633                  | (65,736)                   |
| Dividends paid   | (643,473)                               | (567,969)                | (411,697)                  |
| Lease deposits and other obligations to tenants  | 17,815                                  | 21,706                   | (12,260)                   |
| Proceeds from sale of common shares, net of offering costs   | 1,051,229                               | 411,101                  | 2,533,210                  |
| Payment of debt refinancing, deferred financing costs and other financing activities                   | (54,489)                                | (42,347)                 | (50,057)                   |
| Net cash provided by financing activities  | <u>2,947,608</u>                        | <u>1,401,074</u>         | <u>5,041,884</u>           |
| (Decrease) increase in cash, cash equivalents, and restricted cash for the year                        | (99,149)                                | (928,063)                | 652,044                    |
| Effect of exchange rate changes  | 4,662                                   | 16,441                   | (6,478)                    |
| Cash, cash equivalents, and restricted cash at beginning of year                                       | 556,369                                 | 1,467,991                | 822,425                    |
| <b>Cash, cash equivalents, and restricted cash at end of year</b>                                      | <b><u>\$ 461,882</u></b>                | <b><u>\$ 556,369</u></b> | <b><u>\$ 1,467,991</u></b> |
| Interest paid, including capitalized interest of \$3,289 in 2021, \$3,030 in 2020, and \$3,936 in 2019 | \$ 326,406                              | \$ 309,920               | \$ 211,163                 |
| Supplemental schedule of non-cash financing activities:  |   |                          |                            |
| Dividends declared, unpaid   | \$ 176,494                              | \$ 147,666               | \$ 138,161                 |
| Cash, cash equivalents, and restricted cash are comprised of the following:                            |   |                          |                            |
| Beginning of period:   |   |                          |                            |
| Cash and cash equivalents  | \$ 549,884                              | \$ 1,462,286             | \$ 820,868                 |
| Restricted cash, included in Other assets  | 6,485                                   | 5,705                    | 1,557                      |
|  | <u>\$ 556,369</u>                       | <u>\$ 1,467,991</u>      | <u>\$ 822,425</u>          |
| End of period:   |   |                          |                            |
| Cash and cash equivalents  | \$ 459,227                              | \$ 549,884               | \$ 1,462,286               |
| Restricted cash, included in Other assets  | 2,655                                   | 6,485                    | 5,705                      |
|  | <u>\$ 461,882</u>                       | <u>\$ 556,369</u>        | <u>\$ 1,467,991</u>        |

See accompanying notes to consolidated financial statements.

**MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**

|   | December 31,  |                      |
|---|---|----------------------|
|   | 2021  | 2020                 |
|   | (Amounts in thousands,<br>except for per unit data) |                      |
| <b>ASSETS</b>   |   |                      |
| Real estate assets  |   |                      |
| Land  | \$ 1,961,478  | \$ 1,463,200         |
| Buildings and improvements  | 10,581,992  | 9,286,507            |
| Construction in progress  | 101,439   | 30,139               |
| Intangible lease assets   | 1,417,813   | 1,299,081            |
| Investment in financing leases  | 2,053,327   | 2,010,922            |
| Real estate held for sale   | 1,096,505   | —                    |
| Mortgage loans  | 213,211   | 248,080              |
| Gross investment in real estate assets  | 17,425,765  | 14,337,929           |
| Accumulated depreciation  | (853,879)   | (728,176)            |
| Accumulated amortization  | (139,221)   | (105,353)            |
| Net investment in real estate assets  | 16,432,665  | 13,504,400           |
| Cash and cash equivalents   | 459,227   | 549,884              |
| Interest and rent receivables   | 56,229  | 46,208               |
| Straight-line rent receivables  | 728,522   | 490,462              |
| Equity investments  | 1,181,025   | 1,123,623            |
| Other loans   | 1,328,653   | 858,368              |
| Other assets  | 333,480   | 256,069              |
| <b>Total Assets</b>   | <b>\$ 20,519,801</b>                                | <b>\$ 16,829,014</b> |
| <b>LIABILITIES AND CAPITAL</b>  |   |                      |
| Liabilities   |   |                      |
| Debt, net   | \$ 11,282,770                                       | \$ 8,865,458         |
| Accounts payable and accrued expenses   | 430,908   | 290,757              |
| Deferred revenue  | 25,563  | 36,177               |
| Obligations to tenants and other lease liabilities  | 158,005   | 144,772              |
| Payable due to Medical Properties Trust, Inc.   | 176,494   | 147,603              |
| Total Liabilities   | 12,073,740  | 9,484,767            |
| Commitments and Contingencies   |   |                      |
| Capital   |   |                      |
| General partner — issued and outstanding — 5,968 units at December 31, 2021 and 5,414 units at December 31, 2020      | 84,847  | 73,977               |
| Limited Partners — issued and outstanding — 590,846 units at December 31, 2021 and 536,005 units at December 31, 2020 | 8,392,458   | 7,316,269            |
| Accumulated other comprehensive loss  | (36,727)  | (51,324)             |
| Total MPT Operating Partnership, L.P. capital   | 8,440,578   | 7,338,922            |
| Non-controlling interests   | 5,483   | 5,325                |
| Total Capital   | 8,446,061   | 7,344,247            |
| <b>Total Liabilities and Capital</b>  | <b>\$ 20,519,801</b>                                | <b>\$ 16,829,014</b> |

See accompanying notes to consolidated financial statements.

**MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES**  
**Consolidated Statements of Net Income**

|  | <b>For the Years Ended December 31,</b>          |                   |                   |
|--|--|-------------------|-------------------|
|  | <b>2021</b>                                      | <b>2020</b>       | <b>2019</b>       |
|  | (Amounts in thousands, except for per unit data) |                   |                   |
| <b>Revenues</b>  |  |                   |                   |
| Rent billed  | \$ 931,942                                       | \$ 741,311        | \$ 474,151        |
| Straight-line rent   | 241,433  | 158,881           | 110,456           |
| Income from financing leases   | 202,599  | 206,550           | 119,617           |
| Interest and other income  | 168,695  | 142,496           | 149,973           |
| Total revenues   | <u>1,544,669</u>                                 | <u>1,249,238</u>  | <u>854,197</u>    |
| <b>Expenses</b>  |  |                   |                   |
| Interest   | 367,393  | 328,728           | 237,830           |
| Real estate depreciation and amortization                            | 321,249  | 264,245           | 152,313           |
| Property-related   | 39,098   | 24,890            | 23,992            |
| General and administrative   | 145,638  | 131,663           | 96,411            |
| Total expenses   | <u>873,378</u>                                   | <u>749,526</u>    | <u>510,546</u>    |
| <b>Other income (expense)</b>  |  |                   |                   |
| Gain (loss) on sale of real estate                                   | 52,471   | (2,833)           | 41,560            |
| Real estate impairment charges                                       | —  | (19,006)          | (21,031)          |
| Earnings from equity interests                                       | 28,488   | 20,417            | 16,051            |
| Debt refinancing and unutilized financing costs                      | (27,650)   | (28,180)          | (6,106)           |
| Other (including mark-to-market adjustments on equity securities)    | 6,288  | (6,782)           | (345)             |
| Total other income (expense)   | <u>59,597</u>                                    | <u>(36,384)</u>   | <u>30,129</u>     |
| <b>Income before income tax</b>                                      | 730,888  | 463,328           | 373,780           |
| Income tax (expense) benefit   | <u>(73,948)</u>                                  | <u>(31,056)</u>   | <u>2,621</u>      |
| <b>Net income</b>  | 656,940  | 432,272           | 376,401           |
| Net income attributable to non-controlling interests                 | (919)  | (822)             | (1,717)           |
| <b>Net income attributable to MPT Operating Partnership partners</b> | <u>\$ 656,021</u>                                | <u>\$ 431,450</u> | <u>\$ 374,684</u> |
| <b>Earnings per unit — basic and diluted</b>                         |  |                   |                   |
| <b>Net income attributable to MPT Operating Partnership partners</b> | <u>\$ 1.11</u>                                   | <u>\$ 0.81</u>    | <u>\$ 0.87</u>    |
| <b>Weighted average units outstanding — basic</b>                    | <u>588,817</u>                                   | <u>529,239</u>    | <u>427,075</u>    |
| <b>Weighted average units outstanding — diluted</b>                  | <u>590,139</u>                                   | <u>530,461</u>    | <u>428,299</u>    |

See accompanying notes to consolidated financial statements.

**MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**

| (In thousands)  | For the Years Ended December 31, |            |            |
|---|----------------------------------|------------|------------|
|   | 2021                             | 2020       | 2019       |
| Net income  | \$ 656,940                       | \$ 432,272 | \$ 376,401 |
| Other comprehensive income:   |                                  |            |            |
| Unrealized gain (loss) on interest rate swaps, net of tax               | 52,288                           | (33,091)   | (9,033)    |
| Foreign currency translation (loss) gain                                | (37,691)                         | 44,672     | 4,330      |
| Total comprehensive income  | 671,537                          | 443,853    | 371,698    |
| Comprehensive income attributable to non-controlling interests          | (919)                            | (822)      | (1,717)    |
| Comprehensive income attributable to MPT Operating Partnership partners | \$ 670,618                       | \$ 443,031 | \$ 369,981 |

See accompanying notes to consolidated financial statements.

**MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES**  
**Consolidated Statements of Capital**  
**For the Years Ended December 31, 2021, 2020 and 2019**

| (In thousands, except per unit amounts)                  | General Partner |            | Limited Partners |              |       |            | Accumulated        | Non-        | Total        |
|--|-----------------|------------|------------------|--------------|-------|------------|--------------------|-------------|--------------|
|  | Units           | Unit Value | Common           |              | LTIPs |            | Other              | Controlling | Capital      |
|  |                 |            | Units            | Unit Value   | Units | Unit Value | Comprehensive Loss | Interests   |              |
| <b>Balance at December 31, 2018</b>                      | 3,706           | \$ 46,084  | 366,931          | \$ 4,559,616 | 232   | \$ —       | \$ (58,202)        | \$ 13,830   | \$ 4,561,328 |
| Net income   | —               | 3,746      | —                | 370,938      | —     | —          | —                  | 1,717       | 376,401      |
| Unrealized loss on interest rate swaps, net              |                 |            |                  |              |       |            |                    |             |              |
| of tax   | —               | —          | —                | —            | —     | —          | (9,033)            | —           | (9,033)      |
| Foreign currency translation gain                        | —               | —          | —                | —            | —     | —          | 4,330              | —           | 4,330        |
| Unit vesting and amortization of unit-based compensation | 15              | 322        | 1,521            | 31,866       | —     | —          | —                  | —           | 32,188       |
| Distributions to non-controlling interests               | —               | —          | —                | —            | —     | —          | —                  | (15,440)    | (15,440)     |
| Proceeds from offering (net of offering costs)           | 1,455           | 25,332     | 143,894          | 2,507,878    | —     | —          | —                  | —           | 2,533,210    |
| Distributions declared (\$1.02 per unit)                 | —               | (4,545)    | —                | (449,895)    | —     | —          | —                  | —           | (454,440)    |
| <b>Balance at December 31, 2019</b>                      | 5,176           | \$ 70,939  | 512,346          | \$ 7,020,403 | 232   | \$ —       | \$ (62,905)        | \$ 107      | \$ 7,028,544 |
| Net income   | —               | 4,315      | —                | 427,135      | —     | —          | —                  | 822         | 432,272      |
| Cumulative effect of change in accounting principles     | —               | (84)       | —                | (8,315)      | —     | —          | —                  | —           | (8,399)      |
| Unrealized loss on interest rate swaps, net              |                 |            |                  |              |       |            |                    |             |              |
| of tax   | —               | —          | —                | —            | —     | —          | (33,091)           | —           | (33,091)     |
| Foreign currency translation gain                        | —               | —          | —                | —            | —     | —          | 44,672             | —           | 44,672       |
| Unit vesting and amortization of unit-based compensation | 29              | 472        | 2,864            | 46,682       | —     | —          | —                  | —           | 47,154       |
| Sale of non-controlling interests                        | —               | —          | —                | —            | —     | —          | —                  | 5,097       | 5,097        |
| Conversion of LTIP units to common units                 | —               | —          | 232              | —            | (232) | —          | —                  | —           | —            |
| Redemption of common units                               | —               | —          | (232)            | (4,928)      | —     | —          | —                  | —           | (4,928)      |
| Distributions to non-controlling interests               | —               | —          | —                | —            | —     | —          | —                  | (701)       | (701)        |
| Proceeds from offering (net of offering costs)           | 209             | 4,111      | 20,795           | 406,990      | —     | —          | —                  | —           | 411,101      |
| Distributions declared (\$1.08 per unit)                 | —               | (5,776)    | —                | (571,698)    | —     | —          | —                  | —           | (577,474)    |
| <b>Balance at December 31, 2020</b>                      | 5,414           | \$ 73,977  | 536,005          | \$ 7,316,269 | —     | \$ —       | \$ (51,324)        | \$ 5,325    | \$ 7,344,247 |
| Net income   | —               | 6,560      | —                | 649,461      | —     | —          | —                  | 919         | 656,940      |
| Unrealized gain on interest rate swaps, net of tax       | —               | —          | —                | —            | —     | —          | 52,288             | —           | 52,288       |
| Foreign currency translation loss                        | —               | —          | —                | —            | —     | —          | (37,691)           | —           | (37,691)     |
| Unit vesting and amortization of unit-based compensation | 23              | 521        | 2,309            | 51,589       | —     | —          | —                  | —           | 52,110       |
| Distributions to non-controlling interests               | —               | —          | —                | —            | —     | —          | —                  | (761)       | (761)        |
| Proceeds from offering (net of offering costs)           | 531             | 10,512     | 52,532           | 1,040,717    | —     | —          | —                  | —           | 1,051,229    |
| Distributions declared (\$1.12 per unit)                 | —               | (6,723)    | —                | (665,578)    | —     | —          | —                  | —           | (672,301)    |
| <b>Balance at December 31, 2021</b>                      | 5,968           | \$ 84,847  | 590,846          | \$ 8,392,458 | —     | \$ —       | \$ (36,727)        | \$ 5,483    | \$ 8,446,061 |

See accompanying notes to consolidated financial statements.



**MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**

|  | For the Years Ended December 31, |                     |                     |
|--|----------------------------------|---------------------|---------------------|
|  | 2021                             | 2020                | 2019                |
|  | (Amounts in thousands)           |                     |                     |
| <b>Operating activities</b>  |                                  |                     |                     |
| Net income   | \$ 656,940                       | \$ 432,272          | \$ 376,401          |
| Adjustments to reconcile net income to net cash provided by operating activities:                      |                                  |                     |                     |
| Depreciation and amortization  | 333,781                          | 275,953             | 156,575             |
| Amortization of deferred financing costs and debt discount   | 16,856                           | 13,099              | 8,881               |
| Straight-line rent revenue and other   | (288,717)                        | (226,906)           | (138,806)           |
| Unit-based compensation  | 52,110                           | 47,154              | 32,188              |
| (Gain) loss from sale of real estate   | (52,471)                         | 2,833               | (41,560)            |
| Impairment charges   | —                                | 19,006              | 21,031              |
| Straight-line rent and other (recovery) write-off  | (2,271)                          | 26,415              | 22,447              |
| Debt refinancing and unutilized financing costs  | 27,650                           | 28,180              | 6,106               |
| Tax rate and other changes   | 42,746                           | 9,295               | —                   |
| Pre-acquisition rent collected - Circle Transaction  | —                                | (35,020)            | —                   |
| Other adjustments  | 11,913                           | 8,134               | (2,271)             |
| Changes in:  |                                  |                     |                     |
| Interest and rent receivables  | (23,867)                         | (2,438)             | 12,906              |
| Other assets   | (4,375)                          | 18,264              | (4,992)             |
| Accounts payable and accrued expenses  | 54,058                           | (18,424)            | 39,630              |
| Deferred revenue   | (12,697)                         | 19,819              | 5,581               |
| Net cash provided by operating activities  | 811,656                          | 617,636             | 494,117             |
| <b>Investing activities</b>  |                                  |                     |                     |
| Cash paid for acquisitions and other related investments   | (5,350,239)                      | (4,249,180)         | (4,565,594)         |
| Net proceeds from sale of real estate  | 246,468                          | 94,177              | 111,766             |
| Principal received on loans receivable   | 1,595,708                        | 1,306,187           | 920                 |
| Investment in loans receivable   | (58,932)                         | (62,651)            | (54,088)            |
| Construction in progress and other   | (67,725)                         | (68,350)            | (83,798)            |
| Proceeds from sale and return of equity investment   | 65,546                           | 69,224              | —                   |
| Capital additions and other investments, net   | (289,239)                        | (36,180)            | (293,163)           |
| Net cash used for investing activities   | (3,858,413)                      | (2,946,773)         | (4,883,957)         |
| <b>Financing activities</b>  |                                  |                     |                     |
| Proceeds from term debt, net of discount   | 3,407,535                        | 2,215,950           | 3,048,424           |
| Payments of term debt  | (1,390,994)                      | (800,000)           | —                   |
| Revolving credit facilities, net   | 559,985                          | 162,633             | (65,736)            |
| Distributions paid   | (643,473)                        | (567,969)           | (411,697)           |
| Lease deposits and other obligations to tenants  | 17,815                           | 21,706              | (12,260)            |
| Proceeds from sale of units, net of offering costs   | 1,051,229                        | 411,101             | 2,533,210           |
| Payment of debt refinancing, deferred financing costs, and other financing activities                  | (54,489)                         | (42,347)            | (50,057)            |
| Net cash provided by financing activities  | 2,947,608                        | 1,401,074           | 5,041,884           |
| (Decrease) increase in cash, cash equivalents, and restricted cash for the year                        | (99,149)                         | (928,063)           | 652,044             |
| Effect of exchange rate changes  | 4,662                            | 16,441              | (6,478)             |
| Cash, cash equivalents, and restricted cash at beginning of year                                       | 556,369                          | 1,467,991           | 822,425             |
| <b>Cash, cash equivalents and restricted cash at end of year</b>                                       | <b>\$ 461,882</b>                | <b>\$ 556,369</b>   | <b>\$ 1,467,991</b> |
| Interest paid, including capitalized interest of \$3,289 in 2021, \$3,030 in 2020, and \$3,936 in 2019 | \$ 326,406                       | \$ 309,920          | \$ 211,163          |
| Supplemental schedule of non-cash financing activities:  |                                  |                     |                     |
| Dividends declared, unpaid   | \$ 176,494                       | \$ 147,666          | \$ 138,161          |
| Cash, cash equivalents, and restricted cash are comprised of the following:                            |                                  |                     |                     |
| Beginning of period:   |                                  |                     |                     |
| Cash and cash equivalents  | \$ 549,884                       | \$ 1,462,286        | \$ 820,868          |
| Restricted cash, included in Other assets  | 6,485                            | 5,705               | 1,557               |
|  | <u>\$ 556,369</u>                | <u>\$ 1,467,991</u> | <u>\$ 822,425</u>   |
| End of period:   |                                  |                     |                     |
| Cash and cash equivalents  | \$ 459,227                       | \$ 549,884          | \$ 1,462,286        |
| Restricted cash, included in Other assets  | 2,655                            | 6,485               | 5,705               |
|  | <u>\$ 461,882</u>                | <u>\$ 556,369</u>   | <u>\$ 1,467,991</u> |

See accompanying notes to consolidated financial statements.

**MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES**  
**MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES**  
**Notes To Consolidated Financial Statements**

## **1. Organization**

Medical Properties Trust, Inc., a Maryland corporation, was formed on August 27, 2003, under the Maryland General Corporation Law for the purpose of engaging in the business of investing in, owning, and leasing healthcare real estate. Our operating partnership subsidiary, MPT Operating Partnership, L.P. (the "Operating Partnership"), through which we conduct all of our operations, was formed in September 2003. At present, we own all of the partnership interests in the Operating Partnership and have elected to report our required disclosures and that of the Operating Partnership on a combined basis, except where material differences exist.

We operate as a real estate investment trust ("REIT"). Accordingly, we will generally not be subject to United States ("U.S.") federal income tax, provided that we continue to qualify as a REIT and our distributions to our stockholders equal or exceed our taxable income. Certain non-real estate activities we undertake are conducted by entities which we elected to be treated as taxable REIT subsidiaries ("TRS"). Our TRS entities are subject to both U.S. federal and state income taxes. For our properties located outside the U.S., we are subject to the local taxes of the jurisdictions where our properties reside and/or legal entities are domiciled; however, we do not expect to incur additional taxes, of a significant nature, in the U.S. from foreign-based income as the majority of such income flows through our REIT.

Our primary business strategy is to acquire and develop real estate and improvements, primarily for long-term lease to providers of healthcare services, such as operators of general acute care hospitals, behavioral health facilities, inpatient physical rehabilitation hospitals, long-term acute care hospitals, and freestanding ER/urgent care facilities. We also make mortgage and other loans to operators of similar facilities. In addition, we may obtain profits or equity interests in our tenants, from time-to-time, in order to enhance our overall return.

Our business model facilitates acquisitions and recapitalizations, and allows operators of healthcare facilities to unlock the value of their real estate to fund facility improvements, technology upgrades, and other investments in operations. At December 31, 2021, we have investments in 438 facilities in 32 states in the U.S., in six countries in Europe, one country in South America, and across Australia. We manage our business as a single business segment.

## **2. Summary of Significant Accounting Policies**

*Use of Estimates:* The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We believe the estimates and assumptions underlying our consolidated financial statements are reasonable and supportable based on the information available as of December 31, 2021 (particularly as it relates to our assessments of the recoverability of our real estate and the adequacy of our credit loss reserves on loans and financing receivables). Although the effects of COVID-19 and related variants seem to be lessening, government restrictions appear to be easing, and most hospitals around the world have generally returned to their normal operations, the ultimate impact to our tenants' results of operations and liquidity and their ability to pay our rent and interest due to the impact of COVID-19 still cannot be predicted with 100% confidence. This makes any estimates and assumptions as of December 31, 2021, inherently less certain than they would be absent the potential impact of COVID-19. Actual results could differ from those estimates.

*Principles of Consolidation:* Property holding entities and other subsidiaries of which we own 100% of the equity or have a controlling financial interest evidenced by ownership of a majority voting interest are consolidated. All inter-company balances and transactions are eliminated. For entities in which we own less than 100% of the equity interest, we consolidate the property if we have the direct or indirect ability to control the entities' activities based upon the terms of the respective entities' ownership agreements. For these entities, we record a non-controlling interest representing equity held by non-controlling interests.

We continually evaluate all of our transactions and investments to determine if they represent variable interests in a variable interest entity. If we determine that we have a variable interest in a variable interest entity, we then evaluate if we are the primary beneficiary of the variable interest entity. The evaluation is a qualitative assessment as to whether we have the ability to direct the activities of a variable interest entity that most significantly impact the entity's economic performance. We consolidate each variable interest entity in which we, by virtue of or transactions with our investments in the entity, are considered to be the primary beneficiary.

At December 31, 2021, we had loans and/or equity investments in certain variable interest entities approximating \$570 million, which represents our maximum exposure to loss as a result of our involvement in such entities. We have determined that we were not

the primary beneficiary of any variable interest entity in which we hold a variable interest because we do not control the activities (such as the day-to-day operations) that most significantly impact the economic performance of these entities.

*Investments in Unconsolidated Entities:* Investments in entities in which we have the ability to significantly influence (but not control) are accounted for by the equity method, such as our joint venture with Primotop Holdings S.à.r.l. (“Primotop”). Under the equity method of accounting, our share of the investee’s earnings or losses are included in the “Earnings from equity interests” line of our consolidated statements of net income. Except for our joint venture with Primotop, we have elected to record our share of such investee’s earnings or losses on a lag basis. The initial carrying value of investments in unconsolidated entities is based on the amount paid to purchase the interest in the investee entity. Subsequently, our investments are increased/decreased by our share in the investees’ earnings/losses and decreased by cash distributions from our investees. To the extent that our cost basis is different from the basis reflected at the investee entity level, the basis difference is generally amortized over the lives of the related assets and liabilities, and such amortization is included in our share of equity in earnings of the investee.

We evaluate our equity method investments for impairment based upon a comparison of the fair value of the equity method investment to its carrying value, when impairment indicators exist. If we determine a decline in the fair value of an investment in an unconsolidated investee entity below its carrying value is other-than-temporary, an impairment is recorded.

Investments in entities in which we do not control nor do we have the ability to significantly influence and for which there is no readily determinable fair value (such as our investment in Steward Health Care System LLC (“Steward”)) are accounted for at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions involving the investee. Cash distributions on these types of investments are recorded to either income upon receipt (if a return on investment) or as a reduction of our investment (if the distributions received are in excess of our share of the investee’s earnings). For similar investments but for which there are readily determinable fair values, such investments are measured at fair value, with unrealized gains and losses recorded in income.

*Cash and Cash Equivalents:* Certificates of deposit, short-term investments with original maturities of three months or less, and money-market mutual funds are considered cash equivalents. The majority of our cash and cash equivalents are held at major commercial banks, which at times may exceed the Federal Deposit Insurance Corporation limit. We have not experienced any losses to-date on our invested cash. Cash and cash equivalents which have been restricted as to its use are recorded in other assets.

*Revenue Recognition:* Our revenues are primarily from leases and loans. For leases, we follow Accounting Standards Update (“ASU”) 2016-02, “Leases”, (“ASU 2016-02”). ASU 2016-02 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e. lessees and lessors). For lessors, we apply this standard as follows:

#### Operating Lease Revenue

We receive income from operating leases based on the fixed required rents (base rents) per the lease agreements. Rent revenue from base rents is recorded on the straight-line method over the terms of the related lease agreements for new leases and the remaining terms of existing leases for those acquired as part of a property acquisition. The straight-line method records the periodic average amount of base rents earned over the term of a lease, taking into account contractual rent increases over the lease term. The straight-line method typically has the effect of recording more rent revenue from a lease than a tenant is required to pay early in the term of the lease. During the later parts of a lease term, this effect reverses with less rent revenue recorded than a tenant is required to pay. Rent revenue, as recorded on the straight-line method, in our consolidated statements of net income is presented as two amounts: rent billed and straight-line rent. Rent billed revenue is the amount of base rent actually billed to our tenants each period as required by the lease. Straight-line rent revenue is the difference between rent revenue earned based on the straight-line method and the amount recorded as rent billed revenue. We record the difference between rent revenues earned and amounts due per the respective lease agreements, as applicable, as an increase or decrease to straight-line rent receivables.

Rental payments received prior to their recognition as income are classified as deferred revenue.

#### Financing Lease Revenue

Under ASU 2016-02, if an acquisition and subsequent lease of a property back to the seller does not meet the definition of a sale, we must account for the transaction as a financing lease with income recognized using the imputed interest method.

Another type of financing lease is a direct financing lease (“DFL”). For leases accounted for as DFLs, the future minimum lease payments are recorded as a receivable at lease inception, while, the difference between the future minimum lease payments and the estimated residual values less the cost of the properties is recorded as unearned income. Unearned income is deferred and amortized to income over the lease term to provide a constant yield when collectability of the lease payments is reasonably assured. Investments in DFLs are presented net of unearned income.

## Other Leasing Revenue

We begin recording base rent income from our development projects when the lessee takes physical possession of the facility, which may be different from the stated start date of the lease. Also, during construction of our development projects, we may be entitled to accrue rent based on the cost paid during the construction period (construction period rent). We accrue construction period rent as a receivable with a corresponding offset to deferred revenue during the construction period. When the lessee takes physical possession of the facility, we begin recognizing the deferred construction period revenue on the straight-line method over the term of the lease.

We also receive additional rent (contingent rent) under some leases based on increases in the consumer price index (“CPI”) (or similar index outside the U.S.) or when CPI exceeds the annual minimum percentage increase as stipulated in the lease. Contingent rents are recorded as rent billed revenue in the period earned.

Tenant payments for ground leases along with other operating expenses, such as property taxes and insurance, that are paid directly by us and reimbursed by our tenants are presented on a gross basis with the related revenues recorded in “Interest and other income” and the related expenses in “Property-related” in our consolidated statements of net income. All payments of other operating expenses made directly by the tenant to the applicable government or appropriate third-party vendor are recorded on a net basis.

## Interest Revenue

We receive interest income from our tenants/borrowers on mortgage loans, working capital loans, and other long-term loans. Interest income from these loans is recognized as earned based upon the principal outstanding and terms of the loans.

## Other Revenue

Commitment fees received from lessees for development and leasing services are initially recorded as deferred revenue and recognized as income over the initial term of a lease to produce a constant effective yield on the lease (interest method). Commitment and origination fees from lending services are also recorded as deferred revenue initially and recognized as income over the life of the loan using the interest method.

*Acquired Real Estate Purchase Price Allocation:* We account for acquisitions of real estate under asset acquisition accounting rules. Under this accounting standard, we allocate the purchase price (including any third-party transaction costs directly related to the acquisition) of acquired properties to tangible and identified intangible assets acquired and liabilities assumed (if any) based on their relative fair values. In making estimates of fair values for purposes of allocating purchase prices of acquired real estate, we may utilize a number of sources, from time-to-time, including available real estate broker data, independent appraisals that may be obtained in connection with the acquisition, internal data from previous acquisitions or developments, and other market data, including market comparables for significant assumptions such as market rental, capitalization, and discount rates. We also consider information obtained about each property as a result of our pre-acquisition due diligence, marketing, and leasing activities in estimating the fair value of the tangible and intangible assets acquired.

We measure the aggregate value of lease intangible assets acquired based on the difference between (i) the property valued with new or in-place leases adjusted to market rental rates and (ii) the property valued as if vacant. Management’s estimates of value are made using methods similar to those used by independent appraisers (e.g., discounted cash flow analysis). Factors considered by management in our analysis include an estimate of carrying costs during hypothetical expected lease-up periods, considering current market conditions, and costs to execute similar leases. We also consider information obtained about each targeted facility as a result of our pre-acquisition due diligence, marketing, and leasing activities in estimating the fair value of the intangible assets acquired. In estimating carrying costs, management includes real estate taxes, insurance, and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods, which we expect to be about six months, but can be longer depending on specific local market conditions. Management also estimates costs to execute similar leases including leasing commissions, legal costs, and other related expenses to the extent that such costs are not already incurred in connection with a new lease origination as part of the transaction.

Other intangible assets acquired may include customer relationship intangible values which are based on management’s evaluation of the specific characteristics of each prospective tenant’s lease and our overall relationship with that tenant. Characteristics to be considered by management in allocating these values include the nature and extent of our existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant’s credit quality, and expectations of lease renewals, including those existing under the terms of the lease agreement, among other factors.

We amortize the value of our lease intangible assets to expense over the term of the respective leases. If a lease is terminated early, the unamortized portion of the lease intangibles are charged to expense.

We record above-market and below-market in-place lease values, if any, for our facilities, which are based on the present value of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease. We amortize any resulting capitalized above-market lease values as a reduction of rental income over the lease term. We amortize any resulting capitalized below-market lease values as an increase to rental income over the lease term. If a lease is terminated early, the unamortized portion of the capitalized above/below market lease value is recognized in rental income at that time.

**Real Estate and Depreciation:** Real estate, consisting of land, buildings and improvements, are maintained at cost. Although typically paid by our tenants, any expenditure for ordinary maintenance and repairs that we pay are expensed to operations as incurred. Significant renovations and improvements which improve and/or extend the useful life of the asset are capitalized and depreciated over their estimated useful lives. We record impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets, including an estimated liquidation amount, during the expected holding periods are less than the carrying amounts of those assets. Impairment losses are measured as the difference between carrying value and fair value of the assets. For assets held for sale, we cease recording depreciation expense and adjust the assets' value to the lower of its carrying value or fair value, less cost of disposal. Fair value is based on estimated cash flows discounted at a risk-adjusted rate of interest. We classify real estate assets as held for sale when we have commenced an active program to sell the assets, and in the opinion of management, it is probable the asset will be sold within the next 12 months.

Construction in progress includes the cost of land, the cost of construction of buildings, improvements, and fixed equipment, and costs for design and engineering. Other costs, such as interest, legal, property taxes, and corporate project supervision, which can be directly associated with the project during construction, are also included in construction in progress. We commence capitalization of costs associated with a development project when the development of the future asset is probable and activities necessary to get the underlying property ready for its intended use have been initiated. We stop the capitalization of costs when the property is substantially complete and ready for its intended use.

Depreciation is calculated on the straight-line method over the estimated useful lives of the related real estate and other assets. Our weighted-average useful lives at December 31, 2021 are as follows:

|                                 |            |
|---------------------------------|------------|
| Buildings and improvements      | 35.8 years |
| Lease intangibles               | 24.9 years |
| Leasehold improvements          | 17.0 years |
| Furniture, equipment, and other | 7.6 years  |

**Credit Losses:**

**Losses from Rent Receivables:** For all leases, we continuously monitor the performance of our existing tenants, which may include, but not limited to: admission levels and surgery/procedure volumes by type; current operating margins; ratio of our tenants' operating margins both to facility rent and to facility rent plus other fixed costs; trends in cash collections; trends in revenue and patient mix; and the effect of evolving healthcare regulations, adverse economic and political conditions, and other events ongoing (such as the recent health crisis caused by the COVID-19 pandemic) on tenants' profitability and liquidity.

**Losses from Operating Lease Receivables:** We utilize the information above along with the tenant's payment and default history in evaluating (on a property-by-property basis) whether or not a provision for losses on outstanding billed rent and/or straight-line rent receivables is needed. A provision for losses on rent receivables (including straight-line rent receivables) is ultimately recorded when it becomes probable that the receivable will not be collected in full. The provision is an amount which reduces the receivable to its estimated net realizable value based on a determination of the eventual amounts to be collected either from the debtor or from existing collateral, if any.

**Losses on Financing Lease Receivables:** Upon the adoption of ASU No. 2016-13 "Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13") on January 1, 2020, we began applying a new forward-looking "expected loss" model to all of our financing receivables, including financing leases and loans. With this change, we have grouped our financial instruments into two primary pools of similar credit risk: secured and unsecured. The secured instruments include our investments in financing receivables as all are secured by the underlying real estate, among other collateral. Within the two primary pools, we further grouped our instruments into sub-pools based on several tenant/borrower characteristics, including years of experience in the healthcare industry and in a particular market or region and overall capitalization. We then determined a credit loss percentage per pool based on our history over a period of time that closely matches the remaining terms of the financial instruments being analyzed and adjusted as needed for current trends or unusual circumstances. We have applied these credit loss percentages to the book value of the related instruments to establish a credit loss reserve on our financing lease receivables and such credit loss reserve (including the underlying assumptions) is reviewed and adjusted quarterly. If a financing

receivable is under performing and is deemed uncollectible based on the lessee's overall financial condition, we will adjust the credit loss reserve based on the fair value of the underlying collateral.

With the adoption of ASU 2016-13, we made the accounting policy election to exclude interest receivables from the credit loss reserve analysis. Such receivables are impaired and an allowance recorded when it is deemed probable that we will be unable to collect all amounts due. Like operating lease receivables, the need for an allowance is based upon our assessment of the lessee's overall financial condition, economic resources and payment record, the prospects for support from any financially responsible guarantors, and, if appropriate, the realizable value of any collateral. Financing leases are placed on non-accrual status when we determine that the collectability of contractual amounts is not reasonably assured. If on non-accrual status, we generally account for the financing lease on a cash basis, in which income is recognized only upon receipt of cash.

**Loans:** Loans consist of mortgage loans, working capital loans, and other loans. Mortgage loans are collateralized by interests in real property. Working capital and other loans are typically collateralized by interests in receivables and corporate and individual guarantees. We record loans at cost. Like our financing lease receivables, we are using ASU 2016-13 to establish credit loss reserves on all outstanding loans based on historical credit losses of similar instruments. Such credit loss reserves, including the underlying assumptions, are reviewed and adjusted quarterly. If a loan's performance worsens and foreclosure is deemed probable for our collateral-based loans (after considering the borrower's overall financial condition as described above for leases), we will adjust the allowance for expected credit losses based on the current fair value of such collateral at the time the loan is deemed uncollectible. If the loan is not collateralized, the loan will be written-off once it is determined that such loan is no longer collectible. Interest receivables on loans are excluded from ASU 2016-13, and we assess their collectability similar to how we assess collectability for interest receivables on financing leases described above.

The following table summarizes our credit loss reserves (in thousands):

|  | December 31, 2021 | December 31, 2020 |
|--|-------------------|-------------------|
| Balance at beginning of the year                                       | \$ 8,726          | \$ —              |
| Cumulative effect of change in accounting principle                    | —                 | 8,399             |
| Provision for credit loss  | 41,710            | 3,255             |
| Expected credit losses related to financial instruments sold or repaid | (1,909)           | (2,928)           |
| Balance at end of year   | <u>\$ 48,527</u>  | <u>\$ 8,726</u>   |

**Earnings Per Share/Units:** Basic earnings per common share/unit is computed by dividing net income by the weighted-average number of shares/units outstanding during the period. Diluted earnings per common share/unit is calculated by including the effect of dilutive securities.

Our unvested restricted stock awards contain non-forfeitable rights to dividends, and accordingly, these awards are deemed to be participating securities. These participating securities are included in the earnings allocation in computing both basic and diluted earnings per common share/unit.

**Income Taxes:** We conduct our business as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended ("the Code"). To qualify as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute to stockholders at least 90% of our REIT's ordinary taxable income. As a REIT, we generally pay little U.S. federal and state income tax because of the dividends paid deduction that we are allowed to take. If we fail to qualify as a REIT in any taxable year, we will then be subject to U.S. federal income taxes on our taxable income at regular corporate rates and will not be permitted to qualify for treatment as a REIT for federal income tax purposes for four years following the year during which qualification is lost, unless the Internal Revenue Service grants us relief under certain statutory provisions. Such an event could materially adversely affect our net income and net cash available for distribution to stockholders. However, we intend to operate in such a manner so that we will remain qualified as a REIT for U.S. federal income tax purposes.

Our financial statements include the operations of TRS entities, including MPT Development Services, Inc. ("MDS") and many other entities, which are single member LLCs that are disregarded for tax purposes and are reflected in the tax returns of MDS. None of our TRS entities are entitled to a dividends paid deduction and are subject to U.S. federal, state, and local income taxes. Our TRS entities are authorized to provide property development, leasing, and management services for third-party owned properties, and we will make non-mortgage loans to and/or investments in our lessees through these entities.

With the property acquisitions and investments in Europe, Australia, and South America, we are subject to income taxes internationally. However, we do not expect to incur any additional income taxes, of a significant nature, in the U.S. as the majority such income from our international properties flows through our REIT income tax returns. For our TRS entities and international subsidiaries, we determine deferred tax assets and liabilities based on the differences between the financial reporting and tax bases of

assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Any increase or decrease in our deferred tax assets/liabilities that results from a change in circumstances and that causes us to change our judgment about expected future tax consequences of events, is reflected in our tax provision when such changes occur. Deferred income taxes also reflect the impact of operating loss carryforwards. A valuation allowance is provided if we believe it is more likely than not that all or some portion of our deferred tax assets will not be realized. Any increase or decrease in the valuation allowance that results from a change in circumstances, and that causes us to change our judgment about our ability to realize the related deferred tax asset, is reflected in our tax provision when such changes occur.

The calculation of our income taxes involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across our global operations. An income tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of technical merits. However, if a more likely than not position cannot be reached, we record a liability as an offset to the tax benefit and adjust the liabilities when our judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the uncertain tax position liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which new information is available.

*Stock-Based Compensation:* We adopted the 2019 Equity Incentive Plan (the “Equity Incentive Plan”) during the second quarter of 2019. Awards of restricted stock and other equity-based awards with service conditions are valued at the average stock price per share on the date of grant and are amortized to compensation expense over the service periods (typically three years), using the straight-line method. Awards that contain market conditions are valued on the grant date using a Monte Carlo valuation model and are amortized to compensation expense over the derived service periods, which correspond to the periods over which we estimate the awards will be earned, which generally range from three to five years, using the straight-line method. Awards with performance conditions are valued at the average stock price per share on the date of grant and are amortized using the straight-line method over the service period, adjusted for the probability of achieving the performance conditions. Forfeitures of stock-based awards are recognized as they occur.

*Deferred Costs:* Costs incurred that directly relate to the offerings of stock are deferred and netted against proceeds received from the offering. Leasing commissions and other leasing costs that would not have been incurred if the lease was not obtained are capitalized as deferred leasing costs and amortized on the straight-line method over the terms of the related lease agreements. Costs identifiable with loans made to borrowers are capitalized and recognized as a reduction in interest income over the life of the loan.

*Deferred Financing Costs:* We generally capitalize financing costs incurred in connection with new financings and refinancings of debt. These costs are amortized over the lives of the related debt as an addition to interest expense. For debt with defined principal re-payment terms, the deferred costs are amortized to produce a constant effective yield on the debt (interest method) and are included within “Debt, net” on our consolidated balance sheets. For debt without defined principal repayment terms, such as our revolving credit facility, the deferred costs are amortized on the straight-line method over the term of the debt and are included as a component of “Other assets” on our consolidated balance sheets.

*Foreign Currency Translation and Transactions:* Certain of our international subsidiaries’ functional currencies are the local currencies of their respective countries. We translate the results of operations of our foreign subsidiaries into U.S. dollars using average rates of exchange in effect during the period, and we translate balance sheet accounts using exchange rates in effect at the end of the period. We record resulting currency translation adjustments in accumulated other comprehensive income (loss), a component of stockholders’ equity/partnership capital on our consolidated balance sheets.

Certain of our U.S. subsidiaries will enter into short-term and long-term transactions denominated in a foreign currency from time-to-time. Gains or losses resulting from these foreign currency transactions are revalued into U.S. dollars at the rates of exchange prevailing at the dates of the transactions. The effects of revaluation gains or losses on our short-term transactions are included in other income in the consolidated statements of income, while the revaluation effects on our long-term investments are recorded in accumulated other comprehensive income (loss) on our consolidated balance sheets.

*Derivative Financial Investments and Hedging Activities:* During our normal course of business, we may use certain types of derivative instruments for the purpose of managing interest rate and/or foreign currency risk. We record our derivative and hedging instruments at fair value on the balance sheet. Changes in the estimated fair value of derivative instruments that are not designated as hedges or that do not meet the criteria for hedge accounting are recognized in earnings. For derivatives designated as cash flow hedges, the change in the estimated fair value of the effective portion of the derivative is recognized in accumulated other comprehensive income (loss) on our consolidated balance sheets, whereas the change in the estimated fair value of the ineffective portion is recognized in earnings. For derivatives designated as fair value hedges, the change in the estimated fair value of the effective portion of the derivatives offsets the change in the estimated fair value of the hedged item, whereas the change in the estimated fair value of the ineffective portion is recognized in earnings.

To qualify for hedge accounting, we formally document all relationships between hedging instruments and hedged items, as well as our risk management objective and strategy for undertaking the hedge prior to entering into a derivative transaction. This process includes specific identification of the hedging instrument and the hedge transaction, the nature of the risk being hedged and how the hedging instrument's effectiveness in hedging the exposure to the hedged transaction's variability in cash flows attributable to the hedged risk will be assessed. Both at the inception of the hedge and on an ongoing basis, we assess whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows or fair values of hedged items. In addition, for cash flow hedges, we assess whether the underlying forecasted transaction will occur. We discontinue hedge accounting if a derivative is not determined to be highly effective as a hedge or that it is probable that the underlying forecasted transaction will not occur.

*Fair Value Measurement:* We measure and disclose the estimated fair value of financial assets and liabilities utilizing a hierarchy of valuation techniques based on whether the inputs to a fair value measurement are considered to be observable or unobservable in a marketplace. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. This hierarchy requires the use of observable market data when available. These inputs have created the following fair value hierarchy:

- *Level 1* — quoted prices for *identical* instruments in active markets;
- *Level 2* — quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and
- *Level 3* — fair value measurements derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable*.

We measure fair value using a set of standardized procedures that are outlined herein for all assets and liabilities which are required to be measured at their estimated fair value on either a recurring or non-recurring basis. When available, we utilize quoted market prices from an independent third party source to determine fair value and classify such items in Level 1. In some instances where a market price is available, but the instrument is in an inactive or over-the-counter market, we apply the dealer (market maker) pricing estimate and classify the asset or liability in Level 2.

If quoted market prices or inputs are not available, fair value measurements are based upon valuation models that utilize current market or independently sourced market inputs, such as interest rates, option volatilities, credit spreads, market capitalization rates, etc. Items valued using such internally-generated valuation techniques are classified according to the lowest level input that is significant to the fair value measurement. As a result, the asset or liability could be classified in either Level 2 or 3 even though there may be some significant inputs that are readily observable. Internal fair value models and techniques that have been used by us include discounted cash flow and Monte Carlo valuation models. We also consider counterparty's and our own credit risk on derivatives and other liabilities measured at their estimated fair value.

*Fair Value Option Election:* For our equity investment in the international joint venture and equity interest in Springstone, LLC ("Springstone"), along with any related investments such as loans (see [Note 3](#) for more details), we have elected to account for these investments at fair value due to the size of the investments and because we believe this method is more reflective of current values. We have not made a similar election for other investments that existed at December 31, 2021.

#### *Leases (Lessee)*

Pursuant to ASU 2016-02, we are required to apply a dual approach, classifying leases as either financing or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification determines whether lease expense is recognized based on an effective interest method (for finance leases) or on a straight-line basis (for operating leases) over the term of the lease. We record a right-of-use asset and a lease liability for all material leases with a term greater than 12 months regardless of their classification. Leases with a term of 12 months or less are off balance sheet with lease expense recognized on a straight-line basis over the lease term.

*Reclassifications:* Certain amounts in the consolidated financial statements for prior periods have been reclassified to conform to the current period presentation.



## Reference Rate Reform

In March 2020, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting” (“ASU 2020-04”) to simplify the accounting for contract modifications made to replace the London Interbank Offered Rate (“LIBOR”) or other reference rates that are expected to be discontinued because of reference rate reform. The guidance provides optional expedients and exceptions for applying generally accepted accounting principles (“GAAP”) to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criterion are met. The optional expedients and exceptions can be applied to contract modifications made until December 31, 2022. On January 7, 2021, the FASB issued ASU No. 2021-01, “Reference Rate Reform (Topic 848)” (“ASU 2021-01”), which clarifies that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the transition. We have evaluated our contracts that are referenced to LIBOR or other reference rates expected to be discontinued. Our British pound sterling term loan and corresponding interest rate swap were modified with the Sterling Overnight Index Average (SONIA) Rate as a replacement reference rate during the fourth quarter of 2021, and we accounted for such modifications using the expedients and exceptions provided for in ASU 2020-04 and ASU 2021-01. We are continuing to evaluate the need to modify our U.S. dollar LIBOR contracts, such as our unsecured credit facility, but the requirement to replace the U.S. dollar LIBOR has been extended to June 30, 2023. Moreover, we do not expect any impact to our Australian dollar term loan and corresponding interest rate swap, as these contracts are not referenced to rates that are expected to be discontinued.

## 3. Real Estate and Other Activities

## New Investments

For the years ended December 31, 2021, 2020, and 2019, we acquired or invested in the following net assets (in thousands):

|  | 2021         | 2020         | 2019         |
|--|--------------|--------------|--------------|
| Land and land improvements   | \$ 642,312   | \$ 365,281   | \$ 400,539   |
| Buildings  | 2,381,654    | 2,547,313    | 1,951,066    |
| Intangible lease assets — subject to amortization<br>(weighted-average useful life of 34.5 years in 2021,<br>27.5 years in 2020, and 19.1 years in 2019) | 262,385      | 642,699      | 227,468      |
| Investment in financing leases   | —            | 114,797      | 1,386,797    |
| Equity investments   | 123,427      | 233,593      | 415,836      |
| Mortgage loans   | 1,113,300    | 176,840      | 51,267       |
| Other loans and assets   | 909,669      | 309,523      | 135,258      |
| Liabilities assumed  | (82,508)     | (140,866)    | (2,637)      |
|  | \$ 5,350,239 | \$ 4,249,180 | \$ 4,565,594 |
| Loans repaid(1)  | (1,103,410)  | (834,743)    | —            |
| Total net assets acquired  | \$ 4,246,829 | \$ 3,414,437 | \$ 4,565,594 |

- (1) The 2021 column includes an £800 million mortgage loan advanced to the Priory Group (“Priory”) in the first quarter of 2021 and converted to fee simple ownership in a portfolio of 35 properties in the second quarter of 2021 as described below. The 2020 column includes approximately \$740 million of loans advanced to Steward in 2017 and exchanged for the fee simple real estate of two hospitals as described below, as well as approximately \$100 million of loans advanced to Ernest Health, Inc. (“Ernest”) in 2012 and exchanged for the fee simple real estate of four hospitals as described below.

## 2021 Activity

## Priory Group Transaction

On January 19, 2021, we completed the first of two phases in the Priory transaction in which we funded an £800 million interim mortgage loan on an identified portfolio of Priory real estate assets in the United Kingdom. On June 25, 2021, we completed the second phase of the transaction in which we converted this mortgage loan to fee simple ownership in a portfolio of 35 select real estate assets from Priory (which is currently owned by Waterland Private Equity Fund VII C.V. (“Waterland VII”)) in individual sale-and-leaseback transactions. The applicable purchase price for the assets was paid by us by proportionally converting and reducing the principal balance of the interim mortgage loan we made to Waterland VII in phase one. Therefore, the net aggregate purchase price for the real estate assets we acquired from Priory was approximately £800 million, plus customary stamp duty, tax, and other transaction costs. As part of the real estate acquisition (for which some of the assets were acquired by the share purchase of real estate holding entities), we incurred deferred income tax liabilities and other liabilities of approximately £47.1 million.

In addition to the real estate investment, on January 19, 2021, we made a £250 million acquisition loan to Waterland VII, in connection with the closing of Waterland VII’s acquisition of Priory, which was repaid in full plus interest on October 22, 2021.

Finally, we acquired a 9.9% passive equity interest in the Waterland VII affiliate that indirectly owns Priory.

#### Other Transactions

On December 2, 2021, we acquired the remaining 50% interest in a general acute hospital operated by IMED Hospitales in Valencia, Spain, which was formerly owned by our joint venture partner. We followed the asset acquisition cost accumulation model to account for this acquisition and included the carrying amount of our previously held equity interest, along with the approximately €46 million consideration paid and direct transaction costs incurred, in determining the total cost allocated to the net assets acquired.

On October 21, 2021, we acquired an acute care facility in Portugal for €17.8 million. This facility is leased to Atrys Health pursuant to a long-term master lease with annual escalations.

On October 19, 2021, we invested in 18 inpatient behavioral health facilities throughout the U.S. and an interest in the operations of Springstone for total consideration of \$950 million (including an acquisition loan of approximately \$185 million), plus closing and other transaction costs. We also incurred deferred income tax liabilities of approximately \$8.0 million. These facilities are leased to Springstone pursuant to a long-term master lease with annual escalations and multiple extension options.

On August 1, 2021, we completed the acquisition of five general acute care hospitals located in South Florida for approximately \$900 million, plus closing and other transaction costs. These hospitals are leased to Steward pursuant to the master lease, with annual inflation-based escalators, that had its initial fixed term recently extended by 10 years to 2041.

On July 6, 2021, we acquired four acute care hospitals and two on-campus medical office buildings in Los Angeles, California for \$215 million. These hospitals are leased to Pipeline Health Systems pursuant to a long-term lease with annual inflation-based escalators.

On July 6, 2021, we also acquired an acute care hospital in Stirling, Scotland for £15.6 million. This hospital is leased to Circle Health Ltd. (“Circle”) pursuant to a long-term lease with annual inflation-based escalators.

On April 16, 2021, we made a CHF 145 million investment in Swiss Medical Network, our tenant via our Infracore SA (“Infracore”) equity investment.

On January 8, 2021, we made a \$335 million loan to affiliates of Steward, all of the proceeds of which were used to redeem a similarly sized convertible loan from Steward’s former private equity sponsor.

#### 2020 Activity

##### Circle Transaction

On January 8, 2020, we acquired a portfolio of 30 acute care hospitals located throughout the United Kingdom for approximately £1.5 billion from affiliates of BMI Healthcare, Inc. (“BMI”). In a related transaction, affiliates of Circle acquired BMI and assumed its operations in the United Kingdom. As part of our acquisition, we inherited 30 existing leases with the operator that had initial fixed terms ending in 2050, with no renewal options but with annual inflation-based escalators. Effective June 16, 2020, these 30 leases were amended to include two five-year renewal options and improve the annual inflation-based escalators. These 30 leases are cross-defaulted and guaranteed by Circle.

## Other Transactions

On December 31, 2020, we acquired an inpatient rehabilitation hospital in South Carolina for approximately \$17 million. As part of the transaction, we acquired the fee simple real estate of three inpatient rehabilitation hospitals and one long-term acute care hospital in exchange for the reduction of the mortgage loans made to Ernest for such properties in 2012. The approximate \$115 million investment in all five of these facilities is leased to Ernest pursuant to an existing long-term master lease with multiple extension options and annual escalation provisions.

On December 29, 2020, we increased our equity ownership and related investment in Infracore by investing an additional CHF 206.5 million. We are accounting for our total investment in this joint venture (this investment along with our initial investment in 2019 as noted below) under the equity method.

On August 13, 2020, we acquired a general acute care hospital in Lynwood, California for a total investment of approximately \$300 million. This property is leased to Prime Healthcare Services, Inc. ("Prime") pursuant to a long-term master lease with annual escalations and multiple extension options.

On July 8, 2020, we acquired the fee simple real estate of two general acute care hospitals located in the Salt Lake City, Utah area, Davis Hospital & Medical Center and Jordan Valley Medical Center, in exchange for the reduction of the mortgage loans made to Steward for such properties and additional cash consideration of \$200 million based on their relative fair value. The approximate \$950 million investment in these two facilities is subject to the Steward master lease.

On June 24, 2020, we originated a CHF 45 million secured loan to Infracore, which was paid in full on December 2, 2020.

On May 13, 2020, we formed a joint venture for the purpose of investing in the operations of international hospitals. As part of the formation, we originated a \$205 million acquisition loan. We have a 49% interest in this joint venture and are accounting for our investment using the fair value option election. The joint venture simultaneously purchased from Steward the rights and existing assets related to all present and future international opportunities previously owned by Steward for strategic, regulatory, and risk management purposes. Through this joint venture, we invested, on November 17, 2020, in the real estate of three general acute care hospitals in Colombia for approximately \$135 million. These properties are operated by the international joint venture.

Other acquisitions in 2020 included three inpatient rehabilitation hospitals, two general acute care hospitals, and one private acute care hospital totaling approximately \$300 million. One inpatient rehabilitation facility, located in Dahlen, Germany, was acquired on August 5, 2020 for €12.5 million and is leased to MEDIAN Kliniken S.á.r.l. ("MEDIAN") pursuant to the existing master lease. One of the general acute care facilities, located in Darlington, United Kingdom, was acquired on August 7, 2020 for £29.4 million and is leased to Circle pursuant to a long-term lease. The other general acute care hospital, located in London, United Kingdom, was acquired on November 25, 2020 for £50 million via the purchase of a 999-year ground lease and is leased to The Royal Marsden NHS Foundation Trust pursuant to a long-term lease. The inpatient rehabilitation hospitals, one in Texas and one in Indiana, were acquired on December 17, 2020 for approximately \$58 million and are leased to Curahealth Hospitals (now Post Acute Medical, LLC) pursuant to a long-term lease. The private acute care hospital, located in Reading, United Kingdom, was acquired on December 18, 2020 for £85.0 million and is leased to Circle pursuant to the existing long-term Circle master lease.

## 2019 Activity

### LifePoint Acquisition

On December 17, 2019, we acquired a portfolio of 10 acute care hospitals owned and operated by LifePoint Health, Inc. ("LifePoint") for a combined purchase price of approximately \$700 million. The properties were leased to LifePoint under one master lease agreement. The master lease had a 20-year initial term and two five-year extension options, plus annual inflation-based escalators.

### Prospect Transaction

On August 23, 2019, we invested in a portfolio of 14 acute care hospitals and two behavioral health facilities operated by Prospect Medical Holdings, Inc. ("Prospect") for a combined purchase price of approximately \$1.55 billion. Our investment included the acquisition of the real estate of 11 acute care hospitals and two behavioral health facilities for \$1.4 billion. We are accounting for these properties as a financing (as presented in the "Investment in financing leases" line of the consolidated balance sheets) under lease accounting rules due to certain lessee end-of-term purchase options. In addition, we originated a \$51.3 million mortgage loan, secured by a first mortgage on an acute care hospital, and a \$112.9 million term loan. The master leases and mortgage loan have substantially similar terms, with an initial 15-year fixed term subject to three extension options, plus annual inflation-based escalators.

The agreements provide for the potential for a future purchase price adjustment of up to an additional \$250.0 million, based on achievement of certain performance thresholds over a three-year period beginning August 23, 2019. Although such performance thresholds have not been met at this time, any future purchase price adjustment will be added to the lease base upon which we will earn a return in accordance with the master leases.

### Ramsay Acquisition

On August 16, 2019, we acquired freehold interests in eight acute care hospitals located throughout England for an aggregate purchase price of approximately £347 million. The hospitals are leased to Ramsay pursuant to in-place net leases that include annual fixed and periodic market-based escalations.

### Australia Transaction

On June 6, 2019, we acquired 11 hospitals in Australia for a purchase price of approximately A\$1.2 billion plus stamp duties and registration fees of A\$66.6 million. The properties are leased to Healthscope, pursuant to master lease agreements that had an average initial term of 20 years, upon our acquisition, with annual fixed escalations and multiple extension options.

### Switzerland Transactions

On May 27, 2019, we invested in a portfolio of 13 acute care campuses and two additional properties in Switzerland for an aggregate purchase price of approximately CHF 236.6 million. The investment (which we account for under the equity method) was effected through our purchase of a stake in a Swiss healthcare real estate company, Infracore, from the previous majority shareholder, Aevis Victoria SA (“Aevis”). The facilities are leased to Swiss Medical Network, a wholly-owned Aevis subsidiary, pursuant to leases that had an average 23-year remaining term upon our acquisition and are subject to annual escalation provisions. Additionally, we purchased a 4.9% stake in Aevis for approximately CHF 47 million on June 28, 2019 that we mark to fair value through income.

### Other Transactions

On December 3, 2019, we invested in two acute care hospitals in Spain for a purchase price of approximately €117.3 million. The investment was effected through our purchase of a 45% stake in a Spanish entity. The facilities are leased to HM Hospitales pursuant to a master lease that had an initial lease term of 25 years upon our investment. The lease provides for annual inflation-based escalators. We are accounting for our 45% interest in this joint venture under the equity method.

On November 28, 2019, we acquired an acute care hospital in Portugal for approximately €28.2 million. This facility is leased to José de Mello pursuant to an in-place lease that had 17 years remaining on its initial term upon our acquisition. The lease provides for annual inflation-based escalators.

On August 30, 2019, we invested in a portfolio of facilities throughout various states for approximately \$254 million. The properties are leased to Vibra Healthcare, LLC (“Vibra”) pursuant to a master lease agreement that had an initial lease term of 20 years upon acquisition. The lease provides for annual escalations and includes three five-year extension options.

On June 10, 2019, we acquired seven community hospitals in Kansas for approximately \$145.4 million. The properties are leased to an affiliate of Saint Luke’s Health System (“SLHS”) pursuant to seven individual in-place leases that had an average remaining lease term of 14 years upon our acquisition. The leases provide for fixed escalations every five years, include two five-year extension options, and are guaranteed by SLHS.

Other acquisitions during 2019 included three acute care hospitals and one inpatient rehabilitation hospital for an aggregate investment of approximately \$135 million. One of the acute care hospitals, acquired on April 12, 2019 and located in Big Spring, Texas, is leased to Steward pursuant to the Steward master lease. The second facility, located in Poole, England, was acquired on April 3, 2019 and is leased to Circle. The third acute care facility was acquired on September 30, 2019 and located in Watsonville, California. The inpatient rehabilitation hospital, acquired on February 8, 2019, is located in Germany and leased to affiliates of MEDIAN.

## Development Activities

### 2021 Activity

In the fourth quarter of 2021, we agreed to finance the development of and lease an acute care facility in Texarkana, Texas for \$169.4 million. This facility will be leased to Steward and is expected to commence rent in the second quarter of 2024.

### 2020 Activity

On November 23, 2020, we agreed to finance the development of and lease an inpatient rehabilitation facility in Stockton, California for \$47.7 million. This facility will be leased to Ernest and is expected to commence rent in the second quarter of 2022.

On May 15, 2020, we agreed to finance the development of and lease an inpatient rehabilitation facility in Bakersfield, California for \$47.9 million. This facility will be leased to Ernest and is expected to commence rent in the first quarter of 2022.

During the 2020 second quarter, we completed construction on one general acute care facility and one inpatient rehabilitation facility, both located in Birmingham, England. We began recognizing revenue on these two properties on June 29, 2020. These facilities are being leased to Circle pursuant to a long-term lease.

During the 2020 first quarter, we completed construction and began recording rental income on a general acute care facility located in Idaho Falls, Idaho. This facility commenced rent on January 21, 2020 and is leased to Surgery Partners, Inc. pursuant to an existing long-term lease.

### 2019 Activity

On October 25, 2019, we entered into an agreement to finance the development of and lease a behavioral hospital in Houston, Texas, for \$27.5 million. This facility commenced rent on December 18, 2020 and is leased to NeuroPsychiatric Hospitals pursuant to a long-term lease.

See table below for a status summary of our current development projects (in thousands):

| <u>Property</u>                  | <u>Commitment</u> | <u>Costs Incurred as of December 31, 2021</u> | <u>Estimated Rent Commencement Date</u> |
|----------------------------------|-------------------|---|---|
| Ernest (Bakersfield, California) | \$ 47,929         | \$ 42,132                                     | 1Q 2022                                 |
| Ernest (Stockton, California)    | 47,700            | 31,197  | 2Q 2022                                 |
| Steward (Texarkana, Texas)       | 169,408           | 28,110  | 2Q 2024                                 |
|                                  | <u>\$ 265,037</u> | <u>\$ 101,439</u>                             |   |

## Disposals

### 2021 Activity

#### Joint Venture Transaction

On August 28, 2021, we entered into a definitive agreement with Macquarie Asset Management (“MAM”) to form a partnership (the “Macquarie Transaction”), pursuant to which a fund managed by MAM will acquire, for cash consideration, a 50% interest in a portfolio of eight Massachusetts-based general acute care hospitals that we currently own and lease to Steward. The transaction values the portfolio at approximately \$1.7 billion. We expect to recognize a gain, net of transaction costs, of approximately \$0.5 billion from this transaction, which we expect to close in the 2022 first quarter.

The partnership plans to raise nonrecourse secured debt of up to 55% of asset value, and we expect to receive total proceeds, including proceeds from the expected secured debt, of approximately \$1.3 billion. There is no certainty as to the amount or terms of expected secured debt financing, and the ultimate amount and terms may affect the completion of the transaction, the transaction value, proceeds, and gain on real estate. At December 31, 2021, the eight facilities subject to the joint venture were designated as held for sale and made up of the following net assets (in thousands):

|                                | <u>As of December 31, 2021</u> |
|--------------------------------|--------------------------------|
| Real estate held for sale      | \$ 1,096,505                   |
| Straight-line rent receivables | 120,268                        |
| Other assets, net              | 4,234                          |
| Total                          | <u>\$ 1,221,007</u>            |

### Other Disposal Transactions

During the 2021 fourth quarter, we sold our interest in the operations of three operators (two of which were in Germany) for proceeds of approximately \$54.5 million, resulting in a net gain of approximately \$40 million.

During 2021, we also completed the sale of 16 facilities and an ancillary property for approximately \$246 million, resulting in a net gain on real estate of approximately \$52.5 million.

### 2020 Activity

During 2020, we completed the sale of nine facilities and six ancillary properties for approximately \$94 million, resulting in a net loss of \$2.8 million.

### 2019 Activity

During 2019, we completed the sale of five facilities resulting in a gain on real estate of \$41.6 million.

### ***Intangible Assets***

At December 31, 2021 and 2020, our intangible lease assets were \$1.4 billion (\$1.3 billion, net of accumulated amortization) and \$1.3 billion (\$1.2 billion, net of accumulated amortization), respectively.

We recorded amortization expense related to intangible lease assets of \$56.0 million, \$42.4 million, and \$21.5 million in 2021, 2020, and 2019, respectively, and expect to recognize amortization expense from existing lease intangible assets as follows (amounts in thousands):

#### **For the Year Ended December 31:**

|      |    |        |
|------|----|--------|
| 2022 | \$ | 57,433 |
| 2023 |    | 57,368 |
| 2024 |    | 57,334 |
| 2025 |    | 57,186 |
| 2026 |    | 56,917 |

As of December 31, 2021, capitalized lease intangibles have a weighted-average remaining life of 22.9 years.

### ***Leasing Operations (Lessor)***

We acquire and develop healthcare facilities and lease the facilities to healthcare operating companies under long-term net leases (typical initial fixed terms of at least 15 years) and most include renewal options at the election of our tenants, generally in five year increments. Over 99% of our leases provide annual rent escalations based on increases in the CPI (or similar index outside the U.S.) and/or fixed minimum annual rent escalations. Many of our domestic leases contain purchase options with pricing set at various terms but in no case less than our total investment. For five properties with a carrying value of \$231 million, our leases require a residual value guarantee from the tenant. Our leases typically require the tenant to handle and bear most of the costs associated with our properties including repair/maintenance, property taxes, and insurance. We routinely inspect our properties to ensure the residual value of each of our assets is being maintained. Except for leases classified as financing leases as noted below, all of our leases are classified as operating leases.

The following table summarizes total future minimum lease payments to be received, excluding operating expense reimbursements, from tenants under noncancelable leases as of December 31, 2021 (amounts in thousands):

|            | <b>Total Under<br/>Operating Leases</b> | <b>Total Under<br/>Financing Leases</b> | <b>Total</b>         |
|------------|---|---|----------------------|
| 2022       | \$ 1,078,148                            | \$ 168,190                              | \$ 1,246,338         |
| 2023       | 1,099,027                               | 171,553                                 | 1,270,580            |
| 2024       | 1,117,353                               | 174,984                                 | 1,292,337            |
| 2025       | 1,135,695                               | 178,484                                 | 1,314,179            |
| 2026       | 1,154,286                               | 182,054                                 | 1,336,340            |
| Thereafter | 29,555,221                              | 4,513,925                               | 34,069,146           |
|            | <u>\$ 35,139,730</u>                    | <u>\$ 5,389,190</u>                     | <u>\$ 40,528,920</u> |

At December 31, 2021, leases on 13 Ernest facilities and five Prime facilities are accounted for as DFLs and leases on 13 of our Prospect facilities and five of our Ernest facilities are accounted for as a financing. The components of our total investment in financing leases consisted of the following (in thousands):

|   | <u>As of December 31, 2021</u> | <u>As of December 31, 2020</u> |
|---|--------------------------------|--------------------------------|
| Minimum lease payments receivable                         | \$ 1,183,855                   | \$ 1,228,966                   |
| Estimated residual values                                 | 203,818                        | 203,818                        |
| Less: Unearned income and allowance for credit loss       | <u>(918,584)</u>               | <u>(969,061)</u>               |
| Net investment in direct financing leases                 | 469,089                        | 463,723                        |
| Other financing leases (net of allowance for credit loss) | <u>1,584,238</u>               | <u>1,547,199</u>               |
| Total investment in financing leases                      | <u>\$ 2,053,327</u>            | <u>\$ 2,010,922</u>            |

#### COVID-19 Rent Deferrals

Due to the COVID-19 pandemic and its impact on our tenants' business during 2020, we agreed to defer collection of less than 2% of our annual rent. In 2021, we collected approximately \$2.8 million of previously deferred rent. Pursuant to our agreements with certain tenants, we expect the remaining outstanding deferred rent balance of approximately \$8.6 million as of December 31, 2021, to be paid over specified periods in the future, with interest.

#### Adeptus Health

As discussed in previous filings, our original real estate portfolio of approximately 60 properties leased to Adeptus Health, Inc. ("Adeptus") has gone through significant changes starting with Adeptus filing for Chapter 11 bankruptcy in 2017. With this filing and other subsequent events (including COVID-19 implications in 2020), we transitioned all of our facilities away from Adeptus, which resulted in impairment charges including approximately \$20 million (of which one-half related to straight-line rent write-offs) and \$2 million in 2020 and 2019, respectively. However, these transition measures have also provided for new tenant relationships being formed with strong credit worthy operators such as Ochsner Health System, Dignity Health, UC Health (University of Colorado), and HCA Healthcare, Inc. ("HCA"), that are now leasing over 40 of these transitional facilities under long-term leases. In addition, we have been able to dispose of 12 properties generating cash proceeds for re-investment purposes, including the sale of our Carrollton, Texas property in February 2022 for approximately \$43 million, which exceeded our net book value. At December 31, 2021, only three of these transitional properties, representing less than 0.5% of our total assets, remain vacant, and each of these properties are in various stages of being re-leased or sold. At December 31, 2021, we believe our investment in these real estate assets are fully recoverable, but no assurances can be given that we will not have any further impairments in future periods.

#### Alecto Facilities

As noted in previous filings, we originally leased four acute care facilities to and had a mortgage loan on a fifth property (Olympia Medical Center) with Alecto Healthcare Services LLC ("Alecto"), along with working capital loans. During 2019, we incurred approximately \$20 million in real estate impairment charges. During the first quarter of 2020, we donated the Wheeling facility to a local municipality, resulting in a \$9.1 million real estate impairment charge. In addition, we re-leased one acute care facility and sold another facility in 2020. In the first quarter of 2021, Alecto completed the sale of Olympia Medical Center to the UCLA Health System. Our proceeds of approximately \$51 million from this sale were used to pay off the mortgage and working capital loans in full, with the remaining proceeds used to recover certain previously reserved past due receivables. At December 31, 2021, we continue to lease one acute care facility to Alecto, representing less than 0.1% of our total assets.

#### Halsen Healthcare

On September 30, 2019, we acquired the real estate of Watsonville Community Hospital in Watsonville, California for \$40 million, which was then leased to Halsen Healthcare. In addition, we made a working capital loan to Halsen Healthcare. The hospital operator faced significant financial challenges over a two-year period that were worsened by revenue losses during the COVID-19 pandemic. During this time, we increased the working capital loan balance in an effort to support the operator of this facility. On December 5, 2021, Halsen Healthcare filed Chapter 11 bankruptcy in order to reorganize, while keeping the hospital open. As such, we recorded a credit loss reserve (approximately \$40 million) in the fourth quarter of 2021 and wrote off approximately \$2.5 million of billed and straight-line rent receivables. At December 31, 2021, we believe our total investment in the Watsonville property, representing less than 0.5% of total assets, is fully recoverable, but no assurances can be given that we will not have any further write-offs or impairments in future periods.

## Other Leasing Activity

### 2021 Activity

On December 23, 2021, LifePoint announced the completion of the transaction with Kindred Healthcare (“Kindred”), in which LifePoint acquired Kindred, and announced the related launch of ScionHealth, a new healthcare company made up of a combination of former Kindred and LifePoint hospitals. With this transaction, we have eight properties leased to ScionHealth and nine properties leased to LifePoint.

### 2020 Activity

On July 24, 2020, we re-leased our five San Antonio, Texas free standing emergency facilities (with a total investment of approximately \$30 million) to Methodist Healthcare System of San Antonio, a joint venture between HCA and Methodist Healthcare Ministries of South Texas, pursuant to a long-term master lease. As a result, we recorded an approximate \$1.5 million write-off of straight-line rent in the 2020 third quarter.

## **Loans**

The following is a summary of our loans (net of allowance for credit loss) (\$ amounts in thousands):

|                   | <u>As of December 31, 2021</u> |                                       | <u>As of December 31, 2020</u> |                                       |
|-------------------|--------------------------------|---------------------------------------|--------------------------------|---------------------------------------|
|                   | <u>Balance</u>                 | <u>Weighted-Average Interest Rate</u> | <u>Balance</u>                 | <u>Weighted-Average Interest Rate</u> |
| Mortgage loans    | \$ 213,211                     | 8.7%                                  | \$ 248,080                     | 8.5%                                  |
| Acquisition loans | 523,829                        | 7.7%                                  | 338,273                        | 7.6%                                  |
| Other loans       | 804,824                        | 6.2%                                  | 520,095                        | 5.8%                                  |
|                   | <u>\$ 1,541,864</u>            |                                       | <u>\$ 1,106,448</u>            |                                       |

Our mortgage loans at December 31, 2021 cover five of our properties with three operators.

The increase in acquisition loans primarily relates to the \$185 million loan to Springstone in the fourth quarter of 2021.

Other loans consist of loans to our tenants for working capital and other purposes and include our shareholder loan made in 2018 to the joint venture with Primotop in the amount of €297 million. The increase in other loans is primarily related to the \$335 million loan to affiliates of Steward (as more fully described above), partially offset by the repayment of \$75 million in other loans from Prime.

## *Other Investment Activities*

On October 13, 2021, we funded an additional €27 million to Priory in order to maintain our 9.9% equity interest.

Pursuant to our existing 9.9% equity interest in Steward, we received an \$11 million cash distribution during the first quarter of 2021, which was accounted for as a return of capital.

Pursuant to our 4.9% stake in Aevis, we recorded an \$8.2 million favorable non-cash fair value adjustment to mark our investment in Aevis stock to market during 2021; whereas, this was a \$5.8 million unfavorable non-cash fair value adjustment for 2020.

## **Concentration of Credit Risks**

We monitor concentration risk in several ways due to the nature of our real estate assets that are vital to the communities in which they are located and given our history of being able to replace inefficient operators of our facilities, if needed, with more effective operators:

- 1) Facility concentration – At December 31, 2021, our largest single property represented approximately 2.7% of our total assets, slightly down from the 3.2% at December 31, 2020.
- 2) Operator concentration – For the year ended December 31, 2021, revenue from Steward, Circle, and Prospect individually represented more than 10% of our total revenues. In comparison, Steward, Circle, Prospect, and Prime individually represented more than 10% of our total revenues for the year ended December 31, 2020.
- 3) Geographic concentration – At December 31, 2021, investments in the U.S, Europe, Australia, and South America represented approximately 64%, 30%, 5%, and 1%, respectively, of our total assets compared to 65%, 28%, 6%, and 1%, respectively, of our total assets at December 31, 2020.



- 4) Facility type concentration – For the year ended December 31, 2021, approximately 81% of our revenues were generated from our general acute care facilities, while revenues from our behavioral and rehabilitation facilities made up 8% and 7%, respectively. Freestanding ER/urgent care facilities and long-term acute care facilities combined to make up the remaining 4%. In comparison, general acute care, rehabilitation, and long-term acute care facilities made up 87%, 8%, and 3%, respectively, of our total revenues for the year ended December 31, 2020, while freestanding ER/urgent care facilities and behavioral health facilities combined to make up the remaining 2%.

#### Related Party Transactions

Lease and interest revenue earned from tenants and real estate joint ventures in which we had an equity interest (accounted for under either the equity or fair value option methods) during the year were \$63.9 million, \$29.8 million, and \$85.3 million for 2021, 2020, and 2019, respectively.

See subsections “New Investments” and “Disposals” in this [Note 3](#) as it relates to our investments in Springstone and the new international, Primotop, and Infracore ventures for other related party transactions during 2021, 2020, and 2019.

#### 4. Debt

The following is a summary of debt (dollar amounts in thousands):

|   | As of December 31,<br>2021 | As of December 31,<br>2020 |
|---|----------------------------|----------------------------|
| Revolving credit facility(A)              | \$ 730,000                 | \$ 165,407                 |
| Interim credit facilities                 | 869,606                    | —                          |
| Term loan                                 | 200,000                    | 200,000                    |
| British pound sterling term loan(B)       | 947,240                    | 956,900                    |
| Australian term loan facility(B)          | 871,560                    | 923,280                    |
| 4.000% Senior Unsecured Notes due 2022(B) | —                          | 610,800                    |
| 2.550% Senior Unsecured Notes due 2023(B) | 541,280                    | 546,800                    |
| 3.325% Senior Unsecured Notes due 2025(B) | 568,500                    | 610,800                    |
| 0.993% Senior Unsecured Notes due 2026(B) | 568,500                    | —                          |
| 2.500% Senior Unsecured Notes due 2026(B) | 676,600                    | —                          |
| 5.250% Senior Unsecured Notes due 2026    | 500,000                    | 500,000                    |
| 5.000% Senior Unsecured Notes due 2027    | 1,400,000                  | 1,400,000                  |
| 3.692% Senior Unsecured Notes due 2028(B) | 811,920                    | 820,200                    |
| 4.625% Senior Unsecured Notes due 2029    | 900,000                    | 900,000                    |
| 3.375% Senior Unsecured Notes due 2030(B) | 473,620                    | —                          |
| 3.500% Senior Unsecured Notes due 2031    | 1,300,000                  | 1,300,000                  |
|   | <u>\$ 11,358,826</u>       | <u>\$ 8,934,187</u>        |
| Debt issue costs and discount, net        | (76,056)                   | (68,729)                   |
|   | <u>\$ 11,282,770</u>       | <u>\$ 8,865,458</u>        |

(A) The 2020 column includes £121 million of GBP-denominated borrowings that reflect the exchange rate at December 31, 2020.

(B) Non-U.S. dollar denominated debt that reflects the exchange rate at period-end.

As of December 31, 2021, principal payments due on our debt (which exclude the effects of any discounts, premiums, or debt issue costs recorded) are as follows (amounts in thousands):

|            |                      |
|------------|----------------------|
| 2022       | \$ 869,606           |
| 2023       | 541,280              |
| 2024       | 1,601,560            |
| 2025       | 1,515,740            |
| 2026       | 1,945,100            |
| Thereafter | 4,885,540            |
| Total      | <u>\$ 11,358,826</u> |

## **Credit Facility**

Our current unsecured credit facility (“Credit Facility”) includes a \$1.3 billion unsecured revolving loan facility and a \$200 million unsecured term loan facility. On January 15, 2021, we amended our Credit Facility. The amendment extended the maturity of our unsecured revolving loan facility to February 1, 2024 and can be extended for an additional 12 months at our option. The maturity date of our term loan facility was extended to February 1, 2026.

In addition to extending the maturity date, the amendment improved interest rate pricing for both facilities. Under the amended Credit Facility and at our election, loans may be made as either ABR Loans or Eurocurrency Loans. The applicable margin for term loans that are ABR Loans is adjustable on a sliding scale from 0.00% to 0.85% based on our current credit rating. The applicable margin for term loans that are Eurocurrency Loans is adjustable on a sliding scale from 0.85% to 1.85% based on our current credit rating. The applicable margin for revolving loans that are ABR Loans is adjustable on a sliding scale from 0.00% to 0.55% based on our current credit rating. The applicable margin for revolving loans that are Eurocurrency Loans is adjustable on a sliding scale from 0.825% to 1.55% based on our current credit rating. The amended Credit Facility retained the facility fee that is adjustable on a sliding scale from 0.125% to 0.30% based on our current credit rating and is payable on the revolving loan facility.

At December 31, 2021, we had \$730.0 million outstanding on the revolving credit facility, whereas, we had \$165.4 million outstanding on our revolving credit facility at December 31, 2020. At December 31, 2021 and 2020, our availability under our revolving credit facility was \$0.6 billion and \$1.1 billion, respectively. The weighted-average interest rate on the revolving facility was 1.3% and 1.4% during 2021 and 2020, respectively.

At December 31, 2021 and 2020, the interest rate in effect on our term loan was 1.56% and 1.65%, respectively.

## **Interim Credit Facilities**

### **January 2021 Interim Credit Facility**

On January 15, 2021, we entered into a \$900 million interim credit facility (“January 2021 Interim Credit Facility”), of which we borrowed £500 million to partially fund the Priory Group Transaction. We paid off and terminated this facility on March 26, 2021 with the issuance of the 2.500% Senior Unsecured Notes due 2026 and the 3.375% Senior Unsecured Notes due 2030.

### **July 2021 Interim Credit Facility**

On July 27, 2021, we entered into a \$1 billion interim credit facility with Barclays Bank PLC as administrative agent (“July 2021 Interim Credit Facility”), and several lenders from time-to-time are parties thereto. This facility matures on July 28, 2022 and bears interest at a variable rate. We used this facility to partially fund the acquisition of five South Florida facilities in August 2021 and the Springstone investments in October 2021. At December 31, 2021, the outstanding balance under this facility was \$869.6 million at a rate of 1.610%.

## **Non-U.S. Term Loans**

### **British Pound Sterling Term Loan**

On January 6, 2020, we entered into a £700 million unsecured sterling-denominated term loan with Bank of America, N.A., as administrative agent, and several lenders from time-to-time are parties thereto. The term loan matures on January 15, 2025. The applicable margin under the term loan is adjustable based on a pricing grid from 0.85% to 1.65% dependent on our current credit rating. On March 4, 2020, we entered into an interest rate swap transaction (effective March 6, 2020) to fix the interest rate to approximately 0.70% for the duration of the loan. The current applicable margin for the pricing grid (which can vary based on our credit rating) is 1.25% for an all-in fixed rate of 1.95%.

### **Australian Term Loan**

On May 23, 2019, we entered into an A\$1.2 billion term loan with Bank of America, N.A., as administrative agent, and several lenders from time-to-time are parties thereto. The term loan matures on May 23, 2024. The interest rate under the term loan is adjustable based on a pricing grid from 0.85% to 1.65%, dependent on our current senior unsecured credit rating. On June 27, 2019, we entered into an interest rate swap transaction (effective July 3, 2019) to fix the interest rate to approximately 1.20% for the duration of the loan as long as the reference rate stays above 0.00%. The current applicable margin for the pricing grid (which can vary based on our credit rating) is 1.25% for an all-in fixed rate of 2.45%.

At December 31, 2021, we had a derivative asset of approximately \$12.4 million related to the sterling-denominated term loan interest rate swap and a derivative liability of approximately \$4.2 million related to the Australian dollar term loan interest rate swap,

included in "Other assets" and "Accounts payable and accrued expenses", respectively, on our consolidated balance sheets. At December 31, 2020, we had a derivative liability of approximately \$51.3 million associated with these interest rate swaps, included in "Accounts payable and accrued expenses" on our consolidated balance sheets.

### Senior Unsecured Notes

The following are the basic terms of our senior unsecured notes at December 31, 2021 (par value amounts in thousands):

|  | <u>Offering<br/>Completion Date</u> | <u>Maturity Date</u> | <u>Par Value</u> | <u>% of Par<br/>Value</u> | <u>Interest Payment<br/>Frequency</u> |
|--|-------------------------------------|----------------------|------------------|---------------------------|---------------------------------------|
| 2.550% Senior Unsecured Notes due 2023 | December 5, 2019                    | December 5, 2023     | £ 400,000        | 100.000%                  | Annually                              |
| 3.325% Senior Unsecured Notes due 2025 | March 24, 2017                      | March 24, 2025       | € 500,000        | 100.000%                  | Annually                              |
| 0.993% Senior Unsecured Notes due 2026 | October 6, 2021                     | October 15, 2026     | € 500,000        | 100.000%                  | Annually                              |
| 2.500% Senior Unsecured Notes due 2026 | March 24, 2021                      | March 24, 2026       | £ 500,000        | 99.937%                   | Annually                              |
| 5.250% Senior Unsecured Notes due 2026 | July 22, 2016                       | August 1, 2026       | \$ 500,000       | 100.000%                  | Semi-annually                         |
| 5.000% Senior Unsecured Notes due 2027 | September 7, 2017                   | October 15, 2027     | \$ 1,400,000     | 100.000%                  | Semi-annually                         |
| 3.692% Senior Unsecured Notes due 2028 | December 5, 2019                    | June 5, 2028         | £ 600,000        | 99.998%                   | Annually                              |
| 4.625% Senior Unsecured Notes due 2029 | July 26, 2019                       | August 1, 2029       | \$ 900,000       | 99.500%                   | Semi-annually                         |
| 3.375% Senior Unsecured Notes due 2030 | March 24, 2021                      | April 24, 2030       | £ 350,000        | 99.448%                   | Annually                              |
| 3.500% Senior Unsecured Notes due 2031 | December 4, 2020                    | March 15, 2031       | \$ 1,300,000     | 100.000%                  | Semi-annually                         |

Typically, we may redeem some or all of the notes at any time, but may require a redemption premium that will decrease over time. In the event of a change of control, each holder of the notes may require us to repurchase some or all of our notes at a repurchase price equal to 101% of the aggregate principal amount of the notes plus accrued and unpaid interest to the date of purchase.

### Debt Refinancing and Unutilized Financing Costs

#### 2021

With the amendment of our Credit Facility, the termination of our January 2021 Interim Credit Facility, and duration fees incurred on our July 2021 Interim Credit Facility, we incurred approximately \$7.3 million of debt refinancing costs in 2021.

With proceeds from our 0.993% Senior Unsecured Notes due 2026 offering, on October 22, 2021, we redeemed all of our outstanding €500 million aggregate principal amount of 4.000% senior unsecured notes that were due in 2022, including accrued and unpaid interest. As a result of this redemption, we incurred a charge of approximately \$20 million (including redemption premiums and accelerated amortization of deferred debt issuance costs).

#### 2020

With proceeds from our 3.500% Senior Unsecured Notes due 2031 offering in 2020, we redeemed all of our outstanding \$500.0 million aggregate principal amount of 6.375% senior unsecured notes that were due in 2024 and \$300.0 million aggregate principal amount of 5.500% senior unsecured notes that were due in 2024, including accrued and unpaid interest. As a result of these redemptions, we incurred a charge of approximately \$28 million (including redemption premiums and accelerated amortization of deferred debt issuance costs).

#### 2019

On July 10, 2019, we received a commitment to provide a senior unsecured bridge loan facility to fund our investment in Prospect. With this commitment, we paid approximately \$4 million of underwriting and other fees. However, this commitment was cancelled with the completion of the debt and equity offerings in July 2019 (as more fully described in the table above and in [Note 9](#)), which resulted in fully expensing the total amount of underwriting and other fees that were paid.

In anticipation of funding our Australian acquisition in June 2019 and the Circle transaction in January 2020, we entered into term loans on the date these deals were signed that had a delayed draw feature. This feature allowed for us to not draw on the term loans until needed to fund these transactions. However, with this type of structure, we incurred approximately \$2.0 million in accelerated debt issue cost amortization expense during 2019.

## Covenants

Our debt facilities impose certain restrictions on us, including restrictions on our ability to: incur debts; create or incur liens; provide guarantees in respect of obligations of any other entity; make redemptions and repurchases of our capital stock; prepay, redeem, or repurchase debt; engage in mergers or consolidations; enter into affiliated transactions; dispose of real estate or other assets; and change our business. In addition, the credit agreements governing our Credit Facility limit the amount of dividends we can pay as a percentage of normalized adjusted funds from operations (“NAFFO”), as defined in the agreements, on a rolling four quarter basis. At December 31, 2021, the dividend restriction was 95% of NAFFO. The indentures governing our senior unsecured notes also limit the amount of dividends we can pay based on the sum of 95% of NAFFO, proceeds of equity issuances, and certain other net cash proceeds. Finally, our senior unsecured notes require us to maintain total unencumbered assets (as defined in the related indenture) of not less than 150% of our unsecured indebtedness.

In addition to these restrictions, the Credit Facility contains customary financial and operating covenants, including covenants relating to our total leverage ratio, fixed charge coverage ratio, secured leverage ratio, consolidated adjusted net worth, unsecured leverage ratio, and unsecured interest coverage ratio. The Credit Facility also contains customary events of default, including among others, nonpayment of principal or interest, material inaccuracy of representations, and failure to comply with our covenants. If an event of default occurs and is continuing under the Credit Facility, the entire outstanding balance may become immediately due and payable. At December 31, 2021, we were in compliance with all such financial and operating covenants.

## 5. Income Taxes

### *Medical Properties Trust, Inc.*

We have maintained and intend to maintain our election as a REIT under the Code. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement to distribute at least 90% of our taxable income to our stockholders. As a REIT, we generally will not be subject to U.S. federal income tax if we distribute 100% of our taxable income to our stockholders and satisfy certain other requirements; instead, income tax is paid directly by our stockholders on the dividends distributed to them. If our taxable income exceeds our dividends in a tax year, REIT tax rules allow us to designate dividends from the subsequent tax year in order to avoid current taxation on undistributed income. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income taxes at regular corporate rates, including any applicable alternative minimum tax. Taxable income from non-REIT activities managed through our TRS entities is subject to applicable U.S. federal, state, and local income taxes. Our international subsidiaries are also subject to income taxes in the jurisdictions in which they operate.

From our TRS entities and our foreign operations, income tax (expense) benefit were as follows (in thousands):

|   | For the Years Ended December 31, |                    |                 |
|---|----------------------------------|--------------------|-----------------|
|   | 2021                             | 2020               | 2019            |
| <b>Current income tax (expense) benefit:</b>  |                                  |                    |                 |
| Domestic                                      | \$ (1,559)                       | \$ 63              | \$ 61           |
| Foreign                                       | (18,964)                         | (10,203)           | (1,669)         |
|   | (20,523)                         | (10,140)           | (1,608)         |
| <b>Deferred income tax (expense) benefit:</b> |                                  |                    |                 |
| Domestic                                      | 6,915                            | (10,680)           | 5,490           |
| Foreign                                       | (60,340)                         | (10,236)           | (1,261)         |
|   | (53,425)                         | (20,916)           | 4,229           |
| <b>Income tax (expense) benefit</b>           | <b>\$ (73,948)</b>               | <b>\$ (31,056)</b> | <b>\$ 2,621</b> |

A reconciliation of income tax (expense) benefit from the statutory income tax rate to the effective tax rate based on income before income taxes for the years ended December 31, 2021, 2020, and 2019 is as follows (in thousands):

|   | For the Years Ended December 31, |                    |                 |
|---|----------------------------------|--------------------|-----------------|
|   | 2021                             | 2020               | 2019            |
| Income before income tax  | \$ 730,888                       | \$ 463,328         | \$ 373,780      |
| Income tax at the U.S. statutory federal rate (21% in 2021, 2020, and 2019) | (153,486)                        | (97,299)           | (78,494)        |
| Decrease (increase) in income tax resulting from:                           |                                  |                    |                 |
| Foreign rate differential   | 2,742                            | 2,160              | 438             |
| State income taxes, net of federal benefit                                  | —                                | 970                | 1,621           |
| U.S. earnings not subject to federal income tax                             | 132,266                          | 82,921             | 85,495          |
| Equity investments  | —                                | 380                | 1,091           |
| Change in valuation allowance   | (10,040)                         | (8,514)            | (7,911)         |
| Statutory tax rate change   | (43,924)                         | (9,471)            | —               |
| Interest disallowance   | (646)                            | —                  | —               |
| Other items, net  | (860)                            | (2,203)            | 381             |
| <b>Total income tax (expense) benefit</b>                                   | <b>\$ (73,948)</b>               | <b>\$ (31,056)</b> | <b>\$ 2,621</b> |

The foreign provision for income taxes is based on foreign profit before income taxes of \$164.0 million, \$62.1 million, and \$10.7 million in 2021, 2020, and 2019, respectively.

The domestic provision for income taxes is based on income (loss) before income taxes of \$(29.7) million in 2021, \$6.4 million in 2020, and \$(44.1) million in 2019 from our TRS entities.

At December 31, 2021 and 2020, components of our deferred tax assets and liabilities were as follows (in thousands):

|  | 2021                | 2020                |
|--|---------------------|---------------------|
| <b>Deferred tax assets:</b>                          |                     |                     |
| Operating loss and interest deduction carry forwards | \$ 197,876          | \$ 150,001          |
| Interest rate swap                                   | —                   | 9,150               |
| Other  | 1,815               | 6,973               |
| <b>Total deferred tax assets</b>                     | <b>199,691</b>      | <b>166,124</b>      |
| Valuation allowance                                  | (61,747)            | (36,977)            |
| <b>Total net deferred tax assets</b>                 | <b>\$ 137,944</b>   | <b>\$ 129,147</b>   |
| <b>Deferred tax liabilities:</b>                     |                     |                     |
| Property and equipment                               | \$ (320,546)        | \$ (211,018)        |
| Net unbilled revenue                                 | (43,366)            | (14,776)            |
| Partnership investments                              | (15,963)            | —                   |
| Other  | (3,836)             | (4,010)             |
| <b>Total deferred tax liabilities</b>                | <b>(383,711)</b>    | <b>(229,804)</b>    |
| <b>Net deferred tax asset (liability)</b>            | <b>\$ (245,767)</b> | <b>\$ (100,657)</b> |

During the 2021 second quarter, the United Kingdom enacted an increase in its corporate income tax rates from 19% to 25% effective April 1, 2023, which resulted in a one-time adjustment to our net deferred tax liabilities of approximately \$43 million. Similarly, in the 2020 third quarter, we incurred an approximate \$9 million charge for the change in the corporate income tax rate from 17% to 19% in the United Kingdom.

At December 31, 2021, we had net NOL and other tax attribute carryforwards as follows (in thousands):

|   | U.S.             | Foreign           |
|---|------------------|-------------------|
| Gross NOL carryforwards                           | \$ 239,520       | \$ 699,514        |
| Tax-effected NOL carryforwards                    | 28,837           | 169,039           |
| Valuation allowance                               | (6,291)          | (45,578)          |
| <b>Net deferred tax asset - NOL carryforwards</b> | <b>\$ 22,546</b> | <b>\$ 123,461</b> |
| Expiration periods                                | 2030-indefinite  | indefinite        |

### Valuation Allowance

A valuation allowance has been recorded on certain foreign and domestic net operating loss carryforwards and other net deferred tax assets that may not be realized. As of each reporting date, we consider all new evidence that could impact the future realization of our deferred tax assets. In the evaluation of the need for a valuation allowance on our deferred income tax assets, we consider all available positive and negative evidence, including scheduled reversals of deferred income tax liabilities, carryback of future period losses to prior periods, projected future taxable income, tax planning strategies, and recent financial performance.

During 2021, a valuation allowance of \$24.8 million has been recorded against a portion of our international deferred tax assets to recognize only the components of the deferred tax assets that is more likely than not to be realized. The valuation allowance was primarily recorded against deferred tax assets for NOLs, non-depreciable basis of real property, and other tax attributes that we believe will not be realized. Valuation allowance activity recorded generally follows the activity of the associated deferred tax asset that is not expected to be recognized. From time-to-time, we may acquire deferred tax assets as part of real estate transactions and will assess the need for a valuation allowance as part of the opening balance sheet. Additionally, valuation allowances will be remeasured for foreign currency translation fluctuations through other comprehensive income.

We have no material uncertain tax position liabilities and related interest or penalties.

### REIT Status

We have met the annual REIT distribution requirements by payment of at least 90% of our taxable income in 2021, 2020, and 2019. Earnings and profits, which determine the taxability of such distributions, will differ from net income reported for financial reporting purposes due primarily to differences in cost basis, differences in the estimated useful lives used to compute depreciation, and differences between the allocation of our net income and loss for financial reporting purposes and for tax reporting purposes.

A schedule of per share distributions we paid and reported to our stockholders is set forth in the following:

|                             | For the Years Ended December 31, |             |             |
|-----------------------------|----------------------------------|-------------|-------------|
|                             | 2021                             | 2020        | 2019        |
| Common share distribution   | \$ 1.110000                      | \$ 1.070000 | \$ 1.010000 |
| Ordinary income             | 0.764580                         | 0.603050    | 0.701910    |
| Capital gains(1)            | 0.165420                         | —           | 0.275040    |
| Unrecaptured Sec. 1250 gain | 0.058270                         | —           | 0.041160    |
| Section 199A Dividends      | 0.764580                         | 0.603050    | 0.701910    |
| Return of capital           | 0.180000                         | 0.466950    | 0.033050    |

(1) Capital gains include unrecaptured Sec. 1250 gains.

### *MPT Operating Partnership, L.P.*

As a partnership, the allocated share of income of the Operating Partnership is included in the income tax returns of the general and limited partners. Accordingly, no accounting for income taxes is generally required for such income of the Operating Partnership. However, the Operating Partnership has formed TRS entities on behalf of Medical Properties Trust, Inc., which are subject to U.S. federal, state, and local income taxes at regular corporate rates, and its international subsidiaries are subject to income taxes in the jurisdictions in which they operate. See discussion above under Medical Properties Trust, Inc. for more details of income taxes associated with our TRS entities and international operations.

## 6. Earnings Per Share/Unit

### Medical Properties Trust, Inc.

Our earnings per share were calculated based on the following (amounts in thousands):

|  | For the Years Ended December 31, |                   |                   |
|--|----------------------------------|-------------------|-------------------|
|  | 2021                             | 2020              | 2019              |
| <b>Numerator:</b>  |                                  |                   |                   |
| Net income   | \$ 656,940                       | \$ 432,272        | \$ 376,401        |
| Non-controlling interests' share in earnings                 | (919)                            | (822)             | (1,717)           |
| Participating securities' share in earnings                  | (2,161)                          | (2,105)           | (2,308)           |
| Net income, less participating securities' share in earnings | <u>\$ 653,860</u>                | <u>\$ 429,345</u> | <u>\$ 372,376</u> |
| <b>Denominator:</b>  |                                  |                   |                   |
| Basic weighted-average common shares                         | 588,817                          | 529,239           | 427,075           |
| Dilutive potential common shares                             | 1,322                            | 1,222             | 1,224             |
| Diluted weighted-average common shares                       | <u>590,139</u>                   | <u>530,461</u>    | <u>428,299</u>    |

### MPT Operating Partnership, L.P.

Our earnings per unit were calculated based on the following (amounts in thousands):

|  | For the Years Ended December 31, |                   |                   |
|--|----------------------------------|-------------------|-------------------|
|  | 2021                             | 2020              | 2019              |
| <b>Numerator:</b>  |                                  |                   |                   |
| Net income   | \$ 656,940                       | \$ 432,272        | \$ 376,401        |
| Non-controlling interests' share in earnings                 | (919)                            | (822)             | (1,717)           |
| Participating securities' share in earnings                  | (2,161)                          | (2,105)           | (2,308)           |
| Net income, less participating securities' share in earnings | <u>\$ 653,860</u>                | <u>\$ 429,345</u> | <u>\$ 372,376</u> |
| <b>Denominator:</b>  |                                  |                   |                   |
| Basic weighted-average units                                 | 588,817                          | 529,239           | 427,075           |
| Dilutive potential units                                     | 1,322                            | 1,222             | 1,224             |
| Diluted weighted-average units                               | <u>590,139</u>                   | <u>530,461</u>    | <u>428,299</u>    |

## 7. Stock Awards

### Stock Awards

Our Equity Incentive Plan, adopted during the second quarter of 2019 and replacing the previous plan, authorizes the issuance of common stock options, restricted stock, restricted stock units, deferred stock units, stock appreciation rights, performance units, and awards of interests in our Operating Partnership. Our Equity Incentive Plan is administered by the Compensation Committee of the Board of Directors. We have reserved 12.9 million shares of new common stock for awards under the Equity Incentive Plan, out of which 5.7 million shares remain available for future stock awards as of December 31, 2021. The Equity Incentive Plan contains a limit of 5 million shares as the maximum number of shares of common stock that may be awarded to an individual in any fiscal year. Awards under the Equity Incentive Plan are subject to forfeiture due to termination of employment prior to vesting and/or from not achieving the respective performance/market conditions. In the event of a change in control, outstanding and unvested options will immediately vest, unless otherwise provided in the participant's award or employment agreement, and restricted stock, restricted stock units, deferred stock units, and other stock-based awards will vest if so provided in the participant's award agreement. The term of the awards is set by the Compensation Committee, though Incentive Stock Options may not have terms of more than ten years. Forfeited awards are returned to the Equity Incentive Plan and are then available to be re-issued as future awards. For each share of common stock issued by Medical Properties Trust, Inc. pursuant to its Equity Incentive Plan, the Operating Partnership issues a corresponding number of Operating Partnership units.

For the past three years, we have only granted restricted stock and restricted stock units pursuant to our Equity Incentive Plan. These stock-based awards have been granted in the form of service-based awards and performance awards based on company-specific performance hurdles. See below for further details on each of these stock-based awards:

## Service-Based Awards

In 2021, 2020, and 2019, the Compensation Committee granted service-based awards to employees and non-employee directors. Service-based awards vest as the employee/director provides the required service (typically over three years). Dividends are generally paid on these awards prior to vesting.

## Performance-Based Awards

In 2021, 2020, and 2019, the Compensation Committee granted performance-based awards to employees. Generally, dividends are not paid on performance awards until the award is earned. See below for details of such performance-based award grants:

In 2021, 2020, and 2019, a target number of stock awards were granted to employees that could be earned based on the achievement of specific performance thresholds as set by our Compensation Committee. The performance thresholds were based on a three-year period with the opportunity to earn a portion of the award earlier. More or less shares than the target number of shares are available to be earned based on our performance compared to the set thresholds. At the end of each of the performance periods, any earned shares during such period will vest on January 1 of the following calendar year. The performance thresholds for 2021 and 2020 awards were based on funds from operations growth, EBITDA, and acquisitions; whereas, the 2019 performance thresholds were based on return on equity, EBITDA, and acquisitions.

Certain performance awards granted were subject to a modifier which increases or decreases the actual shares earned in each performance period. The modifier for the 2021 and 2020 awards was based on two components: 1) how our total shareholder return ("TSR") compared to the SNL U.S. REIT Healthcare Index ("SNL Index") and 2) how our TSR compared to a threshold set by the Compensation Committee. For 2019 awards, the modifier was based on how our TSR compared to the SNL Index.

The following summarizes stock-based award activity in 2021 and 2020 (which includes awards granted in 2021, 2020, 2019, and any applicable prior years), respectively:

### **For the Year Ended December 31, 2021:**

|   | Vesting Based on Service |                                      | Vesting Based on Market/Performance Conditions |                                      |
|---|--------------------------|--------------------------------------|--|--------------------------------------|
|   | Shares                   | Weighted-Average Value at Award Date | Shares   | Weighted-Average Value at Award Date |
| Nonvested awards at beginning of the year | 1,057,054                | \$ 18.79                             | 5,086,983                                      | \$ 14.41                             |
| Awarded                                   | 651,113                  | \$ 20.83                             | 1,957,802                                      | \$ 17.94                             |
| Vested                                    | (781,076)                | \$ 18.77                             | (1,551,482)                                    | \$ 13.73                             |
| Forfeited                                 | (4,137)                  | \$ 18.69                             | (15,767)                                       | \$ 16.72                             |
| Nonvested awards at end of year           | <u>922,954</u>           | <u>\$ 20.26</u>                      | <u>5,477,536</u>                               | <u>\$ 15.86</u>                      |

### **For the Year Ended December 31, 2020:**

|   | Vesting Based on Service |                                      | Vesting Based on Market/Performance Conditions |                                      |
|---|--------------------------|--------------------------------------|--|--------------------------------------|
|   | Shares                   | Weighted-Average Value at Award Date | Shares   | Weighted-Average Value at Award Date |
| Nonvested awards at beginning of the year | 1,122,440                | \$ 17.11                             | 5,481,155                                      | \$ 11.66                             |
| Awarded                                   | 635,855                  | \$ 19.65                             | 1,800,898                                      | \$ 19.42                             |
| Vested                                    | (699,215)                | \$ 16.80                             | (2,193,906)                                    | \$ 11.35                             |
| Forfeited                                 | (2,026)                  | \$ 18.40                             | (1,164)  | \$ 18.22                             |
| Nonvested awards at end of year           | <u>1,057,054</u>         | <u>\$ 18.79</u>                      | <u>5,086,983</u>                               | <u>\$ 14.41</u>                      |

The value of stock-based awards is charged to compensation expense over the service periods. For the years ended December 31, 2021, 2020, and 2019, we recorded \$52.1 million, \$47.2 million, and \$32.2 million, respectively, of non-cash compensation expense. The remaining unrecognized cost from stock-based awards at December 31, 2021, is \$49.9 million, which will be recognized over a weighted-average period of 1.1 years. Stock-based awards that vested in 2021, 2020, and 2019, had a value of \$49.9 million, \$58.9 million, and \$25.9 million, respectively.



## 8. Commitments and Contingencies

### *Commitments*

On September 15, 2021, we entered into definitive agreements to lease five general acute care hospitals, representing 5.5% of our total assets at December 31, 2021, located in Utah to HCA following an agreement by HCA to purchase the operations of these five facilities from Steward. Upon completion of the transaction between HCA and Steward, we will enter into a new master lease with HCA for these five facilities (the “HCA Transaction”). The consummation of the HCA Transaction, which is subject to regulatory approval, is expected in the first half of 2022.

### *Contingencies*

We are a party to various legal proceedings incidental to our business. In the opinion of management, after consultation with legal counsel, the ultimate liability, if any, with respect to those proceedings is not presently expected to materially affect our financial position, results of operations, or cash flows.

## 9. Common Stock/Partner’s Capital

### *Medical Properties Trust, Inc.*

#### 2021 Activity

On January 11, 2021, we completed an underwritten public offering of 36.8 million shares of our common stock, resulting in net proceeds of approximately \$711 million, after deducting underwriting discounts and commissions and offering expenses.

In addition, we sold 16.3 million shares of common stock under our at-the-market equity offering program during 2021, resulting in net proceeds of approximately \$340 million.

#### 2020 Activity

In 2020, we sold 21.0 million shares of common stock under our at-the-market equity offering program, resulting in net proceeds of approximately \$411 million.

#### 2019 Activity

On November 8, 2019, we completed an underwritten public offering of 57.5 million shares of our common stock, resulting in net proceeds of \$1.026 billion, after deducting underwriting discounts and commissions and offering expenses.

On July 18, 2019, we completed an underwritten public offering of 51.75 million shares of our common stock, resulting in net proceeds of \$858.1 million, after deducting underwriting discounts and commissions and offering expenses.

In 2019, we sold 36.1 million shares of common stock under our at-the-market equity offering program, resulting in net proceeds of approximately \$650 million.

### *MPT Operating Partnership, L.P.*

At December 31, 2021, the Operating Partnership is made up of a general partner, Medical Properties Trust, LLC (“General Partner”) and limited partners, including the Company (which owns 100% of the General Partner) and MPT TRS, Inc. (which is 100% owned by the General Partner). By virtue of its ownership of the General Partner, the Company has a 100% ownership interest in the Operating Partnership.

In regards to distributions, the Operating Partnership shall distribute cash at such times and in such amounts as are determined by the General Partner in its sole and absolute discretion, to common unit holders who are common unit holders on the record date. However, per the Second Amended and Restated Agreement of Limited Partnership of MPT Operating Partnership, L.P. (“Operating Partnership Agreement”), the General Partner shall use its reasonable efforts to cause the Operating Partnership to distribute amounts sufficient to enable the Company to pay stockholder dividends that will allow the Company to (i) meet its distribution requirement for qualification as a REIT and (ii) avoid any U.S. federal income or excise tax liability imposed by the Code, other than to the extent the Company elects to retain and pay income tax on its net capital gain. In accordance with the Operating Partnership Agreement, LTIP units are treated as common units for distribution purposes.

The Operating Partnership’s net income will generally be allocated first to the General Partner to the extent of any cumulative losses and then to the limited partners in accordance with their respective percentage interests in the common units issued by the Operating Partnership. Any losses of the Operating Partnership will generally be allocated first to the limited partners until their capital account is zero and then to the General Partner. In accordance with the Operating Partnership Agreement, LTIP units are

treated as common units for purposes of income and loss allocations. Limited partners have the right to require the Operating Partnership to redeem part or all of their common units. It is at the Operating Partnership's discretion to redeem such common units for cash based on the fair market value of an equivalent number of shares of the Company's common stock at the time of redemption or, alternatively, redeem the common units for shares of the Company's common stock on a one-for-one basis, subject to adjustment in the event of stock splits, stock dividends, or similar events. LTIP units must wait two years from the issuance of the LTIP units to be redeemed, and then converted to common units. On December 28, 2020, approximately 232 thousand LTIP units were converted to common units and then redeemed for approximately \$4.9 million of cash.

For each share of common stock issued by Medical Properties Trust, Inc., the Operating Partnership issues a corresponding number of operating partnership units.

## 10. Fair Value of Financial Instruments

We have various assets and liabilities that are considered financial instruments. We estimate that the carrying value of cash and cash equivalents and accounts payable and accrued expenses approximate their fair values. We estimate the fair value of our interest and rent receivables using Level 2 inputs such as discounting the estimated future cash flows using the current rates at which similar receivables would be made to others with similar credit ratings and for the same remaining maturities. The fair value of our mortgage loans and other loans are estimated by using Level 2 inputs such as discounting the estimated future cash flows using the current rates which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. We determine the fair value of our senior unsecured notes using Level 2 inputs such as quotes from securities dealers and market makers. We estimate the fair value of our revolving credit facility and term loans using Level 2 inputs based on the present value of future payments, discounted at a rate which we consider appropriate for such debt.

Fair value estimates are made at a specific point in time, are subjective in nature, and involve uncertainties and matters of significant judgment. Settlement of such fair value amounts may not be a prudent management decision.

The following table summarizes fair value estimates for our financial instruments (in thousands):

| Asset (Liability)             | December 31, 2021 |              | December 31, 2020 |             |
|-------------------------------|-------------------|--------------|-------------------|-------------|
|                               | Book Value        | Fair Value   | Book Value        | Fair Value  |
| Interest and rent receivables | \$ 56,229         | \$ 56,564    | \$ 46,208         | \$ 45,381   |
| Loans(1)                      | 991,609           | 991,954      | 751,341           | 756,608     |
| Debt, net                     | (11,282,770)      | (11,526,388) | (8,865,458)       | (9,226,564) |

- (1) Excludes the acquisition loan and mortgage loan made in October 2021 to Springstone and the acquisition loan made in May 2020 to our international joint venture, along with the related subsequent investment in the real estate of three hospitals in Colombia (see [Note 3 for further details](#)), as these assets are accounted for under the fair value option method.

### Items Measured at Fair Value on a Recurring Basis

Our equity investment and related loan to the international joint venture, our loan investment in the real estate of three hospitals operated by subsidiaries of the international joint venture in Colombia, and our equity investment and related loans in Springstone are measured at fair value on a recurring basis as we elected to account for these investments using the fair value option at the point of initial investment. We elected to account for these investments at fair value due to the size of the investments and because we believe this method was more reflective of current values.

At December 31, 2021 and 2020, the amounts recorded under the fair value option method were as follows (in thousands):

| Asset (Liability)                 | As of December 31, 2021 |               | As of December 31, 2020 |               | Asset Type Classification      |
|-----------------------------------|-------------------------|---------------|-------------------------|---------------|--------------------------------|
|                                   | Fair Value              | Original Cost | Fair Value              | Original Cost |                                |
| Mortgage loans                    | \$ 143,068              | \$ 143,068    | \$ 136,332              | \$ 136,332    | Mortgage loans                 |
| Equity investment and other loans | 409,638                 | 409,638       | 218,775                 | 218,775       | Equity investments/Other loans |

Our loans to Springstone and the international joint venture and its subsidiaries are recorded at fair value based on Level 2 inputs by discounting the estimated cash flows using the market rates at which similar loans would be made to borrowers with similar credit ratings and the same remaining maturities. Our equity investment in Springstone and the international joint venture is recorded at fair value based on Level 3 inputs, by using a discounted cash flow model, which requires significant estimates of our investee such as projected revenue and expenses and appropriate consideration of the underlying risk profile of the forecasted assumptions

associated with the investee. We classify our valuations of equity investments as Level 3, as we use certain unobservable inputs to the valuation methodology that are significant to the fair value measurement, and the valuations require management judgment due to absence of quoted market prices. For the cash flow models, our observable inputs include use of a capitalization rate and discount rate (which is based on a weighted-average cost of capital) and our unobservable input includes an adjustment for a marketability discount (“DLOM”). In regards to the underlying projections used in the discounted cash flow model, such projections are provided by the investees. However, we will modify such projections as needed based on our review and analysis of historical results, meetings with key members of management, and our understanding of trends and developments within the healthcare industry.

Given our international joint venture equity investment is in an entity that was a start-up company in 2020 and given our equity investment in Springstone was made late in 2021, we believe the fair value of these equity investments are in line with our cost basis. Thus, we have not recognized any unrealized gain/loss on such investments in 2020 or 2021.

The DLOM on our Springstone and international joint venture equity investments was 40% at December 31, 2021. In arriving at the DLOM, we started with a DLOM range based on the results of studies supporting valuation discounts for other transactions or structures without a public market. To select the appropriate DLOM within the range, we then considered many qualitative factors, including the percent of control, the nature of the underlying investee’s business along with our rights as an investor pursuant to the operating agreement, the size of investment, expected holding period, number of shareholders, access to capital marketplace, etc. To illustrate the effect of movements in the DLOM, we performed a sensitivity analysis below by using basis point variations (dollars in thousands):

| Basis Point Change in Marketability Discount | Estimated Increase<br>(Decrease) in Fair Value |      |
|--|--|------|
| + 100 basis points                           | \$   | (41) |
| - 100 basis points                           |  | 41   |

#### Items Measured at Fair Value on a Nonrecurring Basis

In addition to items that are measured at fair value on a recurring basis, we have assets and liabilities that are measured, from time-to-time, at fair value on a nonrecurring basis, such as for long-lived asset impairment purposes (see [Note 3](#)). In these cases, fair value is based on estimated cash flows discounted at a risk-adjusted rate of interest by using Level 2 inputs as more fully described in [Note 2](#).

#### 11. Leases (Lessee)

We lease the land underlying certain of our facilities (for which we sublease to our tenants), along with corporate offices and equipment. Our leases have remaining lease terms that vary in years, and some of the leases have initial fixed terms (or renewal options available) that extend the leases up to, or just beyond, the depreciable life of the properties that occupy the leased land. Renewal options that we are reasonably certain to exercise are recognized in our right-of-use assets and lease liabilities. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at lease commencement date in determining the present value of future payments.

The following is a summary of our lease expense (in thousands):

|                                     | Income Statement<br>Classification        | For the Years Ended December 31, |          |
|-------------------------------------|---|----------------------------------|----------|
|                                     |   | 2021                             | 2020     |
| Operating lease cost (1)            | (2)                                       | \$ 10,694                        | \$ 9,910 |
| Finance lease cost:                 |   |                                  |          |
| Amortization of right-of-use assets | Real estate depreciation and amortization | 51                               | 51       |
| Interest on lease liabilities       | Interest                                  | 128                              | 128      |
| Sublease income                     | Other                                     | (4,466)                          | (2,614)  |
| Total lease cost                    |   | \$ 6,407                         | \$ 7,475 |

(1) Includes short-term leases.

(2) \$6.3 million and \$6.0 million included in “Property-related”, with the remainder reflected in the “General and administrative” line of our consolidated statements of net income for 2021 and 2020, respectively.

Fixed minimum payments due over the remaining lease term under non-cancelable leases of more than one year and amounts to be received in the future from non-cancelable subleases over their remaining lease term at December 31, 2021 are as follows (amounts in thousands):

|   | Operating Leases  | Finance Leases  | Amounts To<br>Be Received<br>From<br>Subleases | Net<br>Payments   |
|---|-------------------|-----------------|--|-------------------|
| 2022                                      | \$ 7,376          | \$ 128          | \$ (4,143)                                     | \$ 3,361          |
| 2023                                      | 7,448             | 129             | (3,963)  | 3,614             |
| 2024                                      | 6,559             | 130             | (3,987)  | 2,702             |
| 2025                                      | 5,666             | 131             | (4,044)  | 1,753             |
| 2026                                      | 5,255             | 133             | (4,015)  | 1,373             |
| Thereafter                                | 239,727           | 4,650           | (71,286)                                       | 173,091 (1)       |
| Total undiscounted minimum lease payments | <u>\$ 272,031</u> | <u>\$ 5,301</u> | <u>\$ (91,438)</u>                             | <u>\$ 185,894</u> |
| Less: interest                            | (186,814)         | (3,364)         |  |                   |
| Present value of lease liabilities        | <u>\$ 85,217</u>  | <u>\$ 1,937</u> |  |                   |

- (1) Reflects certain ground leases, in which we are the lessee, that have longer initial fixed terms than our existing sublease to our tenants. However, we would expect to either renew the related sublease, enter into a lease with a new tenant, or early terminate the ground lease to reduce or avoid any significant impact from such ground leases.

Supplemental balance sheet information is as follows (in thousands, except lease terms and discount rate):

|   | Balance Sheet<br>Classification                       | December 31,<br>2021 | December 31,<br>2020 |
|---|---|----------------------|----------------------|
| <b>Right of use assets:</b>                   |   |                      |                      |
| Operating leases - real estate                | Land  | \$ 68,616            | \$ 73,373            |
| Finance leases - real estate                  | Land  | 1,785                | 1,836                |
| Total real estate right of use assets         |   | <u>\$ 70,401</u>     | <u>\$ 75,209</u>     |
| Operating leases - corporate                  | Other assets  | 7,458                | 8,234                |
| Total right of use assets                     |   | <u>\$ 77,859</u>     | <u>\$ 83,443</u>     |
| <b>Lease liabilities:</b>                     |   |                      |                      |
| Operating leases                              | Obligations to tenants and<br>other lease liabilities | \$ 85,217            | \$ 90,006            |
| Financing leases                              | Obligations to tenants and<br>other lease liabilities | 1,937                | 1,935                |
| Total lease liabilities                       |   | <u>\$ 87,154</u>     | <u>\$ 91,941</u>     |
| <b>Weighted-average remaining lease term:</b> |   |                      |                      |
| Operating leases                              |   | 40.6                 | 41.1                 |
| Finance leases                                |   | 34.9                 | 35.9                 |
| <b>Weighted-average discount rate:</b>        |   |                      |                      |
| Operating leases                              |   | 6.4%                 | 6.4%                 |
| Finance leases                                |   | 6.6%                 | 6.6%                 |

The following is supplemental cash flow information (in thousands):

|  | For the Years Ended December 31, |          |
|--|----------------------------------|----------|
|  | 2021                             | 2020     |
| <b>Cash paid for amounts included in the measurement of lease liabilities:</b>               |                                  |          |
| Operating cash flows from operating leases   | \$ 7,330                         | \$ 6,080 |
| Operating cash flows from finance leases   | 126                              | 125      |
| <b>Non-cash activities - Right-of-use assets obtained in exchange for lease obligations:</b> |                                  |          |
| Operating leases   | 1,120                            | 13,832   |

## 12. Other Assets

The following is a summary of our other assets on our consolidated balance sheets (in thousands):

|                          | As of December 31, |                   |
|--------------------------|--------------------|-------------------|
|                          | 2021               | 2020              |
| Debt issue costs, net(1) | \$ 5,488           | \$ 192            |
| Other corporate assets   | 193,749            | 167,929           |
| Prepays and other assets | 134,243            | 87,948            |
| Total other assets       | <u>\$ 333,480</u>  | <u>\$ 256,069</u> |

(1) Relates to our revolving credit facility

Other corporate assets include land and land improvements associated with our corporate offices, furniture and fixtures, equipment, corporate vehicles, aircraft, enterprise and other software, deposits, and right-of-use assets associated with corporate leases. Included in prepaids and other assets is prepaid insurance, prepaid taxes, deferred income tax assets (net of valuation allowances, if any), and lease inducements made to tenants, among other items.

In addition to the assets above, we have equity investments of \$1.2 billion and \$1.1 billion at December 31, 2021 and 2020, respectively. The increase year-over-year is primarily related to new investments in Swiss Medical Network, Priory, and Aspris Children's Services during 2021, partially offset by the sale of three equity investments during 2021, as discussed further in [Note 3](#).

## ITEM 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

### ITEM 9A. Controls and Procedures

#### Medical Properties Trust, Inc.

(a) *Evaluation of Disclosure Controls and Procedures.* Medical Properties Trust, Inc. maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) designed to provide reasonable assurance that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to its management, including its Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that no controls and procedures, no matter how well designed and operated, can provide absolute assurance of achieving the desired control objectives. As required by Rule 13a-15(b) under the Exchange Act, the management of Medical Properties Trust, Inc., with the participation of its Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures. Based on the foregoing, the Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures are effective as of the end of the period covered by this report.

(b) *Management's Report on Internal Control over Financial Reporting.*

The management of Medical Properties Trust, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting for Medical Properties Trust, Inc. (as such term is defined in Rule 13a-15(f) of the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Medical Properties Trust, Inc.'s financial statements for external reporting purposes in accordance with GAAP.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has undertaken an assessment of the effectiveness of the internal control over financial reporting for Medical Properties Trust, Inc. as of December 31, 2021 based upon the framework established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that, as of December 31, 2021, the internal control over financial reporting for Medical Properties Trust, Inc. was effective.

The effectiveness of the internal control over financial reporting for Medical Properties Trust, Inc. as of December 31, 2021 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears in this Annual Report on Form 10-K.

(c) *Changes in Internal Controls over Financial Reporting.* There has been no change in the internal control over financial reporting for Medical Properties Trust, Inc. during its most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

#### MPT Operating Partnership, L.P.

(a) *Evaluation of Disclosure Controls and Procedures.* MPT Operating Partnership, L.P. maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) designed to provide reasonable assurance that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to its management, including its Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), as appropriate, of Medical Properties Trust, Inc. (the sole general partner of MPT Operating Partnership, L.P.) to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that no controls and procedures, no matter how well designed and operated, can provide absolute assurance of achieving the desired control objectives. As required by Rule 13a-15(b) under the Exchange Act, the management of MPT Operating Partnership, L.P., with the participation of the Chief Executive Officer and Chief Financial Officer of Medical Properties Trust, Inc. (the sole general partner of MPT Operating Partnership, L.P.), carried out an evaluation of the effectiveness of our disclosure controls and procedures. Based on the foregoing, the Chief Executive Officer and Chief Financial Officer of Medical Properties Trust, Inc. (the sole general partner of MPT Operating Partnership, L.P.) concluded that these disclosure controls and procedures are effective as of the end of the period covered by this report.

*(b) Management's Report on Internal Control over Financial Reporting.*

The management of MPT Operating Partnership, L.P. is responsible for establishing and maintaining adequate internal control over financial reporting for MPT Operating Partnership, L.P. (as such term is defined in Rule 13a-15(f) of the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of MPT Operating Partnership, L.P.'s financial statements for external reporting purposes in accordance with GAAP.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has undertaken an assessment of the effectiveness of the internal control over financial reporting for MPT Operating Partnership, L.P. as of December 31, 2021, based upon the framework established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that, as of December 31, 2021, the internal control over financial reporting for MPT Operating Partnership, L.P. was effective.

The effectiveness of the internal control over financial reporting for MPT Operating Partnership, L.P. as of December 31, 2021 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears in this Annual Report on Form 10-K.

*(c) Changes in Internal Controls over Financial Reporting.* There has been no change in the internal control over financial reporting for MPT Operating Partnership, L.P. during its most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

**ITEM 9B. Other Information**

None.

**ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

None.

**ITEM 10. *Directors, Executive Officers and Corporate Governance***

The information required by this Item 10 is incorporated by reference to our definitive Proxy Statement for the 2022 Annual Meeting of Stockholders, which will be filed by us with the Commission not later than May 2, 2022.

**ITEM 11. *Executive Compensation***

The information required by this Item 11 is incorporated by reference to our definitive Proxy Statement for the 2022 Annual Meeting of Stockholders, which will be filed by us with the Commission not later than May 2, 2022.

**ITEM 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this Item 12 is incorporated by reference to our definitive Proxy Statement for the 2022 Annual Meeting of Stockholders, which will be filed by us with the Commission not later than May 2, 2022.

**ITEM 13. *Certain Relationships and Related Transactions, and Director Independence***

The information required by this Item 13 is incorporated by reference to our definitive Proxy Statement for the 2022 Annual Meeting of Stockholders, which will be filed by us with the Commission not later than May 2, 2022.

**ITEM 14. *Principal Accountant Fees and Services***

Our independent public accounting firm is PricewaterhouseCoopers LLP, Birmingham, Alabama, PCAOB Auditor ID 238. The information required by this Item 14 is incorporated by reference to our definitive Proxy Statement for the 2022 Annual Meeting of Stockholders, which will be filed by us with the Commission not later than May 2, 2022.



PART IV

ITEM 15. *Exhibits and Financial Statement Schedules*

(a) **Financial Statements and Financial Statement Schedules**

**Index of Financial Statements of Medical Properties Trust, Inc. and MPT Operating Partnership, L.P. which are included in Part II, Item 8 of this Annual Report on Form 10-K:**

|   |     |
|---|-----|
| Report of Independent Registered Public Accounting Firm   |     |
| <a href="#">Medical Properties Trust, Inc.</a>  | 52  |
| <a href="#">MPT Operating Partnership, L.P.</a>   | 54  |
| Medical Properties Trust, Inc.  |     |
| <a href="#">Consolidated Balance Sheets as of December 31, 2021 and 2020</a>  | 56  |
| <a href="#">Consolidated Statements of Net Income for the Years Ended December 31, 2021, 2020, and 2019</a>   | 57  |
| <a href="#">Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2021, 2020, and 2019</a>   | 58  |
| <a href="#">Consolidated Statements of Equity for the Years Ended December 31, 2021, 2020, and 2019</a>   | 59  |
| <a href="#">Consolidated Statements of Cash Flows for the Years Ended December 31, 2021, 2020, and 2019</a>   | 60  |
| MPT Operating Partnership, L.P.   |     |
| <a href="#">Consolidated Balance Sheets as of December 31, 2021 and 2020</a>  | 61  |
| <a href="#">Consolidated Statements of Net Income for the Years Ended December 31, 2021, 2020, and 2019</a>   | 62  |
| <a href="#">Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2021, 2020, and 2019</a>   | 63  |
| <a href="#">Consolidated Statements of Capital for the Years Ended December 31, 2021, 2020, and 2019</a>  | 64  |
| <a href="#">Consolidated Statements of Cash Flows for the Years Ended December 31, 2021, 2020, and 2019</a>   | 65  |
| Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.  |     |
| <a href="#">Notes to Consolidated Financial Statements</a>  | 66  |
| Financial Statement Schedules   |     |
| <a href="#">Schedule II — Valuation and Qualifying Accounts for the Years Ended December 31, 2021, 2020, and 2019</a>   | 104 |
| <a href="#">Schedule III — Real Estate and Accumulated Depreciation at December 31, 2021 with reconciliations for the years ended December 31, 2021, 2020, and 2019</a> | 105 |
| <a href="#">Schedule IV — Mortgage Loans on Real Estate at December 31, 2021 with reconciliations for the years ended December 31, 2021, 2020, and 2019</a>             | 113 |

**(b) Exhibits**

| <u>Exhibit Number</u> | <u>Description</u>  | <u>Form</u> | <u>File Number</u> | <u>Exhibit Number</u> | <u>Filing Date</u> |
|-----------------------|---|-------------|--------------------|-----------------------|--------------------|
| 3.1                   | <a href="#"><u>Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.</u></a>   | S-11/A      | 333-119957         | 3.1                   | January 6, 2005    |
| 3.2                   | <a href="#"><u>Articles of Amendment of Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.</u></a>  | 10-Q        | 001-32559          | 3.1                   | November 10, 2005  |
| 3.3                   | <a href="#"><u>Articles of Amendment of Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.</u></a>  | 8-K         | 001-32559          | 3.1                   | January 13, 2009   |
| 3.4                   | <a href="#"><u>Articles of Amendment to Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.</u></a>  | 8-K         | 001-32559          | 3.1                   | January 31, 2012   |
| 3.5                   | <a href="#"><u>Articles of Amendment to Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.</u></a>  | 8-K         | 001-32559          | 3.1                   | June 26, 2015      |
| 3.6                   | <a href="#"><u>Articles of Amendment to Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.</u></a>  | 10-Q        | 001-32559          | 3.2                   | August 10, 2015    |
| 3.7                   | <a href="#"><u>Articles of Amendment to the Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.</u></a>  | 8-K         | 001-32559          | 3.1                   | November 8, 2019   |
| 3.8                   | <a href="#"><u>Second Amended and Restated Bylaws of Medical Properties Trust, Inc.</u></a>   | 8-K         | 001-32559          | 3.1                   | November 24, 2009  |
| 3.9                   | <a href="#"><u>Amendment to Second Amended and Restated Bylaws of Medical Properties Trust, Inc.</u></a>  | 8-K         | 001-32559          | 3.2                   | June 26, 2015      |
| 3.10                  | <a href="#"><u>Amendment to Second Amended and Restated Bylaws of Medical Properties Trust, Inc.</u></a>  | 8-K         | 001-32559          | 3.1                   | November 16, 2016  |
| 3.11                  | <a href="#"><u>Amendment to Second Amended and Restated Bylaws of Medical Properties Trust, Inc.</u></a>  | 8-K         | 001-32559          | 3.1                   | February 22, 2017  |
| 3.12                  | <a href="#"><u>Amendment to Second Amended and Restated Bylaws of Medical Properties Trust, Inc.</u></a>  | 8-K         | 001-32559          | 3.1                   | May 25, 2018       |
| 3.13                  | <a href="#"><u>Amendment to Second Amended and Restated Bylaws of Medical Properties Trust, Inc.</u></a>  | 8-K         | 001-32559          | 3.1                   | May 22, 2020       |
| 4.1                   | <a href="#"><u>Form of Common Stock Certificate</u></a>   | S-11/A      | 333-119957         | 4.1                   | January 6, 2005    |
| 4.2                   | <a href="#"><u>Description of Securities of Medical Properties Trust, Inc. Registered under Section 12 of the Securities Exchange Act, as amended</u></a>   | 10-K        | 001-32559          | 4.2                   | February 27, 2020  |
| 4.3                   | <a href="#"><u>Indenture, dated as of October 10, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.</u></a>   | 8-K         | 001-32559          | 4.1                   | October 16, 2013   |
| 4.4                   | <a href="#"><u>Tenth Supplemental Indenture, dated as of July 22, 2016, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, and Wilmington Trust, National Association, as Trustee.</u></a>  | 8-K         | 001-32559          | 4.2                   | July 22, 2016      |
| 4.5                   | <a href="#"><u>Eleventh Supplemental Indenture, dated as of March 24, 2017, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, and Wilmington Trust, National Association, as Trustee, Deutsche Bank Trust Company Americas, as Paying Agent, Registrar and Transfer Agent.</u></a> | 8-K         | 001-32559          | 4.2                   | March 27, 2017     |
| 4.6                   | <a href="#"><u>Twelfth Supplemental Indenture, dated as of September 21, 2017, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, and Wilmington Trust, National Association, as trustee.</u></a>   | 10-Q        | 001-32559          | 4.1                   | November 9, 2017   |

| Exhibit Number | Description   | Form    | File Number | Exhibit Number | Filing Date       |
|----------------|---|---------|-------------|----------------|-------------------|
| 4.7            | <a href="#">Thirteenth Supplemental Indenture, dated as of July 26, 2019, by and among MPT Operating Partnership, L.P., and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, and Wilmington Trust, National Association, as trustee.</a>   | 8-K     | 001-32559   | 4.2            | July 29, 2019     |
| 4.8            | <a href="#">Fourteenth Supplemental Indenture, dated as of December 5, 2019, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, Wilmington Trust, National Association as trustee, Elavon Financial Services DAC, U.K. Branch as initial paying agent, and Elavon Financial Services DAC, as initial registrar and transfer agent.</a>  | 8-K     | 001-32559   | 4.2            | December 11, 2019 |
| 4.9            | <a href="#">Fifteenth Supplemental Indenture, dated as of December 5, 2019, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, Wilmington Trust, National Association, as trustee, Elavon Financial Services DAC, U.K. Branch, as initial paying agent, and Elavon Financial Services DAC, as initial registrar and transfer agent.</a> | 8-K     | 001-32559   | 4.4            | December 11, 2019 |
| 4.10           | <a href="#">Sixteenth Supplemental Indenture, dated as of December 4, 2020, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc. as parent and guarantor, and Wilmington Trust, National Association, as trustee.</a>   | 8-K     | 001-32559   | 4.2            | December 7, 2020  |
| 4.11           | <a href="#">Seventeenth Supplemental Indenture, dated as of March 24, 2021, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, Wilmington Trust, National Association, as trustee, and Elavon Financial Services DAC, as initial paying agent, registrar and transfer agent</a>   | 8-K     | 001-32559   | 4.2            | March 29, 2021    |
| 4.12           | <a href="#">Eighteenth Supplemental Indenture, dated as of March 24, 2021, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, Wilmington Trust, National Association, as trustee, and Elavon Financial Services DAC, as initial paying agent, registrar and transfer agent</a>  | 8-K     | 001-32559   | 4.4            | March 29, 2021    |
| 4.13           | <a href="#">Nineteenth Supplemental Indenture, dated as of October 6, 2021, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, Wilmington Trust, National Association, as trustee, and Elavon Financial Services DAC, as initial paying agent, registrar and transfer agent</a>   | 8-K     | 001-32559   | 4.2            | October 13, 2021  |
| 10.1           | <a href="#">Second Amended and Restated Agreement of Limited Partnership of MPT Operating Partnership, L.P.</a>   | 8-K     | 001-32559   | 10.1           | August 6, 2007    |
| 10.2           | <a href="#">Medical Properties Trust, Inc. 2013 Equity Incentive Plan***</a>  | 10-K    | 001-32559   | 10.2           | March 1, 2019     |
| 10.3           | <a href="#">Medical Properties Trust, Inc. 2019 Equity Incentive Plan***</a>  | DEF 14A | 001-32559   | A              | April 26, 2019    |
| 10.4           | <a href="#">Form of Stock Option Award***</a>   | 8-K     | 001-32559   | 10.2           | October 18, 2005  |
| 10.5           | <a href="#">Form of Restricted Stock Award***</a>   | 8-K     | 001-32559   | 10.4           | October 18, 2005  |
| 10.6           | <a href="#">Form of Deferred Stock Unit Award***</a>  | 8-K     | 001-32559   | 10.5           | October 18, 2005  |

| Exhibit Number | Description   | Form   | File Number | Exhibit Number | Filing Date     |
|----------------|---|--------|-------------|----------------|-----------------|
| 10.7           | <a href="#">Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated September 10, 2003***</a>   | S-11/A | 333-119957  | 10.3           | January 6, 2005 |
| 10.8           | <a href="#">First Amendment to Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated March 8, 2004***</a>   | S-11/A | 333-119957  | 10.4           | January 6, 2005 |
| 10.9           | <a href="#">Employment Agreement between Medical Properties Trust, Inc. and R. Steven Hamner, dated September 10, 2003***</a>   | S-11/A | 333-119957  | 10.6           | January 6, 2005 |
| 10.10          | <a href="#">Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated September 10, 2003***</a>   | S-11/A | 333-119957  | 10.5           | January 6, 2005 |
| 10.11          | <a href="#">Form of Indemnification Agreement between Medical Properties Trust, Inc. and executive officers and directors***</a>  | S-11/A | 333-119957  | 10.55          | July 5, 2005    |
| 10.12          | <a href="#">Form of Medical Properties Trust, Inc. 2007 Multi-Year Incentive Plan Award Agreement (LTIP Units)***</a>   | 8-K    | 001-32559   | 10.2           | August 6, 2007  |
| 10.13          | <a href="#">Form of Medical Properties Trust, Inc. 2007 Multi-Year Incentive Plan Award Agreement (Restricted Shares)***</a>  | 8-K    | 001-32559   | 10.3           | August 6, 2007  |
| 10.14          | <a href="#">Second Amendment to Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated September 29, 2006***</a>   | 10-K   | 001-32559   | 10.58          | March 14, 2008  |
| 10.15          | <a href="#">First Amendment to Employment Agreement between Medical Properties Trust, Inc. and R. Steven Hamner, dated September 29, 2006***</a>  | 10-K   | 001-32559   | 10.59          | March 14, 2008  |
| 10.16          | <a href="#">First Amendment to Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated September 29, 2006***</a>  | 10-K   | 001-32559   | 10.61          | March 14, 2008  |
| 10.17          | <a href="#">Second Amendment to Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated January 1, 2008***</a>  | 10-K   | 001-32559   | 10.74          | March 13, 2009  |
| 10.18          | <a href="#">Third Amendment to Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated January 1, 2009***</a>   | 10-K   | 001-32559   | 10.75          | March 13, 2009  |
| 10.19          | <a href="#">Second Amendment to Employment Agreement between Medical Properties Trust, Inc. and Richard S. Hamner, dated January 1, 2008***</a>   | 10-K   | 001-32559   | 10.76          | March 13, 2009  |
| 10.20          | <a href="#">Third Amendment to Employment Agreement between Medical Properties Trust, Inc. and R. Steven Hamner, dated January 1, 2009***</a>   | 10-K   | 001-32559   | 10.77          | March 13, 2009  |
| 10.21          | <a href="#">Third Amendment to Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated January 1, 2008***</a>   | 10-K   | 001-32559   | 10.78          | March 13, 2009  |
| 10.22          | <a href="#">Fourth Amendment to Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated January 1, 2009***</a>  | 10-K   | 001-32559   | 10.79          | March 13, 2009  |
| 10.23          | <a href="#">Amended and Restated Subscription Agreement dated as of June 7, 2018 by and among MPT Operating Partnership, L.P., Primotop Holding, S.a.r.l. and MPT RHM Holdco S.a.r.l.</a>   | 10-Q   | 001-32559   | 10.1           | August 9, 2018  |
| 10.24          | <a href="#">Syndicated Facility Agreement among MPT Operating Partnership, L.P. and Evolution Trustees Limited as Trustee of MPT Australia Realty Trust, as borrowers, Medical Properties Trust, Inc. and certain subsidiaries, as guarantors, the several lenders and other entities from time to time parties thereto, Bank of America, N.A., as administrative agent, and Citizens Bank, N.A., JPMorgan Change Bank, N.A., Suntrust Bank and Wells Fargo Bank, N.A., as co-syndication agents.</a> | 10-Q   | 001-32559   | 10.1           | August 9, 2019  |

| Exhibit Number | Description   | Form | File Number | Exhibit Number | Filing Date       |
|----------------|---|------|-------------|----------------|-------------------|
| 10.25          | <a href="#">Real Property Asset Purchase Agreement, dated as of July 10, 2019, by and among Prospect Medical Holdings, Inc., as “Prospect Medical Holdings”, and subsidiaries of Prospect Medical Holdings, as the “Prospect Medical Subsidiaries”, and subsidiaries of MPT Operating Partnership, L.P., as the “MPT Parties”.</a>                          | 10-Q | 001-32559   | 10.2           | November 12, 2019 |
| 10.26          | <a href="#">Form of Lease Agreement between certain subsidiaries of MPT Operating Partnership, L.P., as Lessor, and Circle Health Ltd. and certain of its subsidiaries, as Lessee</a>   | 10-Q | 001-32559   | 10.1           | August 7, 2020    |
| 10.27          | <a href="#">Amended and Restated Revolving Credit and Term Loan Agreement, dated as of January 15, 2021, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., the several lenders from time to time party thereto, Bank of America, N.A., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent</a>                | 10-Q | 001-32559   | 10.1           | May 10, 2021      |
| 10.28          | <a href="#">Amended and Restated Master Lease Agreement between certain subsidiaries of MPT Operating Partnership, L.P. as Lessor and certain subsidiaries of Steward Health Care System LLC, Lessee</a>  | 10-Q | 001-32559   | 10.1           | November 9, 2021  |
| 10.29          | <a href="#">Amendment to Amended and Restated Revolving Credit and Term Loan Agreement, dated as of September 29, 2021, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., the several lenders from time to time party thereto, Bank of America, N.A., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent</a> | 10-Q | 001-32559   | 10.2           | November 9, 2021  |
| 10.30*         | <a href="#">Amendment No. 2 to Amended and Restated Revolving Credit and Term Loan Agreement, dated as of November 22, 2021, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., the several lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent</a>   |      |             |                |                   |
| 21.1*          | <a href="#">Subsidiaries of Medical Properties Trust, Inc.</a>  |      |             |                |                   |
| 23.1*          | <a href="#">Consent of PricewaterhouseCoopers LLP</a>   |      |             |                |                   |
| 23.2*          | <a href="#">Consent of PricewaterhouseCoopers LLP</a>   |      |             |                |                   |
| 31.1*          | <a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. (Medical Properties Trust, Inc.)</a>   |      |             |                |                   |
| 31.2*          | <a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. (Medical Properties Trust, Inc.)</a>   |      |             |                |                   |
| 31.3*          | <a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. (MPT Operating Partnership, L.P.)</a>  |      |             |                |                   |
| 31.4*          | <a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. (MPT Operating Partnership, L.P.)</a>  |      |             |                |                   |
| 32.1**         | <a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Medical Properties Trust, Inc.)</a>   |      |             |                |                   |
| 32.2**         | <a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (MPT Operating Partnership, L.P.)</a>  |      |             |                |                   |

| Exhibit Number  | Description   | Form | File Number | Exhibit Number | Filing Date |
|-----------------|---|------|-------------|----------------|-------------|
| Exhibit 101.INS | Inline XBRL Instance Document   |      |             |                |             |
| Exhibit 101.SCH | Inline XBRL Taxonomy Extension Schema Document  |      |             |                |             |
| Exhibit 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document  |      |             |                |             |
| Exhibit 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document   |      |             |                |             |
| Exhibit 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document  |      |             |                |             |
| Exhibit 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document   |      |             |                |             |
| 104             | Cover page interactive data file (Formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101.) |      |             |                |             |

\* Filed herewith.

\*\* Furnished herewith.

\*\*\* Management contract or compensatory plan or arrangement.

**ITEM 16. Form 10-K Summary**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrants have duly caused this Report to be signed on their behalf by the undersigned, thereunto duly authorized.

MEDICAL PROPERTIES TRUST, INC.

By: /s/ J. Kevin Hanna  
J. Kevin Hanna  
Vice President, Controller, and Chief Accounting Officer

MPT OPERATING PARTNERSHIP, L.P.

By: /s/ J. Kevin Hanna  
J. Kevin Hanna  
Vice President, Controller, and Chief Accounting  
Officer of the sole member of the general partner of MPT Operating  
Partnership, L.P.

Date: March 1, 2022

### Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below does hereby constitute and appoint J. Kevin Hanna and R. Steven Hamner, and each of them singly, as her or his true and lawful attorneys with full power to them, and each of them singly, to sign for such person and in her or his name in the capacity indicated below, the Annual Report on Form 10-K filed herewith and any and all amendments to said Annual Report on Form 10-K, and generally to do all such things in her or his name and in her or his capacity as officer and director to enable the registrants to comply with the provisions of the Exchange Act, and all requirements of the SEC in connection therewith, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Annual Report on Form 10-K and any and all amendments thereto.

Pursuant to the requirements of the Exchange Act, this report has been signed by the following persons on behalf of the registrants and in the capacities and on the dates indicated.

| <u>Signature</u>  | <u>Title</u>   | <u>Date</u>   |
|---|--|---------------|
| <u>/s/ Edward K. Aldag, Jr.</u><br>Edward K. Aldag, Jr.           | Chairman of the Board, President,<br>Chief Executive Officer and Director<br>(Principal Executive Officer) | March 1, 2022 |
| <u>/s/ R. Steven Hamner</u><br>R. Steven Hamner                   | Executive Vice President,<br>Chief Financial Officer and Director<br>(Principal Financial Officer)         | March 1, 2022 |
| <u>/s/ G. Steven Dawson</u><br>G. Steven Dawson                   | Director   | March 1, 2022 |
| <u>/s/ Caterina A. Mozingo</u><br>Caterina A. Mozingo             | Director   | March 1, 2022 |
| <u>/s/ Elizabeth N. Pitman</u><br>Elizabeth N. Pitman             | Director   | March 1, 2022 |
| <u>/s/ D. Paul Sparks, Jr.</u><br>D. Paul Sparks, Jr.             | Director   | March 1, 2022 |
| <u>/s/ Michael G. Stewart</u><br>Michael G. Stewart               | Director   | March 1, 2022 |
| <u>/s/ C. Reynolds Thompson, III</u><br>C. Reynolds Thompson, III | Director   | March 1, 2022 |

**Schedule II: Valuation and Qualifying Accounts**  
**Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.**  
**December 31, 2021**

| Year Ended December 31, | Balance at<br>Beginning of<br>Year(1) | Additions                           |  | Deductions                          |                                     | Balance at<br>End of Year(1) |
|-------------------------|---------------------------------------|-------------------------------------|--|-------------------------------------|-------------------------------------|------------------------------|
|                         |                                       | Charged<br>Against<br>Operations(1) | Charged to<br>Other Accounts<br>(In thousands) | Net<br>Recoveries/<br>Write-offs(1) | Net<br>Recoveries/<br>Write-offs(1) |                              |
| 2021                    | \$ 146,637                            | \$ 69,131 (2)                       | \$ 7,340 (3)                                   | \$ (68,947) (4)                     | \$ (68,947) (4)                     | \$ 154,161                   |
| 2020                    | \$ 109,803                            | \$ 58,044 (5)                       | \$ 22,944 (6)                                  | \$ (44,154) (7)                     | \$ (44,154) (7)                     | \$ 146,637                   |
| 2019                    | \$ 66,131                             | \$ 50,893 (8)                       | \$ —   | \$ (7,221) (9)                      | \$ (7,221) (9)                      | \$ 109,803                   |

- (1) Includes real estate impairment reserves, allowance for doubtful accounts, straight-line rent reserves, credit loss reserves, tax valuation allowances, and other reserves.
- (2) Represents a \$41.7 million increase in credit loss reserves on financing-type receivables, \$8 million increase in accounts receivable and other reserves, and an approximately \$20 million increase in valuation allowances to reserve against our net deferred tax assets in 2021.
- (3) Represents \$7.3 million of tax valuation allowances recorded as part of the purchase price allocation of the Priory Transaction as disclosed in [Note 3](#) to Item 8 of this Annual Report on Form 10-K.
- (4) Includes a \$22.4 million decrease in real estate impairment reserves related to disposals in 2021, a \$38.7 million decrease in accounts receivable and other reserves, \$6.0 million decrease of equity investment impairment reserve related to disposals in 2021, and \$1.9 million of credit loss recovery related to loan paydowns in 2021.
- (5) Represents a \$19.0 million increase to real estate impairment reserves, \$23.9 million increase in accounts receivable and other reserves, \$3.3 million increase in credit loss reserves on financing-type receivables, and a \$11.9 million increase in valuation allowances to reserve against our net deferred tax assets in 2020.
- (6) Reflects \$8.4 million of a credit loss reserve recorded on January 1, 2020 to equity as the cumulative effect of a change in accounting principle adjustment upon adoption of ASU No. 2016-13, “Measurement of Credit Losses on Financial Instruments” along with \$14.5 million of tax valuation allowances recorded as part of the purchase price allocation of the Circle Transaction as disclosed in [Note 3](#) to Item 8 of this Annual Report on Form 10-K.
- (7) Includes a \$40.5 million decrease in real estate impairment reserves related to disposals in 2020, \$2.9 million of credit loss recovery related to loan paydowns in 2020, and a \$0.8 million decrease in tax valuation allowances.
- (8) Represents a \$21.0 million increase to real estate impairment reserves, \$22.0 million increase in accounts receivable and other reserves, and a \$7.9 million increase in our tax valuation allowance to reserve against an increase in our net deferred tax assets in 2019.
- (9) Includes a \$7.2 million decrease in real estate impairment reserves related to disposals in 2019.



SCHEDULE III — REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION  
December 31, 2021

| Location                      | Type of Property              | Initial Costs |            | Additions Subsequent to Acquisition |                | Cost at December 31, 2021(1) |            |            | Accumulated  | Encumbrances | Date of Construction | Date Acquired      | Life on which depreciation in latest income statements is computed (Years) |
|-------------------------------|-------------------------------|---------------|------------|-------------------------------------|----------------|------------------------------|------------|------------|--------------|--------------|----------------------|--------------------|--|
|                               |                               | Land          | Buildings  | Improvements                        | Carrying Costs | Land                         | Buildings  | Total      | Depreciation |              |                      |                    |  |
| (Dollar amounts in thousands) |                               |               |            |                                     |                |                              |            |            |              |              |                      |                    |  |
| Aberdeen, UK                  | Acute care general hospital   | \$ 4,384      | \$ 107,058 | \$ 135                              | \$ —           | \$ 4,519                     | \$ 107,058 | \$ 111,577 | \$ 5,371     | \$ —         | 1985                 | January 9, 2020    | 40   |
| Altoona, WI                   | Acute care general hospital   | —             | 29,062     | —                                   | —              | —                            | 29,062     | 29,062     | 5,328        | —            | 2014                 | August 31, 2014    | 40   |
| Alvin, TX                     | Freestanding ER               | 105           | 4,087      | —                                   | —              | 105                          | 4,087      | 4,192      | 769          | —            | 2014                 | March 19, 2014     | 40   |
| Anaheim, CA                   | Acute care general hospital   | 1,875         | 21,813     | —                                   | 10             | 1,875                        | 21,823     | 23,698     | 8,275        | —            | 1964                 | November 8, 2006   | 40   |
| Arnold, UK                    | Behavioral health facility    | 147           | 10,540     | 360                                 | —              | 507                          | 10,540     | 11,047     | 145          | —            | 2008                 | June 25, 2021      | 40   |
| Ashted, UK                    | Acute care general hospital   | 39,119        | 75,253     | 1,019                               | —              | 40,138                       | 75,253     | 115,391    | 4,588        | —            | 1981                 | August 16, 2019    | 40   |
| Aurora, CO                    | Freestanding ER               | 2,891         | 4,812      | —                                   | —              | 2,891                        | 4,812      | 7,703      | 752          | —            | 2015                 | September 17, 2015 | 40   |
| Austin, TX                    | Freestanding ER               | 3,722         | 4,200      | —                                   | —              | 3,722                        | 4,200      | 7,922      | 538          | —            | 2017                 | March 2, 2017      | 40   |
| Avondale, AZ                  | Behavioral health facility    | 5,383         | 65,080     | —                                   | —              | 5,383                        | 65,080     | 70,463     | 293          | —            | 2016                 | October 19, 2021   | 40   |
| Ayer, MA                      | Acute care general hospital   | 9,048         | 77,913     | 4,548                               | —              | 9,048                        | 82,461     | 91,509     | 5,898        | —            | 1970-2013            | June 27, 2018      | 47   |
| Ayr, UK                       | Behavioral health facility    | 17,729        | 51,716     | 329                                 | —              | 18,058                       | 51,716     | 69,774     | 661          | —            | 2004                 | June 25, 2021      | 40   |
| Bad Salzuflen, Germany        | Rehabilitation hospital       | 9,888         | 27,378     | 930                                 | —              | 10,818                       | 27,378     | 38,196     | 3,048        | —            | 1974, 2016           | November 30, 2017  | 40   |
| Bad Salzuflen, Germany        | Rehabilitation hospital       | 7,002         | 24,077     | 350                                 | —              | 7,352                        | 24,077     | 31,429     | 2,553        | —            | 1989, 2016           | November 30, 2017  | 40   |
| Bad Oeynhausen, Germany       | Rehabilitation hospital       | 1,033         | 2,835      | 126                                 | —              | 1,159                        | 2,835      | 3,994      | 324          | —            | 1973, 2010           | November 30, 2017  | 40   |
| Basingstoke, UK               | Acute care general hospital   | 13,532        | 53,347     | 203                                 | —              | 13,735                       | 53,347     | 67,082     | 2,694        | —            | 1984                 | January 9, 2020    | 40   |
| Bassenheim, Germany           | Rehabilitation hospital       | 999           | 5,448      | 170                                 | —              | 1,169                        | 5,448      | 6,617      | 441          | —            | 1887, 1983           | February 9, 2019   | 39   |
| Bath, UK                      | Acute care general hospital   | 1,604         | 33,245     | —                                   | —              | 1,604                        | 33,245     | 34,849     | 6,233        | —            | 2008, 2009           | July 1, 2014       | 40   |
| Bath, UK                      | Acute care general hospital   | 7,443         | 13,874     | 203                                 | —              | 7,646                        | 13,874     | 21,520     | 721          | —            | 1992                 | January 9, 2020    | 40   |
| Beckenham, UK                 | Acute care general hospital   | 5,751         | 22,266     | 54                                  | —              | 5,805                        | 22,266     | 28,071     | 1,121        | —            | 1981                 | January 9, 2020    | 40   |
| Bedford, UK                   | Acute care general hospital   | 1,583         | 7,976      | 54                                  | —              | 1,637                        | 7,976      | 9,613      | 406          | —            | 1982                 | January 9, 2020    | 40   |
| Bellflower, CA                | Behavioral health facility    | 2,563         | —          | —                                   | —              | 2,563                        | —          | 2,563      | —            | —            | 1972                 | August 23, 2019    | —  |
| Bennettsville, SC             | Acute care general hospital   | 794           | 15,773     | —                                   | —              | 794                          | 15,773     | 16,567     | 7,689        | —            | 1984                 | April 1, 2008      | 42   |
| Big Spring, TX                | Acute care general hospital   | 1,655         | 21,254     | 816                                 | —              | 1,655                        | 22,070     | 23,725     | 1,671        | —            | 1973                 | April 12, 2019     | 41   |
| Birmingham, UK                | Acute care general hospital   | 9,103         | 47,756     | —                                   | —              | 9,103                        | 47,756     | 56,859     | 1,784        | —            | 2017                 | April 3, 2017      | 40   |
| Birmingham, UK                | Acute care general hospital   | 10,098        | 99,773     | 386                                 | —              | 10,484                       | 99,773     | 110,257    | 5,040        | —            | 1982                 | January 9, 2020    | 40   |
| Birmingham, UK                | Rehabilitation hospital       | —             | 19,885     | —                                   | —              | —                            | 19,885     | 19,885     | 743          | —            | 2018                 | June 29, 2020      | 40   |
| Birmingham, UK                | Behavioral health facility    | —             | 20,376     | 438                                 | —              | 438                          | 20,376     | 20,814     | 273          | —            | 1900, 1984, 2016     | June 25, 2021      | 40   |
| Blackburn, UK                 | Acute care general hospital   | 2,706         | 54,210     | 122                                 | —              | 2,828                        | 54,210     | 57,038     | 2,727        | —            | 1957                 | January 9, 2020    | 40   |
| Blackburn, UK                 | Behavioral health facility    | 19,620        | 57,757     | 1,670                               | —              | 21,290                       | 57,757     | 79,047     | 792          | —            | 1930                 | June 25, 2021      | 40   |
| Bloomington, IN               | Acute care general hospital   | 2,392         | 28,212     | 5,000                               | 408            | 2,392                        | 33,620     | 36,012     | 12,608       | —            | 2006                 | August 8, 2006     | 40   |
| Blue Springs, MO              | Acute care general hospital   | 4,347         | 23,494     | —                                   | —              | 4,347                        | 23,494     | 27,841     | 4,269        | —            | 1980                 | February 13, 2015  | 40   |
| Boardman, OH                  | Long term acute care hospital | 79            | 275        | —                                   | —              | 79                           | 275        | 354        | 18           | —            | 2008                 | August 30, 2019    | 40   |
| Boise, ID                     | Long term acute care hospital | 1,558         | 11,027     | —                                   | —              | 1,558                        | 11,027     | 12,585     | 864          | —            | 2008                 | February 29, 2012  | 50   |
| Bolton, UK                    | Acute care general hospital   | 1,624         | 47,335     | 61                                  | —              | 1,685                        | 47,335     | 49,020     | 2,375        | —            | 1989                 | January 9, 2020    | 40   |
| Boonton Township, NJ          | Behavioral health facility    | 6,712         | 17,031     | —                                   | —              | 6,712                        | 17,031     | 23,743     | 556          | —            | 1952, 1971-1978      | September 30, 2015 | 40   |

| Location                      | Type of Property              | Initial Costs |           | Additions Subsequent to Acquisition |                | Cost at December 31, 2021(1) |           |         | Accumulated  | Encumbrances | Date of Construction | Date Acquired      | Life on which depreciation in latest income statements is computed (Years) |
|-------------------------------|-------------------------------|---------------|-----------|-------------------------------------|----------------|------------------------------|-----------|---------|--------------|--------------|----------------------|--------------------|--|
|                               |                               | Land          | Buildings | Improvements                        | Carrying Costs | Land                         | Buildings | Total   | Depreciation |              |                      |                    |  |
| (Dollar amounts in thousands) |                               |               |           |                                     |                |                              |           |         |              |              |                      |                    |  |
| Bossier City, LA              | Long term acute care hospital | 900           | 17,818    | 944                                 | —              | 900                          | 18,762    | 19,662  | 6,214        | —            | 1982                 | April 1, 2008      | 40   |
| Bowling Green, KY             | Rehabilitation hospital       | 3,486         | 56,296    | —                                   | —              | 3,486                        | 56,296    | 59,782  | 3,662        | —            | 1992                 | August 30, 2019    | 40   |
| Braunfels, Germany            | Acute care general hospital   | 2,183         | 13,954    | 57                                  | —              | 2,240                        | 13,954    | 16,194  | 2,292        | —            | 1977                 | June 30, 2015      | 40   |
| Brighton, MA                  | Acute care general hospital   | 18,540        | 146,491   | 52,118                              | —              | 18,540                       | 198,609   | 217,149 | 19,400       | —            | 1917-2009            | October 3, 2016    | 41   |
| Brockton, MA                  | Acute care general hospital   | 18,328        | 67,248    | 5,358                               | —              | 18,328                       | 72,606    | 90,934  | 10,793       | —            | 1965-2010            | October 3, 2016    | 41   |
| Bromley, UK                   | Behavioral health facility    | 7,084         | 16,503    | 594                                 | —              | 7,678                        | 16,503    | 24,181  | 229          | —            | 1714, 1830, 2021     | June 25, 2021      | 40   |
| Broomfield, CO                | Freestanding ER               | 825           | 3,895     | —                                   | —              | 825                          | 3,895     | 4,720   | 730          | —            | 2014                 | July 3, 2014       | 40   |
| Bundoora, Australia           | Acute care general hospital   | 6,654         | 64,096    | 4,482                               | —              | 6,940                        | 68,292    | 75,232  | 4,607        | —            | 1979                 | June 7, 2019       | 37   |
| Bury, UK                      | Behavioral health facility    | 8,173         | 20,617    | 872                                 | —              | 9,045                        | 20,617    | 29,662  | 298          | —            | 2003                 | June 25, 2021      | 40   |
| Bussage, UK                   | Behavioral health facility    | 8,848         | 3,990     | 176                                 | —              | 9,024                        | 3,990     | 13,014  | 56           | —            | 1970                 | June 25, 2021      | 40   |
| Campbelltown, Australia       | Acute care general hospital   | 1,055         | 54,756    | 51                                  | —              | 1,106                        | 54,756    | 55,862  | 3,546        | —            | 2007                 | June 7, 2019       | 40   |
| Canterbury, UK                | Acute care general hospital   | 9,675         | 29,325    | 88                                  | —              | 9,763                        | 29,325    | 39,088  | 1,478        | —            | 1982                 | January 9, 2020    | 40   |
| Carmarthen, UK                | Acute care general hospital   | 866           | 27,185    | 101                                 | —              | 967                          | 27,185    | 28,152  | 1,373        | —            | 1990                 | January 9, 2020    | 40   |
| Carrollton, TX                | Acute care general hospital   | 729           | 34,342    | 374                                 | —              | 729                          | 34,716    | 35,445  | 5,559        | —            | 2015                 | July 17, 2015      | 40   |
| Carrollton, TX                | Behavioral health facility    | 4,941         | 52,579    | —                                   | —              | 4,941                        | 52,579    | 57,520  | 237          | —            | 2012                 | October 19, 2021   | 40   |
| Casper, WY                    | Rehabilitation hospital       | 1,785         | —         | —                                   | —              | 1,785                        | —         | 1,785   | —            | —            | 2012                 | February 29, 2012  | —  |
| Caterham, UK                  | Acute care general hospital   | 10,816        | 22,158    | 400                                 | —              | 11,216                       | 22,158    | 33,374  | 1,370        | —            | 1982                 | August 16, 2019    | 40   |
| Chandler, AZ                  | Freestanding ER               | 3,619         | 4,783     | —                                   | —              | 3,619                        | 4,783     | 8,402   | 797          | —            | 2015                 | April 24, 2015     | 40   |
| Chandler, AZ                  | Freestanding ER               | 750           | 3,853     | —                                   | —              | 750                          | 3,853     | 4,603   | 602          | —            | 2015                 | October 7, 2015    | 40   |
| Cheadle, UK                   | Acute care general hospital   | 32,477        | 173,216   | 406                                 | —              | 32,883                       | 173,216   | 206,099 | 8,715        | —            | 1981                 | January 9, 2020    | 40   |
| Cheadle, UK                   | Behavioral health facility    | 29,205        | 100,805   | 2,485                               | —              | 31,690                       | 100,805   | 132,495 | 1,365        | —            | 1849, 2018           | June 25, 2021      | 40   |
| Cheraw, SC                    | Acute care general hospital   | 657           | 19,576    | —                                   | —              | 657                          | 19,576    | 20,233  | 9,542        | —            | 1982                 | April 1, 2008      | 42   |
| Clarksville, TX               | Rehabilitation hospital       | 2,460         | 25,540    | —                                   | —              | 2,460                        | 25,540    | 28,000  | 710          | —            | 2019                 | December 17, 2020  | 39   |
| Cologne, Germany              | Acute care general hospital   | 4,456         | 15,413    | 103                                 | —              | 4,559                        | 15,413    | 19,972  | 1,765        | —            | 2011                 | June 23, 2017      | 40   |
| Colorado Springs, CO          | Freestanding ER               | 600           | 4,231     | —                                   | —              | 600                          | 4,231     | 4,831   | 802          | —            | 2014                 | June 5, 2014       | 40   |
| Columbus, OH                  | Behavioral health facility    | 2,101         | 44,504    | —                                   | —              | 2,101                        | 44,504    | 46,605  | 203          | —            | 2017                 | October 19, 2021   | 40   |
| Commerce City, TX             | Freestanding ER               | 707           | 4,248     | —                                   | —              | 707                          | 4,248     | 4,955   | 752          | —            | 2014                 | December 11, 2014  | 40   |
| Conroe, TX                    | Behavioral health facility    | 3,855         | 39,156    | —                                   | —              | 3,855                        | 39,156    | 43,011  | 182          | —            | 2018                 | October 19, 2021   | 40   |
| Converse, TX                  | Freestanding ER               | 750           | 4,423     | —                                   | —              | 750                          | 4,423     | 5,173   | 746          | —            | 2015                 | April 10, 2015     | 40   |
| Coral Gables, FL              | Acute care general hospital   | 26,215        | 84,584    | —                                   | —              | 26,215                       | 84,584    | 110,799 | 913          | —            | 1959                 | August 1, 2021     | 40   |
| Crown Point, IN               | Long term acute care hospital | 302           | 528       | —                                   | —              | 302                          | 528       | 830     | 39           | —            | 2008                 | August 30, 2019    | 40   |
| Croydon, UK                   | Acute care general hospital   | 10,352        | 44,330    | 217                                 | —              | 10,569                       | 44,330    | 54,899  | 2,245        | —            | 1982                 | January 9, 2020    | 40   |
| Dahlen, Germany               | Rehabilitation hospital       | 948           | 11,679    | 434                                 | —              | 1,382                        | 11,679    | 13,061  | 455          | —            | 1994                 | July 8, 2020       | 40   |
| Dallas, TX                    | Long term acute care hospital | 1,000         | 13,589    | —                                   | 368            | 1,421                        | 13,536    | 14,957  | 5,189        | —            | 2006                 | September 5, 2006  | 40   |
| Darlington, UK                | Acute care general hospital   | 1,854         | 38,071    | 365                                 | —              | 2,219                        | 38,071    | 40,290  | 1,383        | —            | 2001                 | August 7, 2020     | 40   |
| Darlington, UK                | Behavioral health facility    | 20,168        | 51,315    | 2,415                               | —              | 22,583                       | 51,315    | 73,898  | 752          | —            | 1935, 2018, 2020     | June 25, 2021      | 40   |
| Darlington, UK                | Behavioral health facility    | 5,108         | 28,014    | 449                                 | —              | 5,557                        | 28,014    | 33,571  | 369          | —            | 1960, 1990           | June 25, 2021      | 40   |
| Denver, CO                    | Freestanding ER               | 1,276         | 4,276     | —                                   | —              | 1,276                        | 4,276     | 5,552   | 704          | —            | 2015                 | June 8, 2015       | 40   |
| Denville, NJ                  | Acute care general hospital   | 15,709        | 55,772    | —                                   | —              | 15,709                       | 55,772    | 71,481  | 1,781        | —            | 1953, 1969-2008      | September 30, 2015 | 40   |
| Detroit, MI                   | Long term acute care hospital | 1,220         | 8,687     | —                                   | (364)          | 1,220                        | 8,323     | 9,543   | 2,893        | —            | 1956                 | May 22, 2008       | 40   |
| Diss, UK                      | Behavioral health facility    | 2,406         | 11,034    | 687                                 | —              | 3,093                        | 11,034    | 14,127  | 169          | —            | 1840 (2)             | June 25, 2021      | 40   |
| Dodge City, KS                | Acute care general hospital   | 1,124         | 52,705    | —                                   | —              | 1,124                        | 52,705    | 53,829  | 2,844        | —            | 1976                 | December 17, 2019  | 40   |
| Dorchester, MA                | Acute care general hospital   | 14,428        | 219,575   | 6,725                               | —              | 14,428                       | 226,300   | 240,728 | 16,117       | —            | 1953-2015            | October 15, 2018   | 42   |
| Dorchester, UK                | Acute care general hospital   | 513           | 33,313    | 61                                  | —              | 574                          | 33,313    | 33,887  | 1,674        | —            | 1981                 | January 9, 2020    | 40   |
| Dormagen, Germany             | Rehabilitation hospital       | 1,827         | 5,818     | 139                                 | —              | 1,966                        | 5,818     | 7,784   | 516          | —            | 1993, 2006           | August 28, 2018    | 40   |
| Dover, NJ                     | Acute care general hospital   | 3,865         | 8,693     | —                                   | —              | 3,865                        | 8,693     | 12,558  | 295          | —            | 1925, 1927-2008      | September 30, 2015 | 40   |

| Location                      | Type of Property              | Initial Costs |           | Additions Subsequent to Acquisition |                | Cost at December 31, 2021(1) |           |         | Accumulated  | Encumbrances | Date of Construction | Date Acquired     | Life on which depreciation in latest income statements is computed (Years) |
|-------------------------------|-------------------------------|---------------|-----------|-------------------------------------|----------------|------------------------------|-----------|---------|--------------|--------------|----------------------|-------------------|--|
|                               |                               | Land          | Buildings | Improvements                        | Carrying Costs | Land                         | Buildings | Total   | Depreciation |              |                      |                   |  |
| (Dollar amounts in thousands) |                               |               |           |                                     |                |                              |           |         |              |              |                      |                   |  |
| Droitwich, UK                 | Acute care general hospital   | —             | 16,261    | 81                                  | —              | 81                           | 16,261    | 16,342  | 824          | —            | 1984                 | January 9, 2020   | 40   |
| Dublin, OH                    | Behavioral health facility    | 5,118         | 70,305    | —                                   | —              | 5,118                        | 70,305    | 75,423  | 312          | —            | 2012                 | October 19, 2021  | 40   |
| El Paso, TX                   | Rehabilitation hospital       | 4,268         | 21,345    | —                                   | —              | 4,268                        | 21,345    | 25,613  | 620          | —            | 2018                 | December 17, 2020 | 38   |
| Englewood, CO                 | Behavioral health facility    | 3,369         | 65,905    | —                                   | —              | 3,369                        | 65,905    | 69,274  | 297          | —            | 2017                 | October 19, 2021  | 40   |
| Euxton, UK                    | Acute care general hospital   | 4,047         | 37,797    | 861                                 | —              | 4,908                        | 37,797    | 42,705  | 2,372        | —            | 1981                 | August 16, 2019   | 40   |
| Fall River, MA                | Acute care general hospital   | 3,526         | 82,358    | 28,556                              | —              | 3,526                        | 110,914   | 114,440 | 12,508       | —            | 1950-2012            | October 3, 2016   | 41   |
| Firestone, TX                 | Freestanding ER               | 495           | 3,963     | —                                   | —              | 495                          | 3,963     | 4,458   | 751          | —            | 2014                 | June 6, 2014      | 40   |
| Flagstaff, AZ                 | Rehabilitation hospital       | 3,049         | 22,464    | —                                   | —              | 3,049                        | 22,464    | 25,513  | 2,153        | —            | 2016                 | August 23, 2016   | 40   |
| Florence, AZ                  | Acute care general hospital   | 900           | 28,462    | 105                                 | —              | 900                          | 28,567    | 29,467  | 6,960        | —            | 2012                 | February 7, 2012  | 40   |
| Folsom, CA                    | Long term acute care hospital | 3,291         | 21,293    | —                                   | —              | 3,291                        | 21,293    | 24,584  | 1,475        | —            | 2009                 | August 30, 2019   | 40   |
| Fort Worth, TX                | Freestanding ER               | 2,701         | 4,392     | —                                   | —              | 2,701                        | 4,392     | 7,093   | 741          | —            | 2015                 | March 27, 2015    | 40   |
| Fort Worth, TX                | Behavioral health facility    | 3,406         | 34,862    | —                                   | —              | 3,406                        | 34,862    | 38,268  | 161          | —            | 2014                 | October 19, 2021  | 40   |
| Fountain, CO                  | Freestanding ER               | 1,508         | 4,131     | —                                   | —              | 1,508                        | 4,131     | 5,639   | 766          | —            | 2014                 | July 31, 2014     | 40   |
| Fresno, CA                    | Rehabilitation hospital       | 5,507         | 70,473    | —                                   | —              | 5,507                        | 70,473    | 75,980  | 4,430        | —            | 1991                 | August 30, 2019   | 40   |
| Frome, UK                     | Behavioral health facility    | 2,419         | 18,655    | 660                                 | —              | 3,079                        | 18,655    | 21,734  | 263          | —            | 1980                 | June 25, 2021     | 40   |
| Frome, UK                     | Behavioral health facility    | 9,920         | 11,388    | 1,660                               | —              | 11,580                       | 11,388    | 22,968  | 212          | —            | 1700, 2015, 2017     | June 25, 2021     | 40   |
| Garden Grove, CA              | Acute care general hospital   | 5,502         | 10,748    | —                                   | 51             | 5,502                        | 10,799    | 16,301  | 3,547        | —            | 1982                 | November 25, 2008 | 40   |
| Garden Grove, CA              | Medical Office Building       | 862           | 7,888     | —                                   | 28             | 862                          | 7,916     | 8,778   | 2,594        | —            | 1982                 | November 25, 2008 | 40   |
| Gardena, CA                   | Acute care general hospital   | 14,010        | 65,288    | —                                   | —              | 14,010                       | 65,288    | 79,298  | 882          | —            | 1966                 | July 6, 2021      | 40   |
| Georgetown, TX                | Behavioral health facility    | 4,569         | 23,028    | —                                   | —              | 4,569                        | 23,028    | 27,597  | 106          | —            | 2014                 | October 19, 2021  | 40   |
| Gilbert, AZ                   | Freestanding ER               | 1,517         | 4,661     | —                                   | —              | 1,517                        | 4,661     | 6,178   | 748          | —            | 2015                 | July 22, 2015     | 40   |
| Gilbert, AZ                   | Behavioral health facility    | 4,790         | 45,384    | —                                   | —              | 4,790                        | 45,384    | 50,174  | 201          | —            | 2020                 | October 19, 2021  | 40   |
| Glasgow, UK                   | Acute care general hospital   | 6,698         | 139,848   | 149                                 | —              | 6,847                        | 139,848   | 146,695 | 7,012        | —            | 1983                 | January 9, 2020   | 40   |
| Glasgow, UK                   | Behavioral health facility    | 1,135         | 16,606    | 383                                 | —              | 1,518                        | 16,606    | 18,124  | 225          | —            | 1900, 1980           | June 25, 2021     | 40   |
| Glen Waverly, Australia       | Rehabilitation hospital       | 30,764        | 23,768    | 835                                 | —              | 31,599                       | 23,768    | 55,367  | 2,189        | —            | 1972                 | June 7, 2019      | 32   |
| Glendale, AZ                  | Freestanding ER               | 1,144         | 6,087     | —                                   | —              | 1,144                        | 6,087     | 7,231   | 786          | —            | 2016                 | October 21, 2016  | 40   |
| Glendale, AZ                  | Freestanding ER               | 1,210         | 4,046     | —                                   | —              | 1,210                        | 4,046     | 5,256   | 666          | —            | 2015                 | June 5, 2015      | 40   |
| Gloucester, UK                | Acute care general hospital   | 4,869         | 65,235    | 1,062                               | —              | 5,931                        | 65,235    | 71,166  | 4,031        | —            | 1990                 | August 16, 2019   | 40   |
| Godalming, UK                 | Behavioral health facility    | 9,059         | 20,181    | 886                                 | —              | 9,945                        | 20,181    | 30,126  | 293          | —            | 1796, 2007           | June 25, 2021     | 40   |
| Goodyear, AZ                  | Freestanding ER               | 1,800         | 4,713     | —                                   | —              | 1,800                        | 4,713     | 6,513   | 677          | —            | 2016                 | April 4, 2016     | 40   |
| Great Missenden, UK           | Acute care general hospital   | 12,179        | 111,784   | 332                                 | —              | 12,511                       | 111,784   | 124,295 | 5,633        | —            | 1981                 | January 9, 2020   | 40   |
| Grefath, Germany              | Rehabilitation hospital       | 1,136         | 3,119     | 101                                 | —              | 1,237                        | 3,119     | 4,356   | 282          | —            | 1886, 1983           | August 28, 2018   | 40   |
| Guildford, UK                 | Acute care general hospital   | 7,185         | 38,719    | 129                                 | —              | 7,314                        | 38,719    | 46,033  | 1,953        | —            | 1989                 | January 9, 2020   | 40   |
| Halsall, UK                   | Acute care general hospital   | 1,524         | 33,120    | 618                                 | —              | 2,142                        | 33,120    | 35,262  | 2,052        | —            | 1986                 | August 16, 2019   | 40   |
| Harrow, UK                    | Acute care general hospital   | 40,596        | 42,958    | 223                                 | —              | 40,819                       | 42,958    | 83,777  | 2,178        | —            | 1980                 | January 9, 2020   | 40   |
| Hartsville, SC                | Acute care general hospital   | 2,050         | 43,970    | —                                   | —              | 2,050                        | 43,970    | 46,020  | 8,038        | —            | 1999                 | August 31, 2015   | 34   |
| Hassocks, UK                  | Behavioral health facility    | 3,557         | 30,479    | 2,272                               | —              | 5,829                        | 30,479    | 36,308  | 469          | —            | 1998                 | June 25, 2021     | 40   |
| Hastings, PA                  | Acute care general hospital   | 603           | 8,834     | —                                   | —              | 603                          | 8,834     | 9,437   | 726          | —            | 1924                 | December 17, 2019 | 30   |
| Hausman, TX                   | Acute care general hospital   | 1,500         | 8,957     | —                                   | —              | 1,500                        | 8,957     | 10,457  | 1,958        | —            | 2013                 | March 1, 2013     | 40   |
| Haverhill, MA                 | Acute care general hospital   | 5,651         | 105,848   | 3,185                               | —              | 5,651                        | 109,033   | 114,684 | 8,594        | —            | 1982-2005            | August 31, 2018   | 40   |
| Heidelberg, Germany           | Rehabilitation hospital       | 6,350         | 36,693    | 74                                  | —              | 6,424                        | 36,693    | 43,117  | 5,072        | —            | 1885, 1991           | June 22, 2016     | 40   |
| Helotes, TX                   | Freestanding ER               | 1,900         | 5,115     | —                                   | —              | 1,900                        | 5,115     | 7,015   | 746          | —            | 2016                 | March 10, 2016    | 40   |
| Hemel Hempstead, UK           | Behavioral health facility    | 12,480        | 6,702     | 795                                 | —              | 13,275                       | 6,702     | 19,977  | 117          | —            | 1901, 1990           | June 25, 2021     | 40   |
| Hialeah, FL                   | Acute care general hospital   | 18,802        | 107,783   | —                                   | —              | 18,802                       | 107,783   | 126,585 | 1,189        | —            | 1950                 | August 1, 2021    | 40   |

| Location                      | Type of Property            | Initial Costs |           | Additions Subsequent to Acquisition |                | Cost at December 31, 2021(1) |           |         | Accumulated  | Encumbrances | Date of Construction | Date Acquired      | Life on which depreciation in latest income statements is computed (Years) |
|-------------------------------|-----------------------------|---------------|-----------|-------------------------------------|----------------|------------------------------|-----------|---------|--------------|--------------|----------------------|--------------------|--|
|                               |                             | Land          | Buildings | Improvements                        | Carrying Costs | Land                         | Buildings | Total   | Depreciation |              |                      |                    |  |
| (Dollar amounts in thousands) |                             |               |           |                                     |                |                              |           |         |              |              |                      |                    |  |
| Hialeah, FL                   | Acute care general hospital | 75,339        | 222,399   | 75,000                              | —              | 75,339                       | 297,399   | 372,738 | 2,647        | —            | 1969                 | August 1, 2021     | 40   |
| Highland Hills, OH            | Behavioral health facility  | 3,148         | 44,181    | —                                   | —              | 3,148                        | 44,181    | 47,329  | 202          | —            | 2015                 | October 19, 2021   | 40   |
| Highland Village, TX          | Freestanding ER             | 3,265         | 1,551     | —                                   | —              | 3,265                        | 1,551     | 4,816   | 411          | —            | 2015                 | September 22, 2015 | 40   |
| Highlands Ranch, CO           | Freestanding ER             | 4,200         | 4,779     | —                                   | —              | 4,200                        | 4,779     | 8,979   | 647          | —            | 2016                 | July 25, 2016      | 40   |
| Hill County, TX               | Acute care general hospital | 1,120         | 17,882    | 374                                 | —              | 1,120                        | 18,256    | 19,376  | 13,549       | —            | 1980                 | September 17, 2010 | 15   |
| Hinckley, UK                  | Behavioral health facility  | 2,175         | 17,867    | 446                                 | —              | 2,621                        | 17,867    | 20,488  | 242          | —            | 1892, 2007           | June 25, 2021      | 40   |
| Hook, UK                      | Behavioral health facility  | 5,269         | 10,968    | 487                                 | —              | 5,756                        | 10,968    | 16,724  | 162          | —            | 1980                 | June 25, 2021      | 40   |
| Hoover, AL                    | Freestanding ER             | —             | 7,581     | —                                   | —              | —                            | 7,581     | 7,581   | 1,476        | —            | 2015                 | May 1, 2015        | 34   |
| Hoover, AL                    | Freestanding ER             | —             | 1,034     | 296                                 | —              | —                            | 1,330     | 1,330   | 228          | —            | 2015                 | May 1, 2015        | 34   |
| Hope, AR                      | Acute care general hospital | 1,651         | 3,359     | 2,732                               | —              | 1,651                        | 6,091     | 7,742   | 897          | —            | 1984-2001            | September 29, 2017 | 41   |
| Hot Springs, AR               | Acute care general hospital | 5,844         | 59,432    | 21,221                              | —              | 5,844                        | 80,653    | 86,497  | 13,122       | —            | 1985                 | August 31, 2015    | 40   |
| Houston, TX                   | Acute care general hospital | 28,687        | 104,028   | 52,051                              | —              | 28,687                       | 156,079   | 184,766 | 9,735        | —            | 1940-1950            | September 29, 2017 | 41   |
| Houston, TX                   | Freestanding ER             | 950           | 3,996     | —                                   | —              | 950                          | 3,996     | 4,946   | 525          | —            | 2016                 | September 26, 2016 | 40   |
| Houston, TX                   | Behavioral health facility  | 6,063         | 19,881    | 2,565                               | —              | 6,063                        | 22,446    | 28,509  | 561          | —            | 2020                 | October 25, 2019   | 40   |
| Houston, TX                   | Acute care general hospital | 3,501         | 34,530    | 8,477                               | 16,589         | 3,274                        | 59,823    | 63,097  | 17,863       | —            | 1960                 | August 10, 2007    | 40   |
| Houston, TX                   | Acute care general hospital | 4,047         | 36,862    | —                                   | —              | 4,047                        | 36,862    | 40,909  | 5,069        | —            | 2016                 | July 7, 2016       | 40   |
| Huntington Park, CA           | Acute care general hospital | 3,132         | 5,002     | —                                   | —              | 3,132                        | 5,002     | 8,134   | 77           | —            | 1967                 | July 6, 2021       | 40   |
| Huntington Park, CA           | Acute care general hospital | 3,935         | 6,103     | —                                   | —              | 3,935                        | 6,103     | 10,038  | 92           | —            | 1960-1969            | July 6, 2021       | 40   |
| Idaho Falls, ID               | Acute care general hospital | 1,823         | 37,467    | 11,236                              | 4,665          | 1,823                        | 53,368    | 55,191  | 14,993       | —            | 2002                 | April 1, 2008      | 40   |
| Idaho Falls, ID               | Acute care general hospital | 1,880         | 107,403   | —                                   | —              | 1,880                        | 107,403   | 109,283 | 5,146        | —            | 2020                 | December 19, 2017  | 40   |
| Johnstown, PA                 | Acute care general hospital | 8,877         | 247,042   | —                                   | 117            | 8,877                        | 247,159   | 256,036 | 16,717       | —            | 1924                 | December 17, 2019  | 30   |
| Kansas City, KS               | Acute care general hospital | 2,351         | 13,665    | —                                   | —              | 2,351                        | 13,665    | 16,016  | 763          | —            | 2017                 | June 10, 2019      | 50   |
| Kansas City, MO               | Acute care general hospital | 10,497        | 64,419    | —                                   | —              | 10,497                       | 64,419    | 74,916  | 11,354       | —            | 1978                 | February 13, 2015  | 40   |
| Katy, TX                      | Freestanding ER             | 1,580         | 4,174     | —                                   | —              | 1,580                        | 4,174     | 5,754   | 548          | —            | 2016                 | October 10, 2016   | 40   |
| Katy, TX                      | Freestanding ER             | 2,178         | 3,873     | —                                   | —              | 2,178                        | 3,873     | 6,051   | 597          | —            | 2015                 | October 21, 2015   | 40   |
| Kingswood, Australia          | Acute care general hospital | 24,282        | 80,488    | 3,346                               | —              | 24,751                       | 83,365    | 108,116 | 5,292        | —            | 2000                 | June 7, 2019       | 40   |
| Lafayette, IN                 | Rehabilitation hospital     | 800           | 14,968    | (25)                                | —              | 800                          | 14,943    | 15,743  | 3,320        | —            | 2013                 | February 1, 2013   | 40   |
| Lafayette, IN                 | Behavioral health facility  | 3,321         | 10,884    | —                                   | —              | 3,321                        | 10,884    | 14,205  | 60           | —            | 2012                 | October 19, 2021   | 40   |
| Lander, WY                    | Acute care general hospital | 761           | 42,849    | —                                   | —              | 761                          | 42,849    | 43,610  | 2,290        | —            | 1983                 | December 17, 2019  | 40   |
| Lauderdale Lakes, FL          | Acute care general hospital | 10,657        | 150,313   | —                                   | —              | 10,657                       | 150,313   | 160,970 | 1,776        | —            | 1975                 | August 1, 2021     | 40   |
| Lawton, OK                    | Acute care general hospital | 3,944         | 63,031    | —                                   | —              | 3,944                        | 63,031    | 66,975  | 3,385        | —            | 1985                 | December 17, 2019  | 40   |
| Layton, UT                    | Acute care general hospital | 14,360        | 370,154   | 5,369                               | —              | 14,360                       | 375,523   | 389,883 | 13,647       | —            | 1976-2010            | September 29, 2017 | 40   |
| League City, TX               | Freestanding ER             | 1,316         | 3,901     | —                                   | —              | 1,316                        | 3,901     | 5,217   | 634          | —            | 2015                 | June 19, 2015      | 40   |
| Leawood, KS                   | Acute care general hospital | 2,513         | 13,938    | —                                   | —              | 2,513                        | 13,938    | 16,451  | 774          | —            | 2017                 | June 10, 2019      | 50   |
| Leeds, UK                     | Behavioral health facility  | 2,065         | 10,123    | 358                                 | —              | 2,423                        | 10,123    | 12,546  | 142          | —            | 1990                 | June 25, 2021      | 40   |
| Lehi, UT                      | Acute care general hospital | 13,403        | 29,950    | 1,675                               | (35)           | 13,368                       | 31,625    | 44,993  | 3,812        | —            | 2015                 | September 29, 2017 | 45   |
| Lewiston, ID                  | Acute care general hospital | 5,389         | 75,435    | —                                   | —              | 5,389                        | 75,435    | 80,824  | 11,904       | —            | 1922                 | May 1, 2017        | 40   |
| Little Elm, TX                | Freestanding ER             | 1,241         | 3,491     | —                                   | —              | 1,241                        | 3,491     | 4,732   | 703          | —            | 2013                 | December 1, 2013   | 40   |
| Liverpool, Australia          | Acute care general hospital | 13,786        | 43,209    | 96                                  | —              | 13,882                       | 43,209    | 57,091  | 3,745        | —            | 1975                 | June 7, 2019       | 30   |
| London, UK                    | Acute care general hospital | 9,743         | 64,842    | 81                                  | —              | 9,824                        | 64,842    | 74,666  | 3,253        | —            | 1984                 | January 9, 2020    | 40   |
| London, UK                    | Acute care general hospital | 3,464         | 4,409     | 27                                  | —              | 3,491                        | 4,409     | 7,900   | 224          | —            | 1987                 | January 9, 2020    | 40   |
| London, UK                    | Acute care general hospital | 13,207        | 86,380    | 27                                  | —              | 13,234                       | 86,380    | 99,614  | 4,323        | —            | 1977                 | January 9, 2020    | 40   |
| London, UK                    | Behavioral health facility  | 6,133         | 16,640    | 416                                 | —              | 6,549                        | 16,640    | 23,189  | 229          | —            | 1900, 1960           | June 25, 2021      | 40   |
| London, UK                    | Behavioral health facility  | 14,391        | 7,241     | 288                                 | —              | 14,679                       | 7,241     | 21,920  | 104          | —            | 1992                 | June 25, 2021      | 40   |
| Longmont, CO                  | Freestanding ER             | 1,799         | 4,181     | —                                   | —              | 1,799                        | 4,181     | 5,980   | 618          | —            | 2016                 | February 10, 2016  | 40   |

| Location                      | Type of Property              | Initial Costs |           | Additions Subsequent to Acquisition |                | Cost at December 31, 2021(1) |           |         | Accumulated  | Encumbrances | Date of Construction | Date Acquired      | Life on which depreciation in latest income statements is computed (Years) |
|-------------------------------|-------------------------------|---------------|-----------|-------------------------------------|----------------|------------------------------|-----------|---------|--------------|--------------|----------------------|--------------------|--|
|                               |                               | Land          | Buildings | Improvements                        | Carrying Costs | Land                         | Buildings | Total   | Depreciation |              |                      |                    |  |
|                               |                               |               |           |                                     |                |                              |           |         |              |              |                      |                    |  |
| (Dollar amounts in thousands) |                               |               |           |                                     |                |                              |           |         |              |              |                      |                    |  |
| Los Angeles, CA               | Acute care general hospital   | 12,562        | 40,164    | —                                   | —              | 12,562                       | 40,164    | 52,726  | 519          | —            | 1972                 | July 6, 2021       | 40   |
| Lubbock, TX                   | Rehabilitation hospital       | 1,376         | 28,292    | 3,648                               | —              | 1,376                        | 31,940    | 33,316  | 5,094        | —            | 2008                 | June 16, 2015      | 40   |
| Lynwood, CA                   | Acute care general hospital   | 30,116        | 148,527   | —                                   | —              | 30,116                       | 148,527   | 178,643 | 5,286        | —            | 1940, 1989-2000      | August 13, 2020    | 40   |
| Mandeville, LA                | Freestanding ER               | 2,800         | 5,370     | —                                   | —              | 2,800                        | 5,370     | 8,170   | 694          | —            | 2016                 | October 28, 2016   | 40   |
| Marrero, LA                   | Freestanding ER               | 1,608         | 5,801     | —                                   | —              | 1,608                        | 5,801     | 7,409   | 798          | —            | 2016                 | July 15, 2016      | 40   |
| McKinney, TX                  | Freestanding ER               | 2,668         | 4,060     | —                                   | —              | 2,668                        | 4,060     | 6,728   | 876          | —            | 2015                 | July 31, 2015      | 30   |
| McKinney, TX                  | Behavioral health facility    | 2,934         | —         | —                                   | —              | 2,934                        | —         | 2,934   | —            | —            | 2021                 | October 19, 2021   | -  |
| McMinnville, OR               | Acute care general hospital   | 5,000         | 97,900    | —                                   | —              | 5,000                        | 97,900    | 102,900 | 14,135       | —            | 1996                 | August 31, 2015    | 41   |
| Melbourne, FL                 | Acute care general hospital   | 5,642         | 17,087    | 21,214                              | —              | 5,642                        | 38,301    | 43,943  | 2,947        | —            | 2002                 | May 1, 2017        | 42   |
| Melton Mowbray, UK            | Behavioral health facility    | 5,387         | 16,993    | 673                                 | —              | 6,060                        | 16,993    | 23,053  | 243          | —            | 1990                 | June 25, 2021      | 40   |
| Mesa, AZ                      | Acute care general hospital   | 6,534         | 100,042   | 4,136                               | —              | 6,534                        | 104,178   | 110,712 | 21,948       | —            | 2007                 | September 26, 2013 | 40   |
| Methuen, MA                   | Acute care general hospital   | 23,809        | 89,505    | 13,365                              | —              | 23,809                       | 102,870   | 126,679 | 13,187       | —            | 1950-2011            | October 3, 2016    | 41   |
| Meyersdale, PA                | Acute care general hospital   | 390           | 4,280     | —                                   | —              | 390                          | 4,280     | 4,670   | 365          | —            | 1960                 | December 17, 2019  | 30   |
| Miami, FL                     | Acute care general hospital   | 44,400        | 107,203   | —                                   | —              | 44,400                       | 107,203   | 151,603 | 1,395        | —            | 1955                 | August 1, 2021     | 40   |
| Milton Keynes, UK             | Acute care general hospital   | 5,480         | 38,117    | 95                                  | —              | 5,575                        | 38,117    | 43,692  | 1,918        | —            | 1983                 | January 9, 2020    | 40   |
| Monmouth, UK                  | Behavioral health facility    | 15,189        | 12,283    | 1,293                               | —              | 16,482                       | 12,283    | 28,765  | 208          | —            | 2017                 | June 25, 2021      | 40   |
| Montclair, NJ                 | Acute care general hospital   | 7,900         | 99,640    | 577                                 | —              | 8,477                        | 99,640    | 108,117 | 19,799       | —            | 1920-2000            | April 1, 2014      | 40   |
| Mount Pleasant, SC            | Long term acute care hospital | 597           | 2,198     | —                                   | —              | 597                          | 2,198     | 2,795   | 149          | —            | 2012                 | August 30, 2019    | 40   |
| New Braunfels, TX             | Rehabilitation hospital       | 1,853         | 10,622    | —                                   | —              | 1,853                        | 10,622    | 12,475  | 299          | —            | 2011                 | February 29, 2012  | 40   |
| New Orleans, LA               | Freestanding ER               | 2,850         | 6,125     | —                                   | —              | 2,850                        | 6,125     | 8,975   | 804          | —            | 2016                 | September 23, 2016 | 40   |
| Newark, NJ                    | Acute care general hospital   | 32,957        | 24,553    | —                                   | —              | 32,957                       | 24,553    | 57,510  | 744          | —            | 1919, 1920-2003      | May 2, 2016        | 40   |
| Newburgh, IN                  | Behavioral health facility    | 1,215         | 7,266     | —                                   | —              | 1,215                        | 7,266     | 8,481   | 36           | —            | 2010                 | October 19, 2021   | 40   |
| Northland, MO                 | Long term acute care hospital | 834           | 17,182    | —                                   | —              | 834                          | 17,182    | 18,016  | 4,689        | —            | 2007                 | February 14, 2011  | 40   |
| Norwalk, CA                   | Acute care general hospital   | 2,811         | 5,940     | —                                   | —              | 2,811                        | 5,940     | 8,751   | 93           | —            | 1959, 1995           | July 6, 2021       | 40   |
| Norwalk, CA                   | Acute care general hospital   | 7,925         | 30,465    | —                                   | —              | 7,925                        | 30,465    | 38,390  | 407          | —            | 1958-1978            | July 6, 2021       | 40   |
| Norwood, MA                   | Acute care general hospital   | 7,073         | 154,496   | 16,180                              | —              | 7,073                        | 170,676   | 177,749 | 12,760       | —            | 1926-2001            | June 27, 2018      | 46   |
| Nottingham, UK                | Acute care general hospital   | 5,007         | 48,842    | 257                                 | —              | 5,264                        | 48,842    | 54,106  | 2,476        | —            | 1983                 | January 9, 2020    | 40   |
| Nottingham, UK                | Behavioral health facility    | 9,748         | 9,526     | 894                                 | —              | 10,642                       | 9,526     | 20,168  | 157          | —            | 2000                 | June 25, 2021      | 40   |
| Nottingham, UK                | Behavioral health facility    | 10,678        | 3,451     | 121                                 | —              | 10,799                       | 3,451     | 14,250  | 48           | —            | 1980                 | June 25, 2021      | 40   |
| Odessa, TX                    | Acute care general hospital   | 6,535         | 123,518   | 11,629                              | —              | 6,535                        | 135,147   | 141,682 | 13,569       | —            | 1973-2004            | September 29, 2017 | 41   |
| Ogden, UT                     | Rehabilitation hospital       | 1,759         | 16,414    | —                                   | —              | 1,759                        | 16,414    | 18,173  | 3,203        | —            | 2014                 | March 1, 2014      | 40   |
| Oklahoma City, OK             | Behavioral health facility    | 3,641         | 3,091     | —                                   | —              | 3,641                        | 3,091     | 6,732   | 26           | —            | 2017                 | October 19, 2021   | 40   |
| Olathe, KS                    | Behavioral health facility    | 5,966         | 56,125    | —                                   | —              | 5,966                        | 56,125    | 62,091  | 260          | —            | 2015                 | October 19, 2021   | 40   |
| Olathe, KS                    | Acute care general hospital   | 3,485         | 14,484    | —                                   | —              | 3,485                        | 14,484    | 17,969  | 813          | —            | 2018                 | June 10, 2019      | 50   |
| Orpington, UK                 | Acute care general hospital   | 10,826        | 45,401    | 162                                 | —              | 10,988                       | 45,401    | 56,389  | 2,292        | —            | 1987                 | January 9, 2020    | 40   |
| Ottumwa, IA                   | Acute care general hospital   | 2,377         | 48,697    | —                                   | —              | 2,377                        | 48,697    | 51,074  | 3,623        | —            | 1950                 | December 17, 2019  | 30   |
| Overland Park, KS             | Acute care general hospital   | 2,974         | 14,405    | —                                   | —              | 2,974                        | 14,405    | 17,379  | 812          | —            | 2017                 | June 10, 2019      | 50   |
| Overland Park, KS             | Acute care general hospital   | 3,191         | 14,263    | —                                   | —              | 3,191                        | 14,263    | 17,454  | 845          | —            | 2019                 | June 10, 2019      | 50   |
| Overlook, TX                  | Acute care general hospital   | 2,452         | 9,666     | 7                                   | —              | 2,452                        | 9,673     | 12,125  | 2,140        | —            | 2012                 | February 1, 2013   | 40   |
| Palestine, TX                 | Acute care general hospital   | 1,848         | 95,257    | —                                   | —              | 1,848                        | 95,257    | 97,105  | 4,993        | —            | 1988                 | December 17, 2019  | 40   |
| Parker, CO                    | Freestanding ER               | 1,300         | 4,448     | —                                   | —              | 1,300                        | 4,448     | 5,748   | 686          | —            | 2015                 | November 6, 2015   | 40   |
| Pasco, WA                     | Acute care general hospital   | 2,594         | 13,195    | —                                   | —              | 2,594                        | 13,195    | 15,789  | 1,503        | —            | 1920                 | August 31, 2018    | 30   |
| Pearland, TX                  | Freestanding ER               | 1,075         | 3,577     | —                                   | —              | 1,075                        | 3,577     | 4,652   | 656          | —            | 2014                 | September 8, 2014  | 40   |
| Perth, Australia              | Acute care general hospital   | 106,021       | 37,654    | 2,528                               | —              | 106,241                      | 39,962    | 146,203 | 3,386        | —            | 1965                 | June 7, 2019       | 30   |

| Location               | Type of Property              | Initial Costs                 |           | Additions Subsequent to Acquisition |                | Cost at December 31, 2021(1) |           |         | Accumulated  | Encumbrances | Date of Construction | Date Acquired      | Life on which depreciation in latest income statements is computed (Years) |
|------------------------|-------------------------------|-------------------------------|-----------|-------------------------------------|----------------|------------------------------|-----------|---------|--------------|--------------|----------------------|--------------------|--|
|                        |                               | Land                          | Buildings | Improvements                        | Carrying Costs | Land                         | Buildings | Total   | Depreciation |              |                      |                    |  |
|                        |                               | (Dollar amounts in thousands) |           |                                     |                |                              |           |         |              |              |                      |                    |  |
| Petersburg, VA         | Rehabilitation hospital       | 1,302                         | 9,121     | —                                   | —              | 1,302                        | 9,121     | 10,423  | 3,078        | —            | 2006                 | July 1, 2008       | 40   |
| Phoenix, AZ            | Behavioral health facility    | 2,396                         | 26,521    | 2,985                               | —              | 2,396                        | 29,506    | 31,902  | 3,360        | —            | 1979                 | September 29, 2017 | 42   |
| Phoenix, AZ            | Acute care general hospital   | 12,695                        | 73,773    | 4,499                               | —              | 12,695                       | 78,272    | 90,967  | 8,821        | —            | 1968-1976            | September 29, 2017 | 43   |
| Phoenix, AZ            | Acute care general hospital   | 5,576                         | 45,782    | —                                   | —              | 5,576                        | 45,782    | 51,358  | 5,627        | —            | 2017                 | February 10, 2017  | 40   |
| Phoenix, AZ            | Freestanding ER               | 1,132                         | 5,052     | —                                   | —              | 1,132                        | 5,052     | 6,184   | 600          | —            | 2017                 | April 13, 2017     | 40   |
| Plano, TX              | Freestanding ER               | 4,272                         | 2,492     | —                                   | —              | 4,272                        | 2,492     | 6,764   | 435          | —            | 2016                 | September 30, 2016 | 40   |
| Poole, UK              | Acute care general hospital   | 1,922                         | 40,797    | 549                                 | —              | 2,471                        | 40,797    | 43,268  | 2,905        | —            | 1996                 | April 3, 2019      | 40   |
| Poplar Bluff, MO       | Acute care general hospital   | 2,659                         | 38,693    | —                                   | 1              | 2,659                        | 38,694    | 41,353  | 13,247       | —            | 1980                 | April 22, 2008     | 40   |
| Port Arthur, TX        | Acute care general hospital   | 12,972                        | 78,051    | 6,877                               | —              | 12,972                       | 84,928    | 97,900  | 16,573       | —            | 2005                 | September 26, 2013 | 40   |
| Port Huron, MI         | Acute care general hospital   | 2,531                         | 14,252    | —                                   | —              | 2,531                        | 14,252    | 16,783  | 2,921        | —            | 1953, 1973-1983      | December 31, 2015  | 30   |
| Post Falls, ID         | Rehabilitation hospital       | 417                           | 12,175    | 1,905                               | —              | 767                          | 13,730    | 14,497  | 2,755        | —            | 2013                 | December 31, 2013  | 40   |
| Preston, UK            | Behavioral health facility    | 8,748                         | 27,645    | 542                                 | —              | 9,290                        | 27,645    | 36,935  | 371          | —            | 1850, 2018, 2021     | June 25, 2021      | 40   |
| Princes Risborough, UK | Acute care general hospital   | 4,955                         | —         | —                                   | —              | 4,955                        | —         | 4,955   | —            | —            | N/A                  | January 9, 2020    | 40   |
| Raleigh, NC            | Behavioral health facility    | 3,469                         | 27,707    | —                                   | —              | 3,469                        | 27,707    | 31,176  | 136          | —            | 2018                 | October 19, 2021   | 40   |
| Reading, UK            | Acute care general hospital   | 36,489                        | 49,078    | 496                                 | —              | 36,985                       | 49,078    | 86,063  | 2,991        | —            | 1990                 | August 16, 2019    | 40   |
| Reading, UK            | Acute care general hospital   | 26,996                        | 88,538    | 635                                 | —              | 27,631                       | 88,538    | 116,169 | 2,256        | —            | 2012                 | December 18, 2020  | 40   |
| Redding, CA            | Acute care general hospital   | 1,555                         | 53,863    | —                                   | 13             | 1,555                        | 53,876    | 55,431  | 19,425       | —            | 1974                 | August 10, 2007    | 40   |
| Remscheid, Germany     | Rehabilitation hospital       | 1,021                         | 2,603     | 59                                  | —              | 1,080                        | 2,603     | 3,683   | 230          | —            | 1951, 1983           | August 28, 2018    | 40   |
| Richmond, TX           | Behavioral health facility    | 4,602                         | 6,224     | —                                   | —              | 4,602                        | 6,224     | 10,826  | 36           | —            | 2014                 | October 19, 2021   | 40   |
| Richmond, VA           | Long term acute care hospital | 1,302                         | 10,071    | —                                   | —              | 1,302                        | 10,071    | 11,373  | 761          | —            | 1989                 | August 30, 2019    | 40   |
| Ringwood, Australia    | Acute care general hospital   | 4,166                         | 19,323    | 138                                 | —              | 4,304                        | 19,323    | 23,627  | 1,469        | —            | 1973                 | June 7, 2019       | 35   |
| Riverton, WY           | Acute care general hospital   | 1,163                         | 29,647    | —                                   | —              | 1,163                        | 29,647    | 30,810  | 1,838        | —            | 1983                 | December 17, 2019  | 36   |
| Roaring Springs, PA    | Acute care general hospital   | 1,446                         | 9,549     | —                                   | —              | 1,446                        | 9,549     | 10,995  | 811          | —            | 1924                 | December 17, 2019  | 30   |
| Rochdale, MA           | Long term acute care hospital | 654                           | 3,368     | —                                   | —              | 654                          | 3,368     | 4,022   | 230          | —            | 1989                 | August 30, 2019    | 40   |
| Rochdale, MA           | Acute care general hospital   | 67                            | 344       | —                                   | —              | 67                           | 344       | 411     | 23           | —            | 1989                 | August 30, 2019    | 40   |
| Rochdale, UK           | Acute care general hospital   | 3,654                         | 43,317    | 149                                 | —              | 3,803                        | 43,317    | 47,120  | 2,186        | —            | 1965                 | January 9, 2020    | 40   |
| Rockledge, FL          | Acute care general hospital   | 13,919                        | 23,282    | 7,565                               | —              | 13,919                       | 30,847    | 44,766  | 4,458        | —            | 1950, 1970           | May 1, 2017        | 42   |
| Roeland Park, KS       | Acute care general hospital   | 1,569                         | 15,103    | —                                   | —              | 1,569                        | 15,103    | 16,672  | 830          | —            | 2018                 | June 10, 2019      | 50   |
| Romford, UK            | Behavioral health facility    | 4,958                         | 9,317     | 733                                 | —              | 5,691                        | 9,317     | 15,008  | 147          | —            | 1980                 | June 25, 2021      | 40   |
| Rosenberg, TX          | Freestanding ER               | 1,289                         | 4,505     | —                                   | —              | 1,289                        | 4,505     | 5,794   | 676          | —            | 2016                 | January 15, 2016   | 40   |
| Rowley, UK             | Acute care general hospital   | 2,489                         | 19,453    | 602                                 | —              | 3,091                        | 19,453    | 22,544  | 1,243        | —            | 1986                 | August 16, 2019    | 40   |
| Royston, UK            | Behavioral health facility    | 5,636                         | 21,310    | 1,521                               | —              | 7,157                        | 21,310    | 28,467  | 336          | —            | 1906, 1970           | June 25, 2021      | 40   |
| Salt Lake City, UT     | Acute care general hospital   | 13,590                        | 101,915   | 15,268                              | —              | 13,590                       | 117,183   | 130,773 | 11,686       | —            | 1906-1987            | September 29, 2017 | 41   |
| San Antonio, TX        | Acute care general hospital   | 8,053                         | 29,333    | 7,981                               | —              | 8,053                        | 37,314    | 45,367  | 3,671        | —            | 1978-2002            | September 29, 2017 | 41   |
| San Antonio, TX        | Freestanding ER               | 3,167                         | 4,801     | —                                   | —              | 3,167                        | 4,801     | 7,968   | 610          | —            | 2016                 | December 9, 2016   | 40   |
| San Antonio, TX        | Freestanding ER               | 351                           | 3,952     | —                                   | —              | 351                          | 3,952     | 4,303   | 765          | —            | 2014                 | January 1, 2014    | 40   |
| San Antonio, TX        | Acute care general hospital   | 2,248                         | 5,880     | —                                   | —              | 2,248                        | 5,880     | 8,128   | 1,346        | —            | 2012                 | October 2, 2012    | 40   |
| San Antonio, TX        | Freestanding ER               | 2,448                         | 4,253     | —                                   | —              | 2,448                        | 4,253     | 6,701   | 549          | —            | 2016                 | October 27, 2016   | 40   |
| San Bernardino, CA     | Acute care general hospital   | 2,209                         | 37,498    | —                                   | —              | 2,209                        | 37,498    | 39,707  | 2,390        | —            | 1993                 | August 30, 2019    | 40   |
| San Diego, CA          | Acute care general hospital   | 12,663                        | 52,431    | —                                   | —              | 12,663                       | 52,431    | 65,094  | 14,309       | —            | 1973                 | February 9, 2011   | 40   |
| San Diego, CA          | Acute care general hospital   | 6,550                         | 15,653    | —                                   | 77             | 6,550                        | 15,730    | 22,280  | 5,766        | —            | 1964                 | May 9, 2007        | 40   |
| San Dimas, CA          | Acute care general hospital   | 6,160                         | 6,839     | —                                   | 34             | 6,160                        | 6,873     | 13,033  | 2,252        | —            | 1972                 | November 25, 2008  | 40   |

| Location                      | Type of Property              | Initial Costs       |                      | Additions Subsequent to Acquisition |                  | Cost at December 31, 2021(1) |                      |                      | Accumulated       | Encumbrances | Date of Construction | Date Acquired      | Life on which depreciation in latest income statements is computed (Years) |
|-------------------------------|-------------------------------|---------------------|----------------------|-------------------------------------|------------------|------------------------------|----------------------|----------------------|-------------------|--------------|----------------------|--------------------|--|
|                               |                               | Land                | Buildings            | Improvements                        | Carrying Costs   | Land                         | Buildings            | Total                | Depreciation      |              |                      |                    |  |
|                               |                               |                     |                      |                                     |                  |                              |                      |                      |                   |              |                      |                    |  |
| (Dollar amounts in thousands) |                               |                     |                      |                                     |                  |                              |                      |                      |                   |              |                      |                    |  |
| San Dimas, CA                 | Acute care general hospital   | 1,915               | 5,085                | —                                   | 18               | 1,915                        | 5,103                | 7,018                | 1,672             | —            | 1979                 | November 25, 2008  | 40   |
| Santa Maria de Feira, PT      | Acute care general hospital   | 1,535               | 18,199               | 364                                 | —                | 1,899                        | 18,199               | 20,098               | 80                | —            | 2015                 | October 21, 2021   | 40   |
| Sebastian, FL                 | Acute care general hospital   | 5,733               | 49,136               | 54,977                              | —                | 5,733                        | 104,113              | 109,846              | 8,269             | —            | 1974                 | May 1, 2017        | 41   |
| Sharon, PA                    | Acute care general hospital   | 6,179               | 9,066                | 5,428                               | —                | 6,179                        | 14,494               | 20,673               | 2,731             | —            | 1950-1980            | May 1, 2017        | 41   |
| Shawnee, KS                   | Acute care general hospital   | 3,076               | 14,945               | —                                   | —                | 3,076                        | 14,945               | 18,021               | 958               | —            | 2018                 | June 10, 2019      | 50   |
| Sheffield, UK                 | Acute care general hospital   | 6,766               | 47,422               | 264                                 | —                | 7,030                        | 47,422               | 54,452               | 2,406             | —            | 2008                 | January 9, 2020    | 40   |
| Sherman, TX                   | Acute care general hospital   | 3,363               | 10,932               | —                                   | —                | 3,363                        | 10,932               | 14,295               | 3,554             | —            | 1913, 1960-2010      | October 31, 2014   | 40   |
| Southampton, UK               | Behavioral health facility    | 5,527               | 20,121               | 1,323                               | —                | 6,850                        | 20,121               | 26,971               | 312               | —            | 1820, 1985           | June 25, 2021      | 40   |
| Spartanburg, SC               | Rehabilitation hospital       | 1,135               | 15,717               | —                                   | —                | 1,135                        | 15,717               | 16,852               | 3,292             | —            | 2013                 | August 1, 2013     | 40   |
| St. Albans Park, Australia    | Acute care general hospital   | 2,169               | 22,159               | 11,736                              | —                | 2,731                        | 33,333               | 36,064               | 1,552             | —            | 1985                 | June 7, 2019       | 40   |
| Stirling, UK                  | Acute care general hospital   | 771                 | 20,738               | 349                                 | —                | 1,120                        | 20,738               | 21,858               | 271               | —            | 1992                 | July 6, 2021       | 40   |
| Stockton, CA                  | Rehabilitation hospital       | 2,886               | —                    | —                                   | —                | 2,886                        | —                    | 2,886                | —                 | —            | 2021                 | November 23, 2020  | 40   |
| Strathpine, Australia         | Acute care general hospital   | 2,625               | 36,767               | 312                                 | —                | 2,937                        | 36,767               | 39,704               | 2,442             | —            | 1985                 | June 7, 2019       | 40   |
| Sunnybank, Australia          | Acute care general hospital   | 6,019               | 45,750               | 358                                 | —                | 6,377                        | 45,750               | 52,127               | 3,570             | —            | 1979                 | June 7, 2019       | 34   |
| Sussex, NJ                    | Acute care general hospital   | 477                 | 2,097                | —                                   | —                | 477                          | 2,097                | 2,574                | 70                | —            | 1920                 | September 30, 2015 | 40   |
| Swindon, UK                   | Acute care general hospital   | 5,521               | 63,533               | 142                                 | —                | 5,663                        | 63,533               | 69,196               | 3,196             | —            | 1984                 | January 9, 2020    | 40   |
| Tadley, UK                    | Behavioral health facility    | 20,486              | 20,266               | 1,748                               | —                | 22,234                       | 20,266               | 42,500               | 333               | —            | 2020                 | June 25, 2021      | 40   |
| Taunton, MA                   | Acute care general hospital   | 4,428               | 73,228               | 11,500                              | —                | 4,428                        | 84,728               | 89,156               | 9,992             | —            | 1940-2015            | October 3, 2016    | 41   |
| Tempe, AZ                     | Acute care general hospital   | 6,051               | 10,986               | 2,708                               | —                | 6,051                        | 13,694               | 19,745               | 1,967             | —            | 1940                 | September 29, 2017 | 41   |
| Texarkana, TX                 | Acute care general hospital   | 14,562              | —                    | —                                   | —                | 14,562                       | —                    | 14,562               | —                 | —            | 2017                 | September 29, 2017 | -  |
| The Woodlands, TX             | Freestanding ER               | 2,035               | 4,524                | —                                   | —                | 2,035                        | 4,524                | 6,559                | 650               | —            | 2016                 | March 28, 2016     | 40   |
| Thornton, CO                  | Freestanding ER               | 1,350               | 4,259                | —                                   | —                | 1,350                        | 4,259                | 5,609                | 781               | —            | 2014                 | August 29, 2014    | 40   |
| Toledo, OH                    | Rehabilitation hospital       | 1,168               | 17,740               | —                                   | —                | 1,168                        | 17,740               | 18,908               | 2,550             | —            | 2016                 | April 1, 2016      | 40   |
| Tomball, TX                   | Long term acute care hospital | 1,299               | 23,982               | —                                   | —                | 1,299                        | 23,982               | 25,281               | 6,595             | —            | 2005                 | December 21, 2010  | 40   |
| Torquay, UK                   | Acute care general hospital   | 2,812               | 37,991               | 357                                 | —                | 3,168                        | 37,992               | 41,160               | 2,286             | —            | 1981                 | August 16, 2019    | 40   |
| Usk, UK                       | Behavioral health facility    | 1,442               | 23,599               | 397                                 | —                | 1,839                        | 23,599               | 25,438               | 313               | —            | 1770, 1850, 1980     | June 25, 2021      | 40   |
| Valencia, SP                  | Acute care general hospital   | 7,354               | 71,087               | 4,107                               | —                | 11,461                       | 71,087               | 82,548               | 171               | —            | 2017                 | December 2, 2021   | 40   |
| Viseu, Portugal               | Acute care general hospital   | 2,158               | 29,750               | 453                                 | —                | 2,611                        | 29,750               | 32,361               | 1,738             | —            | 2016                 | November 28, 2019  | 37   |
| Wantirna, Australia           | Acute care general hospital   | 26,294              | 216,294              | 7,682                               | —                | 27,285                       | 222,985              | 250,270              | 14,206            | —            | 1984                 | June 7, 2019       | 40   |
| Warren, OH                    | Acute care general hospital   | 5,385               | 47,588               | 10,486                              | —                | 5,385                        | 58,074               | 63,459               | 7,695             | —            | 1982                 | May 1, 2017        | 41   |
| Warren, OH                    | Rehabilitation hospital       | 2,417               | 15,857               | 1,737                               | —                | 2,417                        | 17,594               | 20,011               | 2,576             | —            | 1922-2000            | May 1, 2017        | 46   |
| Watsonville, CA               | Acute care general hospital   | 16,488              | 17,800               | —                                   | —                | 16,488                       | 17,800               | 34,288               | 1,472             | —            | 1983                 | September 30, 2019 | 39   |
| Webster, TX                   | Long term acute care hospital | 663                 | 33,751               | —                                   | —                | 663                          | 33,751               | 34,414               | 9,282             | —            | 2004                 | December 21, 2010  | 40   |
| West Chester, OH              | Behavioral health facility    | 3,670               | 61,739               | —                                   | —                | 3,670                        | 61,739               | 65,409               | 282               | —            | 2013                 | October 19, 2021   | 40   |
| West Jordan, UT               | Acute care general hospital   | 16,897              | 233,256              | 4,146                               | —                | 16,897                       | 237,402              | 254,299              | 9,639             | —            | 1983                 | September 29, 2017 | 40   |
| West Monroe, LA               | Acute care general hospital   | 12,000              | 69,433               | 19,116                              | —                | 12,552                       | 87,997               | 100,549              | 16,316            | —            | 1962                 | September 26, 2013 | 40   |
| West Valley City, UT          | Acute care general hospital   | 5,374               | 58,314               | 6,644                               | (114)            | 5,260                        | 64,958               | 70,218               | 20,731            | —            | 1980                 | April 22, 2008     | 40   |
| Wichita, KS                   | Rehabilitation hospital       | 1,019               | 18,373               | —                                   | 1                | 1,019                        | 18,374               | 19,393               | 6,315             | —            | 1992                 | April 4, 2008      | 40   |
| Willenhall, UK                | Behavioral health facility    | 7,359               | 17,285               | 388                                 | —                | 7,747                        | 17,285               | 25,032               | 234               | —            | 2000                 | June 25, 2021      | 40   |
| Winchester, UK                | Acute care general hospital   | 6,766               | 10,923               | 129                                 | —                | 6,895                        | 10,923               | 17,818               | 563               | —            | 1911                 | January 9, 2020    | 40   |
| Windsor, UK                   | Acute care general hospital   | 12,842              | 111,315              | 108                                 | —                | 12,950                       | 111,315              | 124,265              | 5,580             | —            | 1955                 | January 9, 2020    | 40   |
| Woking, UK                    | Behavioral health facility    | 7,387               | 4,976                | 308                                 | —                | 7,695                        | 4,976                | 12,671               | 76                | —            | 1800, 2020           | June 25, 2021      | 40   |
| Worthing, UK                  | Acute care general hospital   | 7,037               | 32,043               | 101                                 | —                | 7,138                        | 32,043               | 39,181               | 1,616             | —            | 1994                 | January 9, 2020    | 40   |
| York, UK                      | Behavioral health facility    | 21,810              | 76,287               | 1,187                               | —                | 22,997                       | 76,287               | 99,284               | 1,009             | —            | 1900, 1980           | June 25, 2021      | 40   |
| Youngstown, OH                | Acute care general hospital   | 4,335               | 3,565                | 488                                 | —                | 4,335                        | 4,053                | 8,388                | 2,428             | —            | 1929-2003            | May 1, 2017        | 41   |
|                               |                               | <u>\$ 2,003,814</u> | <u>\$ 10,998,157</u> | <u>\$ 604,911</u>                   | <u>\$ 21,867</u> | <u>\$ 2,059,236</u>          | <u>\$ 11,569,513</u> | <u>\$ 13,628,749</u> | <u>\$ 950,369</u> |              |                      |                    |  |

(1) The aggregate cost for federal income tax purposes is \$11.3 billion.

(2) Date of construction is based off of best available information, but note that this facility has had multiple updates since initial construction.

The changes in total real estate assets (excluding construction in progress, intangible lease assets, investment in financing leases, and mortgage loans) are as follows for the years ended (in thousands):

|   | December 31,<br>2021     | December 31,<br>2020 | December 31,<br>2019 |
|---|--------------------------|----------------------|----------------------|
| <b>COST</b>                             |                          |                      |                      |
| Balance at beginning of period          | \$ 10,749,707            | \$ 7,312,486         | \$ 4,781,149         |
| Acquisitions                            | 3,023,966                | 2,912,594            | 2,436,265            |
| Transfers from construction in progress | —                        | 202,999              | —                    |
| Additions                               | 167,164                  | 55,137               | 173,785              |
| Dispositions                            | (229,584)                | (105,360)            | (106,536)            |
| Other                                   | (82,504) (3)             | 371,851 (3)          | 27,823 (3)           |
| Balance at end of period                | <u>\$ 13,628,749 (4)</u> | <u>\$ 10,749,707</u> | <u>\$ 7,312,486</u>  |

The changes in accumulated depreciation are as follows for the years ended (in thousands):

|                                   | December 31, 2021     | December 31, 2020 | December 31, 2019 |
|-----------------------------------|-----------------------|-------------------|-------------------|
| <b>ACCUMULATED DEPRECIATION</b>   |                       |                   |                   |
| Balance at beginning of period    | \$ 728,176            | \$ 504,651        | \$ 414,331        |
| Depreciation                      | 262,063               | 222,580           | 130,851           |
| Depreciation on disposed property | (35,551)              | (6,653)           | (40,952)          |
| Other                             | (4,319)               | 7,598             | 421               |
| Balance at end of period          | <u>\$ 950,369 (5)</u> | <u>\$ 728,176</u> | <u>\$ 504,651</u> |

(3) Includes foreign currency fluctuations for all years and \$13.8 million and \$61.4 million of right-of-use assets in 2020 and 2019, respectively.

(4) Includes \$1.1 billion of land and building cost reflected in real estate held for sale at December 31, 2021. Excludes intangible lease assets that are included in real estate held for sale of \$125.1 million at December 31, 2021.

(5) Includes \$96.5 million of accumulated depreciation reflected in real estate held for sale at December 31, 2021. Excludes accumulated amortization related to intangible lease assets that are included in real estate held for sale of \$17.5 million at December 31, 2021.



**SCHEDULE IV — MORTGAGE LOANS ON REAL ESTATE**  
**MEDICAL PROPERTIES TRUST, INC. AND MPT OPERATING PARTNERSHIP, L.P.**  
**December 31, 2021**

| Column A                       | Column B      | Column C            | Column D   | Column E    | Column F                 | Column G(1)                  | Column H  |
|--------------------------------|---------------|---------------------|--|-------------|--------------------------|------------------------------|---|
| Description                    | Interest Rate | Final Maturity Date | Periodic Payment Terms   | Prior Liens | Face Amount of Mortgages | Carrying Amount of Mortgages | Principal Amount of Loans Subject to Delinquent Principal or Interest |
| (Dollar amounts in thousands)  |               |                     |  |             |                          |                              |   |
| Long-term first mortgage loan: |               |                     | Payable in monthly installments of interest plus principal payable in full at maturity |             |                          |                              |   |
| Colombia(4)                    | 8.95%         | 2035                |  | (2)         | \$ 120,167               | \$ 120,167                   | (3)   |
| Vibra                          | 11.50%        | 2024                |  | (2)         | 18,986                   | 18,986                       | (3)   |
| Prospect                       | 7.65%         | 2034                |  | (2)         | 51,267                   | 51,267                       | (3)   |
| Springstone                    | 7.00%         | 2041                |  | (2)         | 22,900                   | 22,900                       | (3)   |
|                                |               |                     |  |             | <u>\$ 213,320</u>        | <u>\$ 213,320</u>            | (5)   |

- (1) The aggregate cost for federal income tax purposes is \$213.3 million.  
(2) There were no prior liens on loans as of December 31, 2021.  
(3) The mortgage loan was not delinquent with respect to principal or interest.  
(4) Mortgage loans covering three properties.  
(5) Excludes allowance for credit loss of \$0.1 million at December 31, 2021.

Changes in mortgage loans (excluding allowance for credit loss for 2021 and 2020 only and unamortized loan issue costs for 2019 only) for the years ended December 31, 2021, 2020, and 2019 are summarized as follows:

|  | Year Ended December 31,       |                    |                     |
|--|-------------------------------|--------------------|---------------------|
|  | 2021                          | 2020               | 2019                |
|  | (Dollar amounts in thousands) |                    |                     |
| Balance at beginning of year                                 | \$ 248,335                    | \$ 1,274,995       | \$ 1,213,283        |
| Additions during year:                                       |                               |                    |                     |
| New mortgage loans and additional advances on existing loans | 1,128,695 (6)                 | 193,590            | 61,712              |
| Exchange rate fluctuations                                   | (3,640)                       | 9,785              | —                   |
|  | <u>1,373,390</u>              | <u>1,478,370</u>   | <u>1,274,995</u>    |
| Deductions during year:                                      |                               |                    |                     |
| Collection of principal                                      | (1,160,070) (6)               | (1,230,035) (7)    | —                   |
|  | <u>(1,160,070)</u>            | <u>(1,230,035)</u> | <u>—</u>            |
| Balance at end of year                                       | <u>\$ 213,320</u>             | <u>\$ 248,335</u>  | <u>\$ 1,274,995</u> |

- (6) Includes an £800 million mortgage loan advanced to Priory in the first quarter of 2021 that was redeemed as part of the acquisition of the underlying fee simple real estate in the second quarter of 2021 as more fully described in [Note 3](#) to Item 8 of this Annual Report on Form 10-K.  
(7) Includes \$835 million of mortgage loans that were used to acquire the underlying fee simple real estate as more fully described in [Note 3 to Item 8](#) of this Annual Report on Form 10-K.

**AMENDMENT NO. 2 TO AMENDED AND  
RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT**

This **AMENDMENT NO. 2 TO AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT**, dated as of November 22, 2021 (this “**Amendment No. 2**”), is by and among MEDICAL PROPERTIES TRUST, INC., a Maryland corporation (“**Holdings**”), MPT OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “**Borrower**”), the Additional Guarantors party hereto, and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (the “**Administrative Agent**”). Reference is made to that certain Amended and Restated Revolving Credit and Term Loan Agreement, dated as of January 15, 2021, as amended by Amendment No. 1 dated as of September 29, 2021 (as amended, restated, replaced, supplemented or modified from time to time, the “**Credit Agreement**”), by and among Holdings, the Borrower, the Lenders referenced therein and the Administrative Agent. Capitalized terms used herein without definition shall have the same meanings as set forth in the Credit Agreement, as amended hereby.

**RECITALS**

**WHEREAS**, certain loans, commitments and/or other extensions of credit (the “Loans”) under the Credit Agreement denominated in Sterling, CHF and Yen (the “Affected Currencies”) incur or are permitted to incur interest, fees or other amounts based on the London Interbank Offered Rate as administered by the ICE Benchmark Administration (“LIBOR”) in accordance with the terms of the Credit Agreement;

**WHEREAS**, the Administrative Agent and the Borrower have elected to trigger an Early Opt-In Election with respect to the Affected Currencies and pursuant to Section 2.16(b) of the Credit Agreement, the Administrative Agent and the Borrower have determined in accordance with the Credit Agreement that LIBOR for the Affected Currencies should be replaced with the applicable Benchmark Replacement for all purposes under the Credit Agreement and any Loan Document and such changes shall become effective at and after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders (such time, the “Objection Deadline”), so long as the Administrative Agent has not received, by such time, written notice of objection to such applicable Benchmark Replacement from Lenders comprising the Required Lenders of each affected Class.

**WHEREAS**, pursuant to Section 2.16(d) of the Credit Agreement, the Administrative Agent has determined in accordance with the Credit Agreement that LIBOR for the Affected Currencies should be replaced with an alternate rate of interest in accordance with the Credit Agreement and, in connection therewith, the Administrative Agent has determined that certain Benchmark Replacement Conforming Changes are necessary or advisable and such changes shall become effective without any further consent of any other party to the Credit Agreement or any other Loan Document.

---

**NOW, THEREFORE**, in consideration of the premises and the agreements, provisions and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**SECTION 1. AMENDMENTS TO CREDIT AGREEMENT.** Subject to the occurrence of the Amendment Effective Date (as defined in Section 4 hereof), commencing December 6, 2021, the Credit Agreement (excluding the Exhibits and Schedules) is hereby amended in accordance with Sections 2.16(b) and 2.16(d) of the Credit Agreement as set forth on Exhibit A attached hereto such that all of the newly inserted bold, double-underlined text (indicated textually in the same manner as the following examples: double-underlined text and double-underlined text) and any formatting changes reflected therein shall be deemed to be inserted and reflected in the text of the Credit Agreement and all of the deleted stricken text (indicated textually in the same manner as the following examples: ~~stricken text~~ and ~~stricken text~~) shall be deemed to be deleted from the text of the Credit Agreement.

**SECTION 2. REPRESENTATIONS AND WARRANTIES OF BORROWER AND HOLDINGS**

In connection with this Amendment No. 2, Borrower and Holdings each represents and warrants to each Lender and Administrative Agent that the following statements are true, correct and complete:

(i) each of Borrower and Holdings has the power and authority, and the legal right, to make, deliver and perform its obligations under this Amendment No. 2 and the Credit Agreement as amended by this Amendment No. 2 (the “**Amended Agreement**”);

(ii) each of Borrower and Holdings has taken all necessary organizational action to authorize the execution, delivery and performance of this Amendment No. 2;

(iii) no consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Amendment No. 2, except consents, authorizations, filings and notices which have been obtained or made and are in full force and effect;

(iv) the execution, delivery and performance of this Amendment No. 2 will not violate any Requirement of Law or any Contractual Obligation of any Group Member, except for any such violation which could not reasonably be expected to have a Material Adverse Effect, and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation;

(v) this Amendment No. 2 and the Amended Agreement have been duly executed and delivered by Borrower and Holdings and are the legal, valid and binding obligations of Borrower and Holdings, enforceable against Borrower and Holdings in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);

(vi) the representations and warranties contained in Section 4 of the Credit Agreement are and will be true and correct in all material respects (other than any representation or warranty qualified as to “materiality”, “Material Adverse Effect” or similar language, which shall be true and correct in all respects) on and as of the date hereof and the Amendment Effective Date to the same extent as though made on and as of such dates, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date; and

(vii) no event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment No. 2 that would constitute a Default or Event of Default.

### **SECTION 3. ACKNOWLEDGEMENT AND CONSENT**

Each of Holdings and the undersigned Additional Guarantors (as defined in the Guarantee Agreement described below) has read this Amendment No. 2 and consents to the terms hereof and further hereby confirms and agrees that, notwithstanding the effectiveness of this Amendment No. 2, the obligations of Holdings and such Additional Guarantor under each of the Loan Documents to which Holdings and such Additional Guarantor is a party shall not be impaired and each of the Loan Documents to which Holdings and such Additional Guarantor is a party is, and shall continue to be, in full force and effect and is hereby confirmed and ratified in all respects.

Each of Holdings, the Additional Guarantors and the Borrower hereby acknowledges and agrees that each reference to the “Credit Agreement” in the defined term “Guarantor Obligations” under, and as defined in, the Amended and Restated Guarantee Agreement, dated as of January 15, 2021, by and among Holdings, the Additional Guarantors, and the Administrative Agent (the “**Guarantee Agreement**”) will be understood to refer to the Credit Agreement (as amended hereby).

### **SECTION 4. CONDITIONS TO EFFECTIVENESS**

Except as set forth below, Section 1 of this Amendment No. 2 shall become effective only upon the satisfaction of the following conditions precedent (the date of satisfaction of such conditions being referred to as the “**Amendment Effective Date**”):

A. The Borrower, Holdings, the Additional Guarantors and the Administrative Agent shall have indicated their consent hereto by the execution and delivery of the signature pages hereof to the Administrative Agent (which may include delivery of a signed signature page of this Agreement by facsimile or other means of electronic transmission (e.g., “pdf”).

B. The Administrative Agent has not received, by the Objection Deadline, written notice of objection to such applicable Benchmark Replacement or the amendments to the Credit Agreement as provided herein from Lenders comprising the Required Lenders of each affected class.

C. The Lenders and the Administrative Agent shall have received all reasonable out-of-pocket costs and expenses for which invoices have been presented (including the reasonable

fees and expenses of legal counsel for which the Borrower agrees it is responsible pursuant to Section 10.5 of the Credit Agreement), incurred in connection with this Amendment No. 2.

## SECTION 5.MISCELLANEOUS

### A. **Reference to and Effect on the Credit Agreement and the Other Loan Documents.**

(i) On and after the effective date of this Amendment No. 2, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

(ii) Except as specifically amended by this Amendment No. 2, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment No. 2 shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender under the Credit Agreement or any of the other Loan Documents.

(iv) This Amendment No. 2 shall be deemed to be a “Loan Document”.

B. **Headings.** Section and subsection headings in this Amendment No. 2 are included herein for convenience of reference only and shall not constitute a part of this Amendment No. 2 for any other purpose or be given any substantive effect.

C. **Applicable Law.** THIS AMENDMENT NO. 2 AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

D. **Waiver of Jury Trial, etc.** EACH PARTY HERETO HEREBY AGREES AS SET FORTH IN SECTIONS 10.12 AND 10.16 OF THE CREDIT AGREEMENT AS IF SUCH SECTIONS WERE SET FORTH IN FULL HEREIN.

E. **Counterparts; Effectiveness.** This Amendment No. 2 may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Delivery of an executed counterpart of a signature page of this Amendment No. 2 by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment No. 2. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Amendment No. 2 and/or any document to be signed

in connection with this Amendment No. 2 and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, "**Electronic Signatures**" means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

[Remainder of Page Intentionally Left Blank]

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment No. 2 to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**MEDICAL PROPERTIES TRUST, INC.**

By: /s/ R. Steven Hamner  
Name: R. Steven Hamner  
Title: Executive Vice President and Chief  
Financial Officer

**MPT OPERATING PARTNERSHIP, L.P.**

By: MEDICAL PROPERTIES TRUST, LLC,  
its general partner

By: MEDICAL PROPERTIES TRUST, INC.,  
its sole member

By: /s/ R. Steven Hamner  
Name: R. Steven Hamner  
Title: Executive Vice President and  
Chief Financial Officer

**ADDITIONAL GUARANTORS:**

**MPT HARROW LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT GLASGOW LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT OSBORNE LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT STEPNEY GREEN LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT FULWOOD LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT GREAT MISSENDEN LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director



**MPT ARNOLD LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT COMBE DOWN LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT GUILDFORD LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT BASINGSTOKE LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT CANTERBURY LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT CROYDON LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT ROCHDALE LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT ORPINGTON LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT SWINDON LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT MILTON KEYNES LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT ABERDEEN LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT WINCHESTER LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT HENDON LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT BECKENHAM LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT CARMARTHEN LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT BLACKBURN LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT BIDDENHAM LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT BLACKHEATH LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT WORTHING LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT BOLTON LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT EDGBASTON LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT DROITWICH SPA LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT DORCHESTER LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**MPT CHEADLE LTD**

By: /s/ James Barber-Lomax  
Name: James Barber-Lomax  
Title: Director

**EXECUTED** by **Evolution Trustees Limited**  
(ABN 29 611 839 519) as trustee of the MPT  
Australia Realty Trust

)  
)

/s/ Rupert Smoker  
\_\_\_\_\_  
Signature of director

/s/ Ben Norman  
\_\_\_\_\_  
Signature of ~~director~~ / company secretary  
(delete as applicable)

Rupert Smoker  
\_\_\_\_\_  
Name of director (print)

Ben Norman  
\_\_\_\_\_  
Name of ~~director~~ / company secretary (print)

[SIGNATURE PAGE – AMENDMENT No. 2]

---

**JPMORGAN CHASE BANK, N.A.,**  
as Administrative Agent

By: /s/ Lance Buxkemper  
Name: Lance Buxkemper  
Title: Executive Director

[SIGNATURE PAGE – AMENDMENT No. 2]

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**Exhibit A**

**Amended Credit Agreement**

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

among

MEDICAL PROPERTIES TRUST, INC.

MPT OPERATING PARTNERSHIP, L.P.,  
as Borrower,

The Several Lenders from Time to Time Parties Hereto,

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent

BANK OF AMERICA, N.A.,  
as Syndication Agent

BARCLAYS BANK PLC, GOLDMAN SACHS BANK USA,  
KEYBANK NATIONAL ASSOCIATION, CITIZENS BANK, N.A.,  
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, CREDIT SUISSE AG,  
NEW YORK BRANCH, ROYAL BANK OF CANADA, TRUIST BANK,  
MUFG BANK, LTD., and  
WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Documentation Agents

Dated as of January 15, 2021

JPMORGAN CHASE BANK, N.A., and  
BOFA SECURITIES, INC.,  
as Joint Lead Arrangers and Joint Bookrunners

BARCLAYS BANK PLC, GOLDMAN SACHS BANK USA, and  
KEYBANC CAPITAL MARKETS, INC.,  
as Joint Lead Arrangers

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|   |           |
|---|-----------|
| <b>SECTION 6. DEFINITIONS</b>                                       | <b>1</b>  |
| 6.1 Defined Terms   | 1         |
| 6.2 Other Definitional Provisions                                   | 51        |
| 6.3 Exchange Rates; Currency Equivalents                            | 52        |
| 6.4 Additional Alternative Currencies                               | 52        |
| 6.5 Change of Currency  | 53        |
| 6.6 Times of Day  | 54        |
| 6.7 Letter of Credit Amounts  | 54        |
| 6.8 Interest Rates; LIBOR Notification                              | 54        |
| 6.9 Divisions   | 55        |
| <b>SECTION 7. AMOUNT AND TERMS OF COMMITMENTS</b>                   | <b>55</b> |
| 7.1 Term Commitments  | 55        |
| 7.2 Procedure for Dollar Term Loan Borrowing                        | 56        |
| 7.3 [Reserved]  | 57        |
| 7.4 Revolving Commitments   | 57        |
| 7.5 Procedure for Revolving Loan Borrowing                          | 57        |
| 7.6 Swingline Commitment  | 58        |
| 7.7 Procedure for Swingline Borrowing; Refunding of Swingline Loans | 59        |
| 7.8 Facility Fees, etc  | 61        |
| 7.9 Termination or Reduction of Revolving Commitments               | 61        |
| 7.10 Prepayments  | 62        |
| 7.11 Repayment of Loans   | 63        |
| 7.12 Conversion and Continuation Options                            | 63        |
| 7.13 Limitations on Eurocurrency Tranches                           | 64        |
| 7.14 Interest Rates and Payment Dates                               | 64        |
| 7.15 Computation of Interest and Fees                               | 65        |
| 7.16 Alternate Rate of Interest; Illegality                         | 66        |
| 7.17 Pro Rata Treatment and Payments                                | 71        |
| 7.18 Requirements of Law  | 72        |
| 7.19 Taxes  | 73        |
| 7.20 Indemnity  | 77        |
| 7.21 Change of Lending Office                                       | 78        |
| 7.22 Replacement of Lenders   | 78        |
| 7.23 Incremental Commitments  | 78        |
| 7.24 Defaulting Lenders   | 81        |
| 7.25 Extension of Revolving Termination Date                        | 83        |
| <b>SECTION 8. LETTERS OF CREDIT</b>                                 | <b>84</b> |



|      |  |           |
|------|--|-----------|
| 8.1  | L/C Commitment                                   | 84        |
| 8.2  | Procedure for Issuance of Letter of Credit       | 85        |
| 8.3  | Fees and Other Charges                           | 85        |
| 8.4  | L/C Participations                               | 85        |
| 8.5  | Reimbursement Obligation of the Borrower         | 87        |
| 8.6  | Obligations Absolute                             | 87        |
| 8.7  | Letter of Credit Payments                        | 88        |
| 8.8  | Applications                                     | 88        |
| 8.9  | Replacement of the Issuing Lender                | 89        |
|      | <b>SECTION 9. REPRESENTATIONS AND WARRANTIES</b> | <b>89</b> |
| 9.1  | Financial Condition                              | 89        |
| 9.2  | No Change  | 90        |
| 9.3  | Existence; Compliance with Law                   | 90        |
| 9.4  | Power; Authorization; Enforceable Obligations    | 90        |
| 9.5  | No Legal Bar                                     | 91        |
| 9.6  | Litigation                                       | 91        |
| 9.7  | No Default                                       | 91        |
| 9.8  | Ownership of Property; Liens                     | 91        |
| 9.9  | Intellectual Property                            | 92        |
| 9.10 | Taxes  | 92        |
| 9.11 | Federal Regulations                              | 92        |
| 9.12 | Labor Matters                                    | 92        |
| 9.13 | ERISA  | 93        |
| 9.14 | Investment Company Act; Other Regulations        | 93        |
| 9.15 | Subsidiaries                                     | 93        |
| 9.16 | Use of Proceeds                                  | 94        |
| 9.17 | Environmental Matters                            | 94        |
| 9.18 | Accuracy of Information, etc                     | 95        |
| 9.19 | Anti-Corruption Laws and Sanctions               | 95        |
| 9.20 | Solvency   | 95        |
| 9.21 | Plan Assets; Prohibited Transactions`            | 96        |
| 9.22 | Status of Holdings                               | 96        |
| 9.23 | Properties                                       | 96        |
| 9.24 | Affected Financial Institutions                  | 96        |
|      | <b>SECTION 10. CONDITIONS PRECEDENT</b>          | <b>96</b> |
| 10.1 | Conditions to Initial Extension of Credit        | 96        |
| 10.2 | Conditions to Each Extension of Credit           | 98        |
|      | <b>SECTION 11. AFFIRMATIVE COVENANTS</b>         | <b>99</b> |

|       |   |            |
|-------|---|------------|
| 11.1  | Financial Statements                                      | 99         |
| 11.2  | Certificates; Other Information                           | 100        |
| 11.3  | Payment of Obligations                                    | 101        |
| 11.4  | Maintenance of Existence; Compliance                      | 101        |
| 11.5  | Maintenance of Property; Insurance                        | 102        |
| 11.6  | Inspection of Property; Books and Records; Discussions    | 102        |
| 11.7  | Notices   | 103        |
| 11.8  | Environmental Laws  | 103        |
| 11.9  | Distributions in the Ordinary Course                      | 104        |
| 11.10 | Additional Guarantors; Additional Unencumbered Properties | 104        |
| 11.11 | Notices of Asset Sales, Encumbrances or Dispositions      | 105        |
| 11.12 | Maintenance of Ratings                                    | 105        |
| 11.13 | Use of Proceeds   | 105        |
|       | <b>SECTION 12. NEGATIVE COVENANTS</b>                     | <b>106</b> |
| 12.1  | Financial Condition Covenants                             | 106        |
| 12.2  | Indebtedness  | 108        |
| 12.3  | Liens   | 108        |
| 12.4  | Fundamental Changes                                       | 110        |
| 12.5  | Disposition of Property                                   | 111        |
| 12.6  | Restricted Payments                                       | 112        |
| 12.7  | [Reserved]  | 113        |
| 12.8  | Investments   | 113        |
| 12.9  | [Reserved].   | 113        |
| 12.10 | Transactions with Affiliates                              | 113        |
| 12.11 | Sales and Leasebacks                                      | 114        |
| 12.12 | Swap Agreements   | 114        |
| 12.13 | Changes in Fiscal Periods                                 | 114        |
| 12.14 | Negative Pledge Clauses                                   | 114        |
| 12.15 | Clauses Restricting Subsidiary Distributions              | 115        |
| 12.16 | Lines of Business   | 115        |
|       | <b>SECTION 13. EVENTS OF DEFAULT</b>                      | <b>115</b> |
|       | <b>SECTION 14. THE AGENTS</b>                             | <b>120</b> |
| 14.1  | Appointment   | 120        |
| 14.2  | Delegation of Duties                                      | 122        |
| 14.3  | Exculpatory Provisions                                    | 122        |
| 14.4  | Reliance by Administrative Agent                          | 123        |
| 14.5  | Notice of Default   | 123        |
| 14.6  | Non-Reliance on Agents and Other Lenders                  | 124        |

|                                  |   |            |
|----------------------------------|---|------------|
| 14.7                             | Indemnification   | 125        |
| 14.8                             | Agent in Its Individual Capacity  | 125        |
| 14.9                             | Successor Administrative Agent  | 125        |
| 14.10                            | Other Agents  | 126        |
| 14.11                            | Certain ERISA Matters   | 126        |
| <b>SECTION 15. MISCELLANEOUS</b> |   | <b>127</b> |
| 15.1                             | Amendments and Waivers  | 127        |
| 15.2                             | Notices   | 129        |
| 15.3                             | No Waiver; Cumulative Remedies  | 132        |
| 15.4                             | Survival  | 132        |
| 15.5                             | Payment of Expenses and Taxes   | 132        |
| 15.6                             | Successors and Assigns; Participations and Assignments                    | 134        |
| 15.7                             | Adjustments; Set-off  | 139        |
| 15.8                             | Counterparts; Integration; Effectiveness; Electronic Execution            | 139        |
| 15.9                             | Severability  | 141        |
| 15.10                            | Integration   | 141        |
| 15.11                            | Governing Law   | 141        |
| 15.12                            | Submission To Jurisdiction; Waivers                                       | 141        |
| 15.13                            | Acknowledgements  | 142        |
| 15.14                            | Releases of Guarantees  | 143        |
| 15.15                            | Confidentiality   | 143        |
| 15.16                            | WAIVERS OF JURY TRIAL   | 144        |
| 15.17                            | USA PATRIOT Act.  | 144        |
| 15.18                            | Transitional Arrangements.  | 144        |
| 15.19                            | Headings  | 145        |
| 15.20                            | Interest Rate Limitation  | 145        |
| 15.21                            | Acknowledgement and Consent to Bail-In of Affected Financial Institutions | 146        |
| 15.22                            | Subsidiary Borrowers.   | 146        |
| 15.23                            | Acknowledgement Regarding Any Supported QFCs.                             | 148        |

SCHEDULES:

|         |   |
|---------|---|
| EGL     | Eligible Ground Leased Property               |
| ES      | Subsidiaries of Borrower                      |
| SG      | Subsidiary Guarantors                         |
| 1.1A    | Loan Commitments                              |
| 1.1C    | Issuing Lender Commitments                    |
| 3.1(a)  | Existing Letters of Credit                    |
| 4.4     | Consents, Authorizations, Filings and Notices |
| 4.15    | Subsidiaries                                  |
| 4.23(a) | Properties                                    |
| 4.23(b) | Unencumbered Properties                       |
| 7.2(d)  | Existing Indebtedness                         |
| 7.3(f)  | Existing Liens                                |

EXHIBITS:

|   |  |
|---|--|
| A | Form of Guarantee Agreement              |
| B | Form of Compliance Certificate           |
| C | Form of Closing Certificate              |
| D | Form of Assignment and Assumption        |
| E | Form of Borrowing Request                |
| F | Form of U.S. Tax Compliance Certificates |
| G | Form of Adherence Agreement              |
| H | Form of Qualified Borrower Guarantee     |

AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT (this “Agreement”), dated as of January 15, 2021, among MEDICAL PROPERTIES TRUST, INC., a Maryland corporation (“Holdings”), MPT OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “Borrower”), any Subsidiary Borrower that becomes a party hereto pursuant to Section 10.22, the several banks and other financial institutions or entities from time to time parties to this Agreement (the “Lenders”), BANK OF AMERICA, N.A., as syndication agent (in such capacity, the “Syndication Agent”), the Documentation Agents listed on the cover to this Agreement, and JPMORGAN CHASE BANK, N.A., as administrative agent.

WHEREAS, Holdings, the Borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto are parties to an Amended and Restated Revolving Credit Agreement dated as of February 1, 2017, as amended to date (the “Existing Credit Agreement”); and

WHEREAS, the parties wish to amend and restate the Existing Credit Agreement in their entirety.

The parties hereto hereby agree to amend and restate the Existing Credit Agreement in their entirety as follows:

## SECTION 6. DEFINITIONS

**6.1** Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

“2013 Senior Unsecured Note Indenture”: the Indenture dated as of October 10, 2013, as supplemented through the date hereof, entered into by the Borrower and MPT Finance Corp. in connection with the issuance of the 2014 Senior Unsecured Notes in the principal amount of \$300,000,000, together with all instruments, supplements and other agreements entered into by the Borrower and MPT Finance Corp. in connection therewith.

“2014 Senior Unsecured Notes”: the 5.50% Senior Notes due 2024 issued by the Borrower pursuant to the 2013 Senior Unsecured Note Indenture.

“ABR”: for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the purpose of this definition, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate at approximately 11:00 A.M. London time on such day (or, if the LIBO Screen Rate is not available for such one month Interest Period, the LIBO Interpolated Rate). Any change in the ABR due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. If the ABR is being used as an alternate rate of interest pursuant to Section 2.16 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.16(b)), then the ABR shall be the greater of clauses (a) and (b)

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above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the ABR as determined pursuant to the foregoing would be less than 1.0%, such rate shall be deemed to be 1.0% for purposes of this Agreement.

“ABR Loans”: Loans denominated in Dollars the rate of interest applicable to which is based upon the ABR.

“Acceptable Jurisdiction”: Luxembourg and any other jurisdiction (other than the United States) acceptable to the Administrative Agent in its sole discretion, including, if requested by the Administrative Agent in its sole discretion, based on satisfactory advice received by it from local counsel in such jurisdiction with respect to the procedure for enforcement of a U.S. judgment in such jurisdiction, and the collection of such judgment from assets located there.

“Additional Credit Extension Amendment”: an amendment to this Agreement providing for any Incremental Commitments which shall be consistent with the applicable provisions of this Agreement relating to such Incremental Commitments and otherwise reasonably satisfactory to the Administrative Agent and the Borrower.

“Additional Senior Unsecured Indentures”: the 2013 Senior Unsecured Note Indenture and any other indenture entered into by the Borrower and its Subsidiaries in connection with the issuance of the Additional Senior Unsecured Notes, together with all instruments and other agreements entered into by the Borrower and its Subsidiaries in connection therewith.

“Additional Senior Unsecured Notes”: any senior unsecured notes issued by the Borrower that are *pari passu* with the Obligations and that are in an amount that would not cause a violation of any covenant set forth in Section 7.1 or any other provision of this Agreement after giving pro forma effect to the incurrence of the Indebtedness under such notes.

“Adherence Agreement”: an agreement substantially in the form of Exhibit G executed and delivered by the Borrower and a Subsidiary Borrower to the Administrative Agent in connection with the admission of such Subsidiary Borrower as a Borrower hereunder.

“Adjusted Daily Simple RFR”: (i) with respect to any RFR Borrowing denominated in Sterling, an interest rate per annum equal to the Daily Simple RFR for Sterling, *plus* (b) 0.03260% and (ii) with respect to any RFR Borrowing denominated in CHF, an interest rate per annum equal to (a) the Daily Simple RFR for CHF, *minus* (b) 0.05710%; *provided* that if the Adjusted Daily Simple RFR as so determined would be less than 0%, such rate shall be deemed to be equal to 0% for purposes of this Agreement.

“Adjusted EURIBOR Rate”: with respect to any Eurocurrency Borrowing denominated in Euros for any Interest Period, an interest rate per annum equal to (a) the EURIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; *provided* that if the Adjusted EURIBOR Rate as so determined would be less than 0%, such rate shall be deemed to be equal to 0% for purposes of this Agreement.

“Adjusted LIBO Rate”: with respect to any Eurocurrency Borrowing denominated in any LIBOR Quoted Currency for any Interest Period, an interest rate per annum (rounded

upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“Adjusted NOI”: for any fiscal period, the NOI (or pro rata share of NOI from any Real Property owned by an unconsolidated Subsidiary or joint venture of the Borrower) from any Real Property and adjusted to remove the effect of recognizing rental income on a straight-line basis over the applicable lease term.

“Adjusted TIBOR Rate”: with respect to any Eurocurrency Borrowing denominated in Yen for any Interest Period, an interest rate per annum equal to (a) the TIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; *provided* that if the Adjusted TIBOR Rate as so determined would be less than 0%, such rate shall be deemed to be equal to 0% for purposes of this Agreement.

“Administrative Agent”: JPMorgan Chase Bank, N.A., together with its affiliates (including J.P. Morgan Europe Limited with respect to Loans and Letters of Credit denominated in an Alternative Currency), as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors.

“Administrative Questionnaire”: an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution”: (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate”: as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

“Agent Parties”: as defined in Section 10.2(d)(ii).

“Agents”: the collective reference to the Syndication Agent, the Documentation Agents, and the Administrative Agent.

“Agreed Currencies”: Dollars and each Alternative Currency.

“Aggregate Exposure”: with respect to any Lender at any time, an amount equal to (a) until the Funding Date, the aggregate amount of such Lender’s Commitments at such time and (b) thereafter, the sum of (i) the aggregate then unpaid principal amount of such Lender’s Term Loans and (ii) the amount of such Lender’s Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender’s Revolving Extensions of Credit then outstanding.

“Aggregate Exposure Percentage”: with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the Aggregate Exposures of all Lenders at such time.

“Agreement”: as defined in the preamble hereto.

“Alternative Currency”: each of the following currencies: AUD, CAD, CHF, Euro, Sterling and Yen, together with each other currency (other than Dollars) that is approved in accordance with Section 1.4.

“Alternative Currency Equivalent”: for any amount of any Alternative Currency, at the time of determination thereof, (a) if such amount is expressed in such Alternative Currency, such amount and (b) if such amount is expressed in Dollars, the equivalent of such amount in such Alternative Currency determined by using the rate of exchange for the purchase of such Alternative Currency with Dollars last provided (either by publication or otherwise provided to the Administrative Agent) by the applicable Reuters source on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of such Alternative Currency with Dollars, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by the Administrative Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion).

“Alternative Currency Sublimit”: an amount equal to the lesser of the Total Revolving Commitments and the Dollar Equivalent of \$1,000,000,000. The Alternative Currency Sublimit is part of, and not in addition to, the Revolving Commitments.

“Alternative Eligible Loans”: any one or more loans or other extensions of credit made by Holdings or its Subsidiaries to any Person or purchasers of notes, debentures or other debt securities of any Person or other investments in any Person that is not secured by Liens on the real estate assets of such Person, but for which Holdings reasonably expects within three (3) years, whether pursuant to a written agreement, a change in laws, the receipt of necessary approvals or otherwise, that such loan, extension of credit, note, debenture, debt security or other investment will become an Unencumbered Property upon the consummation of one or more subsequent transactions by Holdings or its Subsidiaries, including, without limitation, (i) the acquisition of the real estate assets of such Person or its Affiliates (including the cancellation of such loan as consideration for the acquisition of real estate assets), (ii) the acquisition of the Capital Stock of such Person or its Affiliates (in lieu of acquiring such real estate assets), or (iii) the conversion of such loan to a loan secured by a first-priority Lien on the real estate assets of such Person or its Affiliates.

“Ancillary Document”: has the meaning assigned to it in Section 10.8(b).

“Anti-Corruption Laws”: all laws, rules, and regulations of any jurisdiction applicable to the Borrower and its affiliated companies from time to time concerning or relating to bribery or corruption.



“Applicable Margin”: for each Type of Loan, the rate per annum set forth in the Pricing Grids.

“Applicable Time”: with respect to any borrowings and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent or the Issuing Lender, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

“Application”: an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to issue a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with Section 3.1 of this Agreement), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit.

“Approved Fund”: as defined in Section 10.6(b)(ii).

“Arrangers”: the financial institutions listed as “Joint Lead Arrangers and Joint Bookrunners” on the cover page to this Agreement.

“Assignee”: as defined in Section 10.6(b)(i).

“Assignment and Assumption”: an Assignment and Assumption, substantially in the form of Exhibit D.

“AUD”: the lawful currency of the Commonwealth of Australia.

“AUD Screen Rate”: with respect to any Interest Period, the average bid reference rate as administered by ASX Benchmarks Pty Limited (ACN 616 075 417) (or any other Person that takes over the administration of such rate) for Australian dollar bills of exchange with a tenor equal in length to such Interest Period as displayed on page BBSY of the Reuters screen (or, in the event such rate does not appear on such Reuters page, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion) at or about the Specified Time on the Quotation Day for such Interest Period. If the AUD Screen Rate shall be less than zero, the AUD Screen Rate shall be deemed to be zero for purposes of this Agreement.

“Available Revolving Commitment”: as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender’s Revolving Commitment then in effect over (b) such Lender’s Revolving Extensions of Credit then outstanding; provided, that in calculating any Lender’s Revolving Extensions of Credit for the purpose of determining such Lender’s Available Revolving Commitment pursuant to Section 2.8(a), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

“Available Tenor”: as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (f) of Section 2.16.

“Bail-In Action”: means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation”: means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bankruptcy Event”: with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Baseline Conditions”: as to any Wholly Owned Subsidiary of the Borrower, in connection with the admission of such Subsidiary as a Subsidiary Borrower hereunder, that such Subsidiary (a) at the time of the delivery by such Wholly Owned Subsidiary of its Adherence Agreement pursuant to Section 10.22, can truthfully and correctly make each of its representations and warranties in Section 4 in all material respects and (b) if such Subsidiary is not organized under the laws of any state of the United States, (i) shall be organized under the laws of an Acceptable Jurisdiction and (ii) shall have submitted for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, including for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof.

“Benchmark”: initially, the Relevant Rate; provided that if a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to the Relevant Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) or clause (c) of Section 2.16.

“Benchmark Replacement”: for any Available Tenor, one of the alternatives listed in clauses (1) through (3) below that has been mutually selected by the Administrative Agent and the Borrower, provided that in the case of clauses (1) and (2), it can be determined by the Administrative Agent for the applicable Benchmark Replacement Date; provided that, in the case of any Loan denominated in an Alternative Currency, “Benchmark Replacement” shall mean the alternative set forth in (3) below:

(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment; or

(3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; provided further that, solely with respect to a Loan denominated in Dollars, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the “Benchmark Replacement” shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above).

If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

**“Benchmark Replacement Adjustment”**: with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion.

**“Benchmark Replacement Conforming Changes”**: with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “ABR,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the

administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides in its reasonable discretion is necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date”: the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein;

(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the date a Term SOFR Notice is provided to the Lenders and the Borrower pursuant to Section 2.16(c); or

(4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event”: with respect to any Benchmark, the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction

over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period”: with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.16 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.16.

“Beneficial Ownership Certification”: a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation”: means 31 C.F.R. § 1010.230.

“Benefit Plan”: any of (a) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Benefitted Lender”: as defined in Section 10.7(a).

“Board”: the Board of Governors of the Federal Reserve System of the United States (or any successor).

“Borrower”: as defined in the preamble hereto, and shall collectively include any Subsidiary Borrower that becomes a party hereto pursuant to Section 10.22.

“Borrowing”: Loans of the same Type made, converted or continued on the same date, and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

“Borrowing Date”: any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

“Business”: as defined in Section 4.17(b).

“Business Day”: a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close; and when used in connection with a Eurocurrency Loan for a LIBOR Quoted Currency, a LIBOR Daily Loan or a Loan denominated in Sterling, the term “Business Day” shall also exclude any day on which banks are not open for general business in London; and in addition, with respect to any date for the payment or purchase of, or the fixing of an interest rate in relation to, (x) any Non-Quoted Currency, the term “Business Day” shall also exclude any day on which banks are not open for general business in the principal financial center of the country of that currency, (y) Yen, the term “Business Day” shall also exclude any day on which banks are not open for business in Japan, and (z) RFR Loans or dealings in the Alternative Currency of such RFR Loan, the term “Business Day” shall also exclude any day that is not an RFR Business Day; and, if the Loan or Letter of Credit which is the subject of a borrowing, drawing, payment, reimbursement or rate selection are denominated in Euro, the term “Business Day” shall also exclude any day on which the TARGET2 payment system is not open for the settlement of payments in Euro.

“CAD”: the lawful currency of Canada.

“Canadian Prime Rate”: on any day, the rate determined by the Administrative Agent to be the higher of (i) the rate equal to the PRIMCAN Index rate that appears on the Bloomberg screen at 10:15 a.m. Toronto time on such day (or, in the event that the PRIMCAN Index is not published by Bloomberg, any other information services that publishes such index from time to time, as selected by the Administrative Agent in its reasonable discretion) and (ii) the average rate for thirty (30) day Canadian Dollar bankers’ acceptances that appears on the Reuters Screen CDOR Page (or, in the event such rate does not appear on such page or screen, on any successor or substitute page or screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time, as selected by the Administrative Agent in its reasonable discretion) at 10:15 a.m. Toronto time on such day, plus 1% per annum; provided, that if any the above rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. Any change in the Canadian Prime Rate due to a change in the PRIMCAN Index or the CDOR shall be effective from and including the effective date of such change in the PRIMCAN Index or CDOR, respectively.

“Capital Lease Obligations”: as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

“Capital Stock”: any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including partnership interests, membership interests in a

limited liability company, and beneficial interests in a trust, and any and all warrants, rights or options to purchase any of the foregoing.

“Cash Equivalents”: (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than \$500,000,000; (c) commercial paper of an issuer rated at least A-1 by S&P Global Ratings Services (“S&P”) or P-1 by Moody’s Investors Service, Inc. (“Moody’s”), or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than thirty (30) days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody’s; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody’s and (iii) have portfolio assets of at least \$5,000,000,000, or (i) in the case of any Foreign Subsidiary, Investments of comparable tenor and credit quality to those described in the foregoing clauses (a) through (h) customarily utilized in countries in which such Foreign Subsidiary operates for short-term cash management purposes; provided that such Investments shall only be included in Total Asset Value if they are freely available to be repatriated to the Borrower without adverse tax or accounting consequences.

“Cash Management Services”: any cash management services that are (i) in effect on the Closing Date between a Loan Party and a counterparty that is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent as of the Closing Date or (ii) entered into after the Closing Date between a Loan Party and any counterparty that is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent at the time such services are entered into.

“CDOR Screen Rate”: with respect to any Interest Period, the annual rate of interest equal to the average rate applicable to Canadian dollar Canadian bankers’ acceptances for the applicable period that appears on the “Reuters Screen CDOR Page” as defined in the International Swap Dealer Association, Inc. definitions, as modified and amended from time to time (or, in the event such rate does not appear on such page or screen, on any successor or substitute page or screen that displays such rate, or on the appropriate page of such other information service that



publishes such rate from time to time, as selected by the Administrative Agent in its reasonable discretion), rounded to the nearest 1/100th of 1% (with .005% being rounded up), as of the Specified Time on the Quotation Day for such Interest Period (as adjusted by the Administrative Agent after the Specified Time to reflect any error in the posted rate of interest or in the posted average annual rate of interest). If the CDOR Screen Rate shall be less than zero, the CDOR Screen Rate shall be deemed to be zero for purposes of this Agreement.

**“Central Bank Rate”**: (A) the greater of (i) for any Loan denominated in (a) Sterling, the Bank of England (or any successor thereto)’s “Bank Rate” as published by the Bank of England (or any successor thereto) from time to time, (b) Euro, one of the following three rates as may be selected by the Administrative Agent in its reasonable discretion: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time, (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time, (c) Yen, the “short-term prime rate” as publicly announced by the Bank of Japan (or any successor thereto) from time to time, (d) CHF, the policy rate of the Swiss National Bank (or any successor thereto) as published by the Swiss National Bank (or any successor thereto) from time to time and (e) any other Alternative Currency determined after the Effective Date, a central bank rate as determined by the Administrative Agent in its reasonable discretion and (ii) 0.0%; plus (B) the applicable Central Bank Rate Adjustment.

**“Central Bank Rate Adjustment”**: for any day, for any Loan denominated in (a) Euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted EURIBOR Rate for the five most recent Business Days preceding such day for which the EURIBOR Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted EURIBOR Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of Euro in effect on the last Business Day in such period, (b) Sterling, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of Adjusted Daily Simple RFR for Sterling Borrowings for the five most recent RFR Business Days preceding such day for which SONIA was available (excluding, from such averaging, the highest and the lowest such Adjusted Daily Simple RFR applicable during such period of five RFR Business Days) minus (ii) the Central Bank Rate in respect of Sterling in effect on the last RFR Business Day in such period, (c) Yen, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted TIBOR Rate for the five most recent Business Days preceding such day for which the TIBOR Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted TIBOR Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of Yen in effect on the last Business Day in such period, (d) CHF, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of Adjusted Daily Simple RFR for CHF Borrowings for the five most recent RFR Business Days preceding such day for which SARON was available (excluding, from such averaging, the highest and the lowest such Adjusted Daily Simple RFR applicable during such period of five RFR Business Days) minus (ii) the Central Bank Rate in respect of CHF in effect on the last RFR Business Day in such period, and (e) any other Alternative Currency determined after the Effective Date, a Central Bank Rate

Adjustment as determined by the Administrative Agent in its reasonable discretion. For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause (B) of the definition of such term and (y) each of the EURIBOR Rate and the TIBOR Rate on any day shall be based on the EURIBOR Screen Rate or the TIBOR Screen Rate, as applicable, on such day at approximately the time referred to in the definition of such term for deposits in the applicable Agreed Currency for a maturity of one month.

“CFC”: a controlled foreign corporation under Section 957 of the Code.

“Change in Law”: the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender or the Issuing Lender (or, for purposes of Section 2.18(b), by any lending office of such Lender or by such Lender’s or the Issuing Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a “Change in Law” regardless of the date enacted, adopted or issued.

“Charges”: as defined in Section 10.20.

“CHF”: the lawful currency of Switzerland.

“Closing Date”: the date hereof.

“Code”: the Internal Revenue Code of 1986, as amended from time to time.

“Commitments”: as to any Lender, the Revolving Commitment and Term Commitments of such Lender.

“Commodity Exchange Act”: the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Commonly Controlled Entity”: an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

“Communications”: as defined in Section 10.2(d)(iii).

“Compliance Certificate”: a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

“Conduit Lender”: any special purpose corporation organized and administered by any Lender for the purpose of making Loans otherwise required to be made by such Lender and designated by such Lender in a written instrument; provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 2.18, 2.19, 2.20 or 10.5 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Commitment.

“Connection Income Taxes”: Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Tangible Net Worth”: as of any date of determination for Holdings and its Subsidiaries on a consolidated basis, consolidated shareholder’s equity (as reported on the consolidated balance sheet of Holdings in accordance with GAAP) minus assets of Holdings and its Subsidiaries that are considered to be intangible assets under GAAP (other than SFAS 141 Intangibles).

“Construction-in-Process”: cash expenditures for land and improvements with respect to Development Properties determined in accordance with GAAP.

“Continuing Directors”: the directors of Holdings on the Closing Date, and each other director, if, in each case, such other director’s nomination for election or appointment to the board of directors of Holdings is made by, or at the direction of, at least a majority of the then Continuing Directors.

“Contractual Obligation”: as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Corresponding Tenor”: with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Covered Party”: as defined in Section 10.23.

“Credit Party”: the Administrative Agent, the Issuing Lender, the Swingline Lender or any other Lender.

“Credit Rating”: the publicly announced senior unsecured credit rating of the Borrower given by Moody’s, S&P or Fitch.

“Daily Simple RFR”: for any day (an **“RFR Interest Day”**), an interest rate per annum equal to, for any RFR Loan denominated in (i) Sterling, SONIA for the day that is 5 RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day and (ii) CHF, SARON for the day that is 5 RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the Business Day immediately preceding such RFR Interest Day.

“Daily Simple SOFR”: for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Default”: any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Defaulting Lender”: any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations as of the date of such certification) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, (d) has become the subject of a Bankruptcy Event or a Bail-In Action or (e) is the Subsidiary of a Parent that has become the subject of a Bankruptcy Event or a Bail-In Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (e) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.24(e)) upon delivery of written notice of such determination to the Borrower, the Issuing Lender, the Swingline Lender and each Lender.

“Development Property”: a Real Property owned by the Borrower or one of its Subsidiaries on which the construction of a medical building of a type consistent with the

Borrower's business strategy has commenced. Such Real Property shall be treated as a Development Property until construction is completed and a certificate of occupancy (or its equivalent in the applicable jurisdiction) has been issued.

**"Discharged"**: means Indebtedness that has been defeased (pursuant to a contractual or legal defeasance) or discharged pursuant to the prepayment or deposit of amounts sufficient to satisfy such Indebtedness as it becomes due or irrevocably called for redemption in accordance with the terms of the instrument governing such Indebtedness (and regardless of whether such Indebtedness constitutes a liability on the balance sheet of the obligors thereof); provided, however, that Indebtedness shall be deemed Discharged if the payment or deposit of all amounts required for defeasance or discharge or redemption thereof have been made even if certain customary conditions thereto have not been satisfied, so long as such conditions are reasonably expected to be satisfied within ninety five (95) days after such prepayment or deposit.

**"Disposition"**: with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer, or other disposition thereof (in one transaction or in a series of transactions and whether effected pursuant to a division or otherwise). The terms "Dispose" and "Disposed of" shall have correlative meanings.

**"Disqualified Institution"**: means (a) (i) a prospective assignee or successor administrative agent (other than a Lender or an Affiliate of a Lender) which is a REIT investing primarily in healthcare properties (including, without limitation, hospitals) and (ii) which as of any date of determination has been designated by the Borrower as a "Disqualified Institution" by written notice to the Administrative Agent and the Lenders (including by posting such notice to the Electronic System) not less than ten (10) Business Days prior to such date (provided that "Disqualified Institutions" shall exclude any Person that the Borrower has designated as no longer being a "Disqualified Institution" by written notice delivered to the Administrative Agent from time to time), or (b) an Affiliate of such REIT that is clearly identifiable as such based solely on the similarity of its name.

**"Disqualified Institution List"**: has the meaning assigned to such term in Section 10.6(g).

**"Documentation Agents"**: the financial institutions listed as "Documentation Agents" on the cover page of this Agreement.

**"Dollar Equivalent"**: for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in an Alternative Currency, the equivalent of such amount in Dollars determined by using the rate of exchange for the purchase of Dollars with the Alternative Currency last provided (either by publication or otherwise provided to the Administrative Agent) by Reuters on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of Dollars with the Alternative Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by the Administrative Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in Dollars as determined by the Administrative Agent using any method of

determination it deems appropriate in its sole discretion.

“Dollar Term Commitment”: as to any Lender, (a) the obligation of such Lender, if any, to make a Dollar Term Loan to the Borrower in a principal amount not to exceed the amount set forth under the heading “Dollar Term Commitment” opposite such Lender’s name on Schedule 1.1A or (b) any Incremental Commitments of such Lender to make New Term Loans pursuant to Section 2.23. The initial aggregate amount of the Dollar Term Commitments is \$200,000,000.

“Dollar Term Facility”: the Dollar Term Commitments and the Dollar Term Loans made thereunder.

“Dollar Term Lender”: each Lender that has a Dollar Term Commitment or that holds a Dollar Term Loan.

“Dollar Term Loan”: as defined in Section 2.1 and including any incremental Dollar Term Loans made pursuant to Section 2.23.

“Dollar Term Loan Maturity Date”: February 1, 2026.

“Dollar Term Percentage”: as to any Dollar Term Lender at any time, the percentage which such Lender’s Dollar Term Commitment then constitutes of the aggregate Dollar Term Commitments (or, at any time after the Funding Date, the percentage which the aggregate principal amount of such Lender’s Dollar Term Loans then outstanding constitutes of the aggregate principal amount of all of the Dollar Term Loans then outstanding).

“Dollars” and “\$”: dollars in lawful currency of the United States.

“Domestic Subsidiary”: any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

“Early Opt-in Election”: (a) in the case of Loans denominated in Dollars, the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto, as consented to by the Borrower, or (to the extent that switching to a Benchmark Replacement is feasible for the Administrative Agent at such time) a notification by the Borrower to the Administrative Agent that the Borrower has determined, that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a Term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from LIBO Rate and the provision by the Administrative Agent of written notice of such election to the Lenders or (to the extent that switching to a Benchmark Replacement is feasible for

the Administrative Agent at such time) by the Borrower of written notice of such election to the Administrative Agent; and

(b) in the case of Loans denominated in any Alternative Currency, the occurrence of:

(1) (i) a determination by the Administrative Agent and the Borrower or (ii) a notification by the Required Lenders to the Administrative Agent (with a copy to the Borrower) that the Required Lenders have determined that syndicated credit facilities denominated in the applicable Alternative Currency being executed at such time, or that include language similar to that contained in Section 2.16 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the Relevant Rate, and

(2) (i) the election by the Administrative Agent and the Borrower or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders or by the Required Lenders of written notice of such election to the Administrative Agent.

“EBITDA”: for any fiscal period for any Person, consolidated net income (or loss) before interest, taxes, depreciation and amortization, calculated for such period on a consolidated basis in conformity with GAAP, excluding gains and losses from extraordinary, unusual or non-recurring items, acquisition costs for completed acquisitions, write-offs of straight-line rent related to sold assets, asset sales or write-ups/write-downs and forgiveness of indebtedness.

“EEA Financial Institution”: means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

“EEA Member Country”: means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority”: means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic Signature”: an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

“Electronic System”: any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and the Issuing Lender and any of its respective Lender-Related Persons or any other Person, providing for access to data

protected by passcodes or other security system and chosen by the Administrative Agent to be its electronic transmission system.

“Eligible Assignee”: (a) a Lender or any Affiliate or Approved Fund of such Lender, or (b) a bank, trust company, finance company, insurance company or any other Person that is regularly engaged in making, purchasing or investing in loans of a type similar to the Loans; provided that, notwithstanding the foregoing, “Eligible Assignee” shall not include (w) Holdings, the Borrower or any of their respective Subsidiaries or Affiliates, (x) any natural person, (y) any Defaulting Lender or (z) any Disqualified Institution.

“Environmental Laws”: any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

“ERISA”: the Employee Retirement Income Security Act of 1974, as amended from time to time.

“EU Bail-In Legislation Schedule”: means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“EURIBOR Interpolated Rate”: at any time, with respect to any Eurocurrency Borrowing denominated in Euros and for any Interest Period, the rate per annum (rounded to the same number of decimal places as the EURIBOR Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the EURIBOR Screen Rate for the longest period (for which the EURIBOR Screen Rate is available for Euros) that is shorter than the Impacted EURIBOR Rate Interest Period; and (b) the EURIBOR Screen Rate for the shortest period (for which the EURIBOR Screen Rate is available for Euros) that exceeds the Impacted EURIBOR Rate Interest Period, in each case, at such time; provided that, if any EURIBOR Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“EURIBOR Rate”: with respect to any Eurocurrency Borrowing denominated in Euros and for any Interest Period, the EURIBOR Screen Rate at approximately 11:00 a.m., Brussels time, two TARGET days prior to the commencement of such Interest Period; provided that, if the EURIBOR Screen Rate shall not be available at such time for such Interest Period (an “Impacted EURIBOR Rate Interest Period”) with respect to Euros then the EURIBOR Rate shall be the EURIBOR Interpolated Rate.

“EURIBOR Screen Rate”: means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate)] or on the appropriate page of such other



information service which publishes that rate from time to time in place of Thomson Reuters as of the Specified Time on the Quotation Day for such Interest Period. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.

“Euro” and “€”: the single currency of the Participating Member States.

“Eurocurrency”: when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate, the Adjusted EURIBOR Rate, the Adjusted TIBOR Rate, or the Local Rate. Eurocurrency Loans may be denominated in Dollars, or if a Revolving Loan, an Alternative Currency. All Loans denominated in an Alternative Currency must be a Eurocurrency Loan or an RFR Loan.

“Eurocurrency Tranche”: the collective reference to Eurocurrency Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

“Event of Default”: any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Exchange Act”: as defined in Section 8(k).

“Excluded Foreign Subsidiary”: any (i) Foreign Subsidiary that is a CFC, (ii) Subsidiary substantially all the assets of which consist of direct or indirect equity or debt investments in one or more Foreign Subsidiaries that are CFCs, and (iii) Subsidiary of a Subsidiary described in clause (i) or (ii).

“Excluded Swap Obligation”: with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) (a) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Guarantor or the grant of such security interest becomes or would become effective with respect to such Swap Obligation or (b) in the case of a Swap Obligation subject to a clearing requirement pursuant to Section 2(h) of the Commodity Exchange Act (or any successor provision thereto), because such Guarantor is a “financial entity,” as defined in Section 2(h)(7)(C)(i) the Commodity Exchange Act (or any successor provision thereto), at the time the guarantee of such Subsidiary Guarantor becomes or would become effective with respect to such related Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

“Excluded Taxes”: any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes,

in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Letter of Credit or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan, Letter of Credit or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.22) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.19, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender acquired the applicable interest in a Loan, Letter of Credit or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.19(f) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

“Existing Credit Agreement”: as defined in the recitals hereto.

“Exiting Lender”: as defined in Section 10.18(a).

“Facility”: each of (a) the Term Facility and (b) the Revolving Facility, and collectively, the “Facilities”.

“Facility Fee”: as defined in Section 2.8(b).

“Facility Fee Percentage”: the rate per annum set forth in the Pricing Grids.

“FATCA”: Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof (including any intergovernmental agreement implementing the foregoing) and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“Federal Funds Effective Rate”: for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate, provided that if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to zero for the purposes of this Agreement.

“Fee Payment Date”: the first Business Day following the last day of each March, June, September and December and the last day of the Revolving Commitment Period.

“Fitch”: Fitch, Inc.

“Floor”: the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to LIBO Rate, the EURIBOR Rate, the TIBOR Rate, the applicable Adjusted Daily Simple RFR, or the Local Rate, as applicable.

**“Foreign Lender”**: (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

**“Foreign Subsidiary”**: any Subsidiary of the Borrower that is not a Domestic Subsidiary.

**“Foreign Subsidiary Borrower”**: as defined in Section 10.22(a).

**“Funding Date”**: the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied (or waived in accordance with Section 10.1).

**“Funding Office”**: the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

**“GAAP”**: generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Section 7.1, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 4.1(b). In the event that any “Accounting Change” (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower’s financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. “Accounting Changes” refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, (i) with respect to the accounting for leases as either operating leases or capital leases and the impact of such accounting in accordance with Accounting Standards Codification 840 on the definitions and covenants herein, GAAP as in effect on the Closing Date shall be applied and (ii) Indebtedness of Holdings and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

**“Governmental Authority”**: any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

“Group Members”: the collective reference to Holdings, the Borrower and their respective Subsidiaries.

“Guarantee Agreement”: the Guarantee Agreement to be executed and delivered by Holdings, the Borrower and any Subsidiary Guarantor, substantially in the form of Exhibit A.

“Guarantee Obligation”: as to any Person (the “guaranteeing person”), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing Person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the “primary obligations”) of any other third Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business, or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or Disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person’s maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

“Guarantors”: the collective reference to Holdings and any Subsidiary Guarantors.

“Healthscope Investment”: the Investment made by the Borrower or its Subsidiaries with Brookfield Capital Partners Limited and VIG Bidco Pty Limited and/or their affiliates or investment vehicles in connection with the acquisition of a portfolio of healthcare facilities from Healthscope Limited ACN 144 840 639 and its affiliates substantially in accordance with the terms of the transaction documents delivered to the Administrative Agent.

“Holdings”: as defined in the preamble hereto.

“Honor Date”: as defined in Section 3.5.

“IBA”: as defined in Section 1.8.

“Immaterial Subsidiary”: any Subsidiary of the Borrower that (x) does not own or lease an Unencumbered Property and (y) on a consolidated basis with its respective Subsidiaries and treated as if all such Subsidiaries and their respective Subsidiaries were combined and consolidated as a single Subsidiary, have an aggregate net equity value of \$75,000,000 or less.

“Impacted EURIBOR Rate Interest Period”: has the meaning assigned to such term in the definition of “EURIBOR Rate.”

“Impacted LIBO Rate Interest Period”: has the meaning assigned to such term in the definition of “LIBO Rate.”

“Impacted Local Rate Interest Period”: as defined in the definition of “Local Rate”.

“Increased Amount Date”: as defined in Section 2.23(a).

“Incremental Commitments”: as defined in Section 2.23(a).

“Indebtedness”: of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person’s business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all mandatorily redeemable preferred Capital Stock of such Person, (h) all Guarantee Obligations of such Person in respect of “Indebtedness” of others, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, (j) all obligations under so-called forward equity purchase contracts to the extent such obligations are not payable solely in equity interests, (k) all obligations in respect of any so-called “synthetic lease” (i.e., a lease of property which is treated as an operating lease under GAAP and as a loan for U.S. income tax purposes) and (l) such obligor’s liabilities, contingent or otherwise of the type set forth in (a) through (h) above, under any joint-venture, limited liability company or partnership agreement, and (m) all obligations of such Person in respect of Swap Agreements, valued at the Swap Termination Value thereof. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding the foregoing, in no event shall the following constitute Indebtedness: (i) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warrants or other unperformed obligations of the seller of such asset, (ii) amounts owed to dissenting stockholders in connection with, or as a result of, their

exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest), (iii) trade accounts payable, deferred revenues, liabilities associated with customer prepayments and deposits and other accrued obligations (including transfer pricing and accruals for payroll and other operating expenses accrued in the ordinary course of business), in each case incurred in the ordinary course of business, (iv) operating leases, (v) customary obligations under employment agreements and deferred compensation, (vi) prepaid or deferred revenue and deferred tax liabilities, and (vii) contingent post-closing purchase price adjustments, non-compete or consulting obligations or earn-outs to which the seller in an acquisition or Investment may become entitled.

“Indemnified Liabilities”: as defined in Section 10.5.

“Indemnified Taxes”: (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a) hereof, Other Taxes.

“Indemnitee”: as defined in Section 10.5.

“Insolvency”: with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

“Insolvent”: pertaining to a condition of Insolvency.

“Intellectual Property”: the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Interest Expense”: for any fiscal period, an amount equal to the sum of the following with respect to all Total Indebtedness: (i) total interest expense, accrued in accordance with GAAP, plus (ii) all capitalized interest determined in accordance with GAAP (including the Borrower’s pro rata share thereof for unconsolidated Subsidiaries and joint ventures), *excluding*, to the extent included in Interest Expense above, (A) the amount of such Interest Expense of any Subsidiary if the net income of such Subsidiary is excluded in the calculation of Net Operating Income (but only in the same proportion as the net income of such Subsidiary is excluded from the calculation of Net Operating Income), as determined on a consolidated basis in conformity with GAAP and (B) (i) accretion of accrual of discounted liabilities not constituting Indebtedness, (ii) any expense resulting from the discounting of any outstanding Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (iii) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (iv) any expensing of bridge, commitment or other financing fees (but not revolving loan commitment fees, including, without limitation, any fees associated with the exercise of the option to increase the Commitments) and (v) any amount not payable in cash.

“Interest Payment Date”: (a) as to any ABR Loan (other than any Swingline Loan), the last day of each March, June, September and December to occur while such Loan is outstanding

and the final maturity date of such Loan, (b) as to any Eurocurrency Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurocurrency Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period, (d) as to any RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or if there is no such numerically corresponding day in such month, then the last day of such month), (e) as to any Loan (other than any Revolving Loan that is an ABR Loan and any Swingline Loan), the date of any repayment or prepayment made in respect thereof and (f) as to any Swingline Loan, the day that such Loan is required to be repaid.

“Interest Period”: as to any Eurocurrency Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurocurrency Loan and ending one, three or (except for Loans subject to the CDOR Screen Rate) six months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurocurrency Loan and ending one, three or (except for Loans subject to the CDOR Screen Rate) six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not later than 11:00 A.M., New York City time, on the date that is (x) three (3) Business Days prior to the last day of the then current Interest Period with respect to Eurocurrency Loans denominated in Dollars and (y) four (4) Business Days prior to the last day of the then current Interest Period with respect to Eurocurrency Loans denominated in Alternative Currencies; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period with respect to any Loan that would extend beyond the Revolving Termination Date or the Term Loan Maturity Date, as applicable, for such Loan;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(iv) the Borrower shall select Interest Periods so as not to require a payment or prepayment of any Eurocurrency Loan during an Interest Period for such Loan.

“Investments”: as defined in Section 7.8.

“IRS”: the United States Internal Revenue Service.

“ISDA Definitions”: the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented

from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“Issuing Lender”: JPMorgan Chase Bank, N.A., Bank of America, N.A., KeyBank National Association, Barclays Bank PLC, Goldman Sachs Bank USA and any other Lender that agrees to act as an Issuing Lender with the consent of the Borrower, each in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 3.9. The Issuing Lender may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Lender, in which case the term “Issuing Lender” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. Each reference herein to the “Issuing Lender” shall be deemed to be a reference to the relevant Issuing Lender, each Issuing Lender or all Issuing Lenders, as the context may require.

“Issuing Lender Commitment”: with respect to each Issuing Lender, the commitment of such Issuing Lender to issue Letters of Credit hereunder. The initial amount of each Issuing Lender’s Issuing Lender Commitment is set forth on Schedule 1.1C, or if an Issuing Lender has entered into an Assignment and Assumption, the amount set forth for such Issuing Lender as its Issuing Lender Commitment in the Register maintained by the Administrative Agent.

“L/C Commitment”: \$130,000,000.

“L/C Exposure”: at any time, the sum of the L/C Obligations at such time. Except to the extent that the L/C Exposure of a Defaulting Lender has been reallocated in accordance with Section 2.24(c), the L/C Exposure of any Revolving Lender shall be its Revolving Percentage of the total L/C Exposure at such time.

“L/C Obligations”: at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired Dollar Equivalent amount of the then outstanding Letters of Credit and (b) the aggregate Dollar Equivalent amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.5.

“L/C Participants”: the collective reference to all the Revolving Lenders other than the Issuing Lender.

“Lender Swap Agreement”: any Swap Agreement that (i) was in effect on the Closing Date between a Loan Party and a counterparty that is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent as of the Closing Date or (ii) is or was entered into after the Closing Date between a Loan Party and any counterparty that is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent at the time such Swap Agreement is entered into, regardless, in the case of clause (i) and (ii), whether any such counterparty (a “Qualified Lender Counterparty”) subsequently ceases to be a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent.

“Lender-Related Person”: as defined in Section 10.12(e).

“Lenders”: as defined in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include the Issuing Lenders and any Conduit Lender.



“Letters of Credit”: as defined in Section 3.1(a). Letters of Credit may be denominated in Dollars or an Alternative Currency.

“Liabilities”: any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

“LIBO Interpolated Rate”: at any time, with respect to any Eurocurrency Borrowing denominated in any LIBOR Quoted Currency and for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available for the applicable Agreed Currency) that is shorter than the Impacted LIBO Rate Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available for the applicable Agreed Currency) that exceeds the Impacted LIBO Rate Interest Period, in each case, at such time; provided that if any LIBO Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“LIBO Rate”: with respect to any Eurocurrency Borrowing denominated in any LIBOR Quoted Currency and for any Interest Period, the LIBO Screen Rate at approximately the Specified Time on the Quotation Day for such Interest Period; provided that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “Impacted LIBO Rate Interest Period”) with respect to such Agreed Currency then the LIBO Rate shall be the LIBO Interpolated Rate.

“LIBO Screen Rate”: for any day and time, with respect to any Eurocurrency Borrowing denominated in any LIBOR Quoted Currency and for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for such Agreed Currency for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion); provided that if the LIBO Screen Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“LIBOR Daily” means, when used in reference to any Loan or Borrowing denominated in Dollars, refers to whether such Loan or Borrowing is bearing interest at a rate based on the LIBOR Daily Floating Rate.

“LIBOR Daily Floating Rate” means for any day, a fluctuating rate of interest per annum, which can change on each Business Day, equal to the LIBO Rate (or a successor rate which is determined pursuant to Section 2.16), as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 11:00 a.m., London time on such Business Day, for Dollar deposits with a term equivalent to a one (1) month term beginning on that date;

provided that if the LIBOR Daily Floating Rate shall be less than zero, such rate shall be deemed to be zero for purposes hereof.

“LIBOR Quoted Currency”: Dollars.

“Lien”: any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

“Loan”: any loan made by any Lender pursuant to this Agreement.

“Loan Documents”: this Agreement, the Guarantee Agreement, the Notes, any Adherence Agreements, any Qualified Borrower Guarantees, any document granting a Lien on cash collateral pursuant to Section 8, the fee agreements described in Section 2.8(b), and any amendment, waiver, supplement or other modification to any of the foregoing.

“Loan Parties”: Holdings, the Borrower (including any Subsidiary Borrowers) and any Subsidiary Guarantors.

“Local Interpolated Rate”: at any time, with respect to any Eurocurrency Loan denominated in any Non-Quoted Currency and for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the applicable Local Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the applicable Local Screen Rate for the longest period (for which such Local Screen Rate is available for the applicable currency) that is shorter than the Impacted Local Rate Interest Period; and (b) the applicable Local Screen Rate for the shortest period (for which such Local Screen Rate is available for the applicable currency) that exceeds the Impacted Local Rate Interest Period, in each case, at such time; provided that if any Local Interpolated Rate shall be less than zero, such rate shall be deemed to zero for purposes of this Agreement.

“Local Rate”: with respect to any Eurocurrency Borrowing denominated in any Non-Quoted Currency and for any Interest Period, the applicable Local Screen Rate; provided that if such Local Screen Rate shall not be available at such time for such Interest Period (an “Impacted Local Rate Interest Period”) with respect to such Non-Quoted Currency, then the Local Rate shall be the Local Interpolated Rate.

“Local Screen Rates”: for any day and time, with respect to any Eurocurrency Borrowing denominated in a Non-Quoted Currency and for any Interest Period, the AUD Screen Rate or the CDOR Screen Rate, as applicable, for such currency.

“Majority Facility Lenders”: with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans or the Total Revolving Extensions of Credit, as the case may be, outstanding under such Facility (or, in the case of the Revolving Facility, prior to any termination of the Revolving Commitments, the holders of more than 50% of the Total Revolving Commitments).

“Material Adverse Effect”: a material adverse effect on (a) the business, property, operations or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

“Materials of Environmental Concern”: any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

“Maximum Rate”: as defined in Section 10.20.

“Median”: Median Kliniken S. à r.l. together with its subsidiaries, affiliates and participations.

“Median Investment”: any Investment made by the Borrower or its Subsidiaries, directly or indirectly, in Median.

“Moody’s”: as defined in the definition of Cash Equivalents.

“Mortgage Notes”: notes receivable of the Group Members which are secured by mortgage Liens on real estate and which are not more than sixty (60) days past due or otherwise in payment default after giving effect to applicable cure periods that has resulted in the commencement of the exercise of remedies.

“Multiemployer Plan”: a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA and in respect of which the Borrower or a Commonly Controlled Entity participates or is required to make contributions with respect thereto.

“Net Cash Proceeds”: in connection with any issuance or sale of Capital Stock, the cash proceeds received from such issuance or incurrence, net of attorneys’ fees, investment banking fees, accountants’ fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

“Net Operating Income (“NOI”)”: for any fiscal period, and with respect to any Real Property, the total rental and other operating income from the operation of such Real Property (including proceeds of rent loss or business interruption insurance) after deducting all expenses and other proper charges incurred by the Group Members in connection with the operation of such Real Property during such fiscal period, including, without limitation, property operating expenses paid by a Group Member and real estate taxes and bad debt expenses paid by a Group Member, but before payment or provision for Total Fixed Charges, income taxes, and depreciation, amortization, and other non-cash expenses of a Group Member, all as determined in accordance with GAAP. In the case of Real Property owned by Affiliates of the Borrower which are not wholly-owned by the Borrower, Net Operating Income shall be reduced by the amount of cash flow of such Affiliate allocated for distribution to the other owners of such Affiliate.

“New Revolving Commitments”: as defined in Section 2.23(a).

“New Revolving Lender”: as defined in Section 2.23(a).

“New Term Commitments”: as defined in Section 2.23(a).

“New Term Lender”: as defined in Section 2.23(a).

“New Term Loan”: as defined in Section 2.23(a).

“Non-Consenting Lender”: means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.01 and (b) has been approved by the Required Lenders.

“Non-Extension Notice Date”: as defined in Section 3.1(a).

“Non-Quoted Currency”: means each of AUD and CAD; collectively, “Non-Quoted Currencies”.

“Nonrecourse Indebtedness”: with respect to a Person, Indebtedness for borrowed money (or the portion thereof) in respect of which recourse for payment (except for customary exceptions for fraud, misapplication of funds, environmental indemnities, violation of “special purpose entity” covenants, bankruptcy, insolvency, receivership or other similar events and other similar exceptions to recourse liability until a claim is made with respect thereto, and then in the event of any such claim, only a portion of such Indebtedness in an amount equal to the amount of such claim shall no longer constitute “Nonrecourse Indebtedness” for the period that such portion is subject to such claim) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness.

“Normalized Adjusted FFO”: for any fiscal period, “funds from operations” (or “FFO”) of the Group Members as defined in accordance with resolutions adopted by the Board of Governors of the National Association of Real Estate Investment Trusts as in effect from time to time; provided that FFO shall (a) be based on net income after payment of distributions to holders of preferred partnership units in the Borrower and distributions necessary to pay holders of preferred stock of Holdings and (b) at all times exclude (i) charges for impairment losses, (ii) stock-based compensation, (iii) write-offs or reserves of straight-line rent related to sold assets, (iv) amortization of debt costs, (v) non-recurring charges and (vi) any costs, fees and expenses related to acquisitions.

“Notes”: the collective reference to any promissory note evidencing Loans.

“NYFRB”: means the Federal Reserve Bank of New York.

“NYFRB Rate”: means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a Federal funds transaction quoted at 11:00 a.m. (New York City time) on such day received by the Administrative Agent from a Federal funds broker of recognized standing selected

by it; provided, further, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“NYFRB’s Website”: the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“Obligations”: the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower or any other Loan Party to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise; provided, however, that the definition of “Obligations” shall not create any guarantee by any Guarantor of (or grant of security interest by any Guarantor to support, as applicable) any Excluded Swap Obligations of such Guarantor for purposes of determining any obligations of any Guarantor.

“Other Connection Taxes”: with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

“Other Taxes”: all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.22).

“Overnight Bank Funding Rate”: means, for any day, the rate comprised of both overnight Federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB as set forth on the NYFRB’s Website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate).

“Parent”: with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Participant”: as defined in Section 10.6(c)(i).

“Participant Register”: as defined in Section 10.6(c)(i).

“Participating Member States”: any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Patriot Act”: as defined in Section 10.17.

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

“Permitted Investments”:

- (a) Investments made by the Borrower or the Subsidiaries as a result of consideration received in connection with any disposition or transfer of assets permitted under Section 7.5;
- (b) extensions of trade credit in the ordinary course of business;
- (c) Investments in cash and Cash Equivalents;
- (d) Guarantee Obligations permitted by Section 7.2;
- (e) loans and advances to employees of any Group Member in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for all Group Members not to exceed \$2,500,000 at any one time outstanding;
- (f) Investments received in satisfaction of judgments or in settlements of debt or compromises of obligations incurred in the ordinary course of business;
- (g) Investments in tenants and any Investments made pursuant to a RIDEA structure so long as such Investment does not cause an Event of Default;
- (h) obligations under Swap Agreements otherwise permitted under this Agreement;
- (i) intercompany Investments by any Group Member in the Borrower or any Person that, prior to such or upon the making of such investment, is a Wholly Owned Subsidiary of the Borrower;
- (j) any Investment consisting of prepaid expenses, negotiable instruments held for collection and lease, endorsements for deposit or collection in the ordinary course of business, utility or workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;

- (k) Investments in Subsidiaries (other than Wholly Owned Subsidiaries of the Borrower) and joint ventures, so long as such Investment does not cause an Event of Default;
- (l) Investments consisting of acquisitions of real property or Mortgage Notes receivable (including any such acquisitions effected through acquisition, merger, or consolidation of a Person that will become a Subsidiary) consistent with the Borrower's business strategy, so long as such Investment does not cause an Event of Default;
- (m) additional Investments not to exceed the greater of (x) \$350,000,000 and (y) 5.0% of Total Asset Value at any time outstanding, so long as such Investment does not cause an Event of Default;
- (n) pledges or deposits by a Person under workers' compensation laws, unemployment insurance laws or similar legislation, or deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business;
- (o) any Investment acquired by Holdings, the Borrower or any of its Subsidiaries (a) in exchange for any other Investment or accounts receivable or rents receivable held by Holdings, the Borrower or any such Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or rents receivable or (b) as a result of a foreclosure by Holdings, the Borrower or any of its Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;
- (p) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (q) any Investment made in connection with the funding of contributions under any non-qualified employee retirement plan or similar employee compensation plan in an amount not to exceed the amount of compensation expenses recognized by Holdings, the Borrower and any of their Subsidiaries in connection with such plans;
- (r) the Median Investment;
- (s) the Healthscope Investment; and
- (t) any transaction (other than any Investment specifically limited by the above clauses (a) through (s)) which constitutes an Investment to the extent permitted by Section 7.10.

“Person”: an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Plan”: at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is at such time (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Plan Asset Regulations”: 29 CFR § 2510.3-101 *et seq.*, as modified by Section 3(42) of ERISA, as amended from time to time.

“Pricing Grids”: the tables set forth below (the “Ratings Based Pricing Grids”).

For Revolving Loans

| Range of Credit Ratings<br>(S&P/Moody’s/ Fitch Ratings) | Applicable Margin for Revolving<br>Loans which are Eurocurrency<br>Loans, RFR Loans or LIBOR |  | Applicable Margin for<br>Revolving Loans which are<br>ABR Loans<br>(% per annum) | Facility Fee Percentage<br>(% per annum) |
|---|--|--|--|--|
|   | Daily Loans<br>(% per annum)   |  |  |  |
| A-/A3 or higher   | 0.825%   |  | 0.00%  | 0.125%                                   |
| BBB+/Baa1   | 0.875%   |  | 0.00%  | 0.15%                                    |
| BBB/Baa2  | 1.00%  |  | 0.00%  | 0.20%                                    |
| BBB-/Baa3   | 1.20%  |  | 0.20%  | 0.25%                                    |
| below BBB-/Baa3 or unrated                              | 1.55%  |  | 0.55%  | 0.30%                                    |

For Term Loans

| Range of Credit Ratings<br>(S&P/Moody’s/ Fitch Ratings) | Applicable Margin for Term<br>Loans which are Eurocurrency<br>Loans |  | Applicable Margin for Term Loans<br>which are ABR Loans<br>(% per annum) |
|---|---|--|--|
|   | (% per annum)   |  |  |
| A-/A3 or higher   | 0.85%   |  | 0.00%  |
| BBB+/Baa1   | 0.925%  |  | 0.00%  |
| BBB/Baa2  | 1.15%   |  | 0.15%  |
| BBB-/Baa3   | 1.45%   |  | 0.45%  |
| below BBB-/Baa3 or unrated                              | 1.85%   |  | 0.85%  |

For purposes of the Ratings Based Pricing Grids, if at any time the Borrower has two (2) Credit Ratings, the Applicable Margin and Facility Fee Percentage shall be the rate per annum applicable to the highest Credit Rating; provided that if the highest Credit Rating and the



lowest Credit Rating are more than one ratings category apart, the Applicable Margin and Facility Fee Percentage shall be the rate per annum applicable to Credit Rating that is one ratings category below the highest Credit Rating. If at any time the Borrower has three (3) Credit Ratings, and such Credit Ratings are split, then: (A) if the difference between the highest and the lowest such Credit Ratings is one ratings category (e.g. Baa2 by Moody's and BBB- by S&P or Fitch), the Applicable Margin and Facility Fee Percentage shall be the rate per annum that would be applicable if the highest of the Credit Ratings were used; and (B) if the difference between such Credit Ratings is two ratings categories (e.g. Baa1 by Moody's and BBB- by S&P or Fitch) or more, the Applicable Margin and Facility Fee Percentage shall be the rate per annum that would be applicable if the average of the two (2) highest Credit Ratings were used, provided that if such average is not a recognized rating category, then the Applicable Margin and Facility Fee Percentage shall be the rate per annum that would be applicable if the second highest Credit Rating of the three were used. If at any time the Borrower has only one Credit Rating (and such Credit Rating is from Moody's or S&P), the Applicable Margin and Facility Fee Percentage shall be the rate per annum applicable to such Credit Rating. If the Borrower does not have a Credit Rating from either Moody's or S&P, the Applicable Margin and Facility Fee Percentage shall be the rate per annum applicable to a Credit Rating of "below BBB-/Baa3 or unrated" in the tables above.

A change (if any) in the Applicable Margin and Facility Fee Percentage shall be effective immediately as of the date on which any of the rating agencies announces a change in the Credit Rating or the date on which the Borrower no longer has a Credit Rating from one of the rating agencies or the date on which the Borrower has a Credit Rating from a rating agency that had not provided a Credit Rating for the Borrower on the day immediately preceding such date, whichever is applicable.

"Prime Rate": the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Projections": as defined in Section 6.2(b).

"Properties": as defined in Section 4.17(a).

"Property Owning Subsidiary": a Subsidiary of the Borrower that owns or leases any Real Property.

"Protesting Lender": as defined in Section 10.22(a).

"PTE": a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"QFC Credit Support": as defined in Section 10.23.

“Qualified Borrower Guarantee”: a Qualified Borrower Guarantee substantially in the form of Exhibit H executed and delivered by the Borrower to the Administrative Agent in connection with the admission of a Subsidiary Borrower as a Borrower hereunder.

“Qualified Lender Counterparty”: as defined in the definition of “Lender Swap Agreement”.

“Quotation Day”: with respect to any borrowing of Eurocurrency Loans for any Interest Period, (i) if the currency is AUD or CAD, the first day of such Interest Period, (ii) if the currency is Euros, two TARGET Days before the first day of such Interest Period, and (iii) for any LIBOR Quoted Currency, two (2) Business Days prior to the commencement of such Interest Period, unless, in each case, market practice differs in the relevant market where the Local Rate, LIBO Rate or the EURIBOR Rate, as applicable, for such currency is to be determined, in which case the Quotation Day will be determined by the Administrative Agent in accordance with market practice in such market (and if quotations would normally be given on more than one day, then the Quotation Day will be the last of those days).

“Ratings Based Pricing Grids”: as defined in the definition of “Pricing Grids”.

“Real Property”: any real property owned or ground-leased by a Group Member.

“Recipient”: (a) the Administrative Agent, (b) any Lender and (c) any Issuing Lender, as applicable.

“Recourse Indebtedness”: any Indebtedness that is not Nonrecourse Indebtedness.

“Reference Time”: with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the LIBO Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, (2) if such Benchmark is EURIBOR Rate, 11:00 a.m. Brussels time two TARGET Days preceding the date of such setting, (3) if such Benchmark is TIBOR Rate, 11:00 a.m. Japan time two Business Days preceding the date of such setting, (4) if the RFR for such Benchmark is SONIA, then four Business Days prior to such setting, (5) if the RFR for such Benchmark is SARON, then five Business Days prior to such setting or (6) if such Benchmark is none of the Eurodollar Rate, the EURIBOR Rate, the TIBOR Rate, SONIA or SARON, the time determined by the Administrative Agent in its reasonable discretion.

“Refunded Swingline Loans”: as defined in Section 2.7(b).

“Register”: as defined in Section 10.6(b)(iv).

“Regulation U”: Regulation U of the Board as in effect from time to time.

“Reimbursement Obligation”: the obligation of the Borrower to reimburse the Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit.

“REIT”: a domestic trust or corporation that qualifies as a real estate investment trust under the provisions of §856, et. seq. of the Code or any successor provisions.

“Related Parties”: with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Relevant Governmental Body”: (i) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Federal Reserve Board and/or the NYFRB, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Sterling, the Bank of England, or a committee officially endorsed or convened by the Bank of England or, in each case, any successor thereto, (iii) with respect to a Benchmark Replacement in respect of Loans denominated in Euros, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto, (iv) with respect to a Benchmark Replacement in respect of Loans denominated in Yen, the Bank of Japan, or a committee officially endorsed or convened by the Bank of Japan or, in each case, any successor thereto, (v) with respect to a Benchmark Replacement in respect of Loans denominated in CHF, the Swiss National Bank, or a committee officially endorsed or convened by the Swiss National Bank or, in each case, any successor thereto, and (vi) with respect to a Benchmark Replacement in respect of Loans denominated in any other currency, (a) the central bank for the currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement or (b) any working group or committee officially endorsed or convened by (1) the central bank for the currency in which such Benchmark Replacement is denominated, (2) any central bank or other supervisor that is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement, (3) a group of those central banks or other supervisors or (4) the Financial Stability Board or any part thereof.

“Relevant Rate”: (i) with respect to any Eurocurrency Borrowing denominated in a LIBOR Quoted Currency, the Adjusted LIBO Rate, (ii) with respect to any Eurocurrency Borrowing denominated in Euros, the Adjusted EURIBOR Rate, (iii) with respect to any Eurocurrency Borrowing denominated in Yen, the Adjusted TIBOR Rate, (iv) with respect to any Eurocurrency Borrowing denominated in a Non-Quoted Currency, the applicable Local Rate or (v) with respect to any Borrowing denominated in Sterling or CHF, the applicable Adjusted Daily Simple RFR, as applicable.

“Relevant Screen Rate”: (i) with respect to any Eurocurrency Borrowing denominated in a LIBOR Quoted Currency, the LIBO Screen Rate, (ii) with respect to any Eurocurrency Borrowing denominated in Euros, the EURIBOR Screen Rate, (iii) with respect to any Eurocurrency Borrowing denominated in Yen, the TIBOR Screen Rate or (iv) with respect to any Eurocurrency Borrowing denominated in a Non-Quoted Currency, the applicable Local Screen Rate, as applicable.

“Reorganization”: with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

“Reportable Event”: any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty (30) day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

“Required Lenders”: at any time, subject to Section 2.24(b), the holders of more than fifty percent (50%) of the sum of (a) the aggregate unpaid principal amount of the Term Loans plus (b) the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding.

“Requirement of Law”: as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Resolution Authority”: an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer”: the chief executive officer, president, chief financial officer, chief operating officer, managing director, controller, treasurer, vice president or secretary of Holdings, the sole member of the general partner of the Borrower, but in any event, with respect to financial matters, the chief financial officer or controller of Holdings, the sole member of the general partner of the Borrower.

“Restricted Payments”: as defined in Section 7.6.

“Reuters”: means, as applicable, Thomson Reuters Corp., Refinitiv, or any successor thereto.

“Revaluation Date”: (a) with respect to any Loan, each of the following: (i) each date of a borrowing of a Loan denominated in an Alternative Currency, (ii) each date of a continuation of a Loan denominated in an Alternative Currency pursuant to Section 2.12, and (iii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in an Alternative Currency, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof, (iii) each date of any payment by the Issuing Lender under any Letter of Credit denominated in an Alternative Currency, and (iv) such additional dates as the Administrative Agent or the Issuing Lender shall determine or the Required Lenders shall require.

“Revolving Commitment”: as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading “Revolving Commitment” opposite such Lender’s name on Schedule 1.1A or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof, including Section 2.23. The original amount of the Total Revolving Commitments is \$1,300,000,000.

“Revolving Commitment Period”: the period from and including the Funding Date to the Revolving Termination Date.

“Revolving Commitment Utilization Percentage”: on any date, the percentage equal to a fraction (a) the numerator of which is the Total Revolving Extensions of Credit and (b) the denominator of which is the Total Revolving Commitments; provided that in calculating the Total Revolving Extensions of Credit for purposes of Section 2.8(a), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

“Revolving Extensions of Credit”: as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate Dollar Equivalent principal amount of all Revolving Loans held by such Lender then outstanding, (b) such Lender’s Revolving Percentage of the L/C Obligations then outstanding and (c) such Lender’s Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

“Revolving Facility”: the Revolving Commitments and the Loans and extensions of credit made thereunder made thereunder.

“Revolving Lender”: each Lender that has a Revolving Commitment or that holds Revolving Loans.

“Revolving Loans”: as defined in Section 2.4(a).

“Revolving Percentage”: as to any Revolving Lender at any time, the percentage which such Lender’s Revolving Commitment then constitutes of the Total Revolving Commitments; provided that in the case of Section 2.24 when a Defaulting Lender which is a Revolving Lender shall exist, “Revolving Percentage” shall mean the percentage which such Lender’s Revolving Commitment then constitutes of the Total Revolving Commitment (disregarding any Defaulting Lender’s Revolving Commitment). With respect to any Revolving Lender whose Revolving Commitments shall have expired or terminated, “Revolving Percentage” shall mean the percentage which the aggregate principal amount of such Lender’s Revolving Loans then outstanding constitutes of the aggregate principal amount of the Revolving Loans then outstanding, provided, that, in the event that the Revolving Loans are paid in full prior to the reduction to zero of the Total Revolving Extensions of Credit, the Revolving Percentages shall be determined in a manner designed to ensure that the other outstanding Revolving Extensions of Credit shall be held by the Revolving Lenders on a comparable basis.

“Revolving Termination Date”: February 1, 2024, subject to extension as provided in Section 2.25.

“RFR”: for any RFR Loan denominated in (a) Sterling, SONIA and (b) CHF, SARON.

“RFR Administrator”: the SONIA Administrator or the SARON Administrator.

“RFR Borrowing”: as to any Borrowing, the RFR Loans comprising such Borrowing.

“RFR Business Day”: for any Loan denominated in (a) Sterling, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for general business in London and (b) CHF, any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which banks are closed for the settlement of payments and foreign exchange transactions in Zurich.

“RFR Interest Day”: has the meaning specified in the definition of “Daily Simple RFR”.

“RFR Loan”: a Loan that bears interest at a rate based on the Adjusted Daily Simple RFR.

“RIDEA”: REIT Investment Diversification and Empowerment Act of 2007, as amended.

“S&P”: as defined in the definition of Cash Equivalents.

“Sanctioned Country”: at any time, a country, region or territory which is the subject or target of any Sanctions.

“Sanctioned Person”: at any time, (a) any Person described in any Sanctions-related Executive Order or list of designated Persons maintained or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any EU member state, Her Majesty’s Treasury of the United Kingdom or any other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

“Sanctions”: economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any EU member state, Her Majesty’s Treasury of the United Kingdom or any other relevant sanctions authority.

“SARON”: with respect to any Business Day, a rate per annum equal to the Swiss Average Rate Overnight for such Business Day published by the SARON Administrator on the SARON Administrator’s Website.

“SARON Administrator”: the SIX Swiss Exchange AG (or any successor administrator of the Swiss Average Rate Overnight).

“SARON Administrator’s Website”: SIX Swiss Exchange AG’s website, currently at <https://www.six-group.com>, or any successor source for the Swiss Average Rate Overnight identified as such by the SARON Administrator from time to time.

“Screen Rate”: the LIBO Screen Rate, the EURIBOR Screen Rate, and the Local Screen Rates, collectively and individually as the context may require.

“SEC”: the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

“Secured Debt Reserve”: as defined in Section 7.1(c).

“Secured Indebtedness”: the portion of Total Indebtedness which is secured by a Lien on any Real Property, personal property, Capital Stock or other assets.

“Secured Leverage Ratio”: as defined in Section 7.1(c).

“Significant Acquisition”: any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in the acquisition (including, without limitation, a merger or consolidation or any other combination with another Person) by one or more Group Members of properties or assets of a Person (or the Capital Stock of a Person) for a purchase price in excess of 5% of Total Asset Value or its foreign currency equivalent.

“Single Employer Plan”: any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

“SOFR”: with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day.

“SOFR Administrator”: the NYFRB (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website”: the NYFRB’s Website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Solvent”: when used with respect to any Person, means that, as of any date of determination, (a) the amount of the “present fair saleable value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) “debt” means liability on a “claim”, and (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

“SONIA”: with respect to any Business Day, a rate per annum equal to the Sterling Overnight Index Average for such Business Day published by the SONIA Administrator on the SONIA Administrator’s Website on the immediately succeeding Business Day.

“SONIA Administrator”: the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

“SONIA Administrator’s Website”: the Bank of England’s website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

“Specified Change of Control”: a “Change of Control” or “Designated Event” (or any other defined term having a similar purpose) as defined in any Additional Senior Unsecured Indentures.

“Specified Jurisdictions”: Germany, the United Kingdom, Australia, Canada, Switzerland, Japan, Spain, Italy, Ireland, Austria, France, Portugal, Colombia and such other countries or such territories of the United States as are proposed by the Borrower and approved by the Administrative Agent.

“Specified Time”: (i) in relation to a Loan in AUD, as of 11:00 A.M., Sydney, Australia time; (ii) in relation to a Loan in CAD, as of 10:15 A.M. Toronto, Ontario time; (iii) in relation to a Loan in Euros, 11:00 A.M. Brussels time; and (iv) in relation to a Loan in a LIBOR Quoted Currency, as of 11:00 A.M., London time.

“Statutory Reserve Rate”: a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board or other applicable governmental body to which the Administrative Agent is subject with respect to the LIBO Rate, the TIBOR Rate or the EURIBOR Rate, as applicable, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D or any comparable regulation. Eurocurrency Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Sterling” and “GBP”: the lawful currency of the United Kingdom.

“Subsidiary”: as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such



Person. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Subsidiary Borrower”: as defined in Section 10.22(a).

“Subsidiary Guarantor”: (i) each Property Owning Subsidiary of the Borrower, other than any Excluded Foreign Subsidiary, that provides a Guarantee Agreement so that the Real Property owned or leased by such Subsidiary shall qualify as an Unencumbered Property and (ii) MPT Australia Realty Trust, a subsidiary trust organized and existing under the laws of Australia, for so long as it is the guarantor or borrower of any Recourse Indebtedness (other than the Obligations).

“Supported QFC”: as defined in Section 10.23.

“Swap Agreement”: any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or any of its Subsidiaries shall be a “Swap Agreement”.

“Swap Obligations”: with respect to any Person, any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction, including any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swap Termination Value”: in respect of any one or more Swap Agreements, after taking into account the effect of any netting agreements relating to such Swap Agreements (to the extent, and only to the extent, such netting agreements are legally enforceable in a bankruptcy or insolvency proceeding against the applicable counterparty obligor thereunder), (i) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (ii) for any date prior to the date referenced in preceding clause (i), the amount(s) determined as the mark-to-market value(s) for such Swap Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements (which may include a Lender or any Affiliate of a Lender).

“Swingline Commitment”: as to each Swingline Lender, the obligation of such Swingline Lender to make Swingline Loans pursuant to Section 2.6 in an aggregate Dollar Equivalent principal amount at any one time outstanding not to exceed 20% of the Swingline Sublimit (or such other amount as is agreed to among the Borrower, such Swingline Lender and

the Administrative Agent); provided that the aggregate Swingline Commitments for all Swingline Lenders shall not exceed the Swingline Sublimit.

“Swingline Exposure”: at any time, the aggregate Dollar Equivalent principal amount of all Swingline Loans outstanding at such time. Except to the extent the Swingline Exposure of a Defaulting Lender has been reallocated in accordance with Section 2.24(c), the Swingline Exposure of any Revolving Lender shall be the sum of (a) its Revolving Percentage of the total Swingline Exposure at such time related to Swingline Loans other than any Swingline Loans made by such Lender in its capacity as a Swingline Lender and (b) if such Lender is a Swingline Lender, the aggregate Dollar Equivalent principal amount of all Swingline Loans made by such Lender outstanding at such time (to the extent that other Lenders shall not have funded their participations in such Swingline Loans).

“Swingline Lender”: each of JPMorgan Chase Bank, N.A., Bank of America, N.A., KeyBank National Association, Barclays Bank PLC, Goldman Sachs Bank USA and any other Lender that agrees to provide Swingline Loans with the consent of the Borrower and the Administrative Agent, in each case in its capacity as the lender of Swingline Loans up to its Swingline Commitment. Each reference herein to “Swingline Lender” shall mean all of the Swingline Lenders, each Swingline Lender, or the applicable Swingline Lender, as the context may require.

“Swingline Loans”: as defined in Section 2.6(a).

“Swingline Participation Amount”: as defined in Section 2.7(c).

“Swingline Sublimit”: the Dollar Equivalent of \$100,000,000.

“Syndication Agent”: as defined in the preamble hereto.

“TARGET2”: the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system (or, if such payment system ceases to be operative, such other payment system reasonably determined by the Administrative Agent to be a suitable replacement) for the settlement of payments in euro.

“Taxes”: all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Commitments”: as to any Lender, its Dollar Term Commitment.

“Term Facility”: the Dollar Term Facility.

“Term Loan Maturity Date”: the Dollar Term Loan Maturity Date.

“Term Loans”: the Dollar Term Loans.

“Term Percentage”: the Dollar Term Percentage.

“Term SOFR”: for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Term SOFR Notice”: a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.

“Term SOFR Transition Event”: (i) the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.16 that is not Term SOFR and (ii) the mutual agreement of the Administrative Agent and the Borrower to deliver a Term SOFR Notice.

“TIBOR Rate”: with respect to any Eurocurrency Borrowing denominated in Yen and for any Interest Period, the TIBOR Screen Rate two Business Days prior to the commencement of such Interest Period.

“TIBOR Screen Rate”: the Tokyo interbank offered rate administered by the Ippan Shadan Hojin JBA TIBOR Administration (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on page DTIBOR01 of the Reuters screen (or, in the event such rate does not appear on such Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as selected by the Administrative Agent from time to time in its reasonable discretion) as published at approximately 1:00 p.m. Japan time two Business Days prior to the commencement of such Interest Period.

“Total Asset Value”: an amount equal to the sum, without duplication, of (i) the undepreciated cost (after taking into account any impairments) of all Real Properties that are 100% fee owned or ground-leased by the Group Members (other than Development Properties), plus (ii) the pro-rata share of the undepreciated cost (after taking into account any impairments) of all Real Properties that are less than 100% fee owned or ground-leased by the Group Members (other than Development Properties), plus (iii) unrestricted cash and Cash Equivalents of the Group Members in excess of \$10,000,000; provided that, for purposes of calculating the Total Leverage Ratio, no such unrestricted cash and Cash Equivalents will be added to Total Asset Value if such unrestricted cash and Cash Equivalents have been deducted from Total Indebtedness in the Total Leverage Ratio or from Secured Indebtedness in the Secured Leverage Ratio, plus (iv) the book value of performing notes receivable of the Group Members which are not more than sixty (60) days past due or otherwise in payment default after giving effect to applicable cure periods (in an amount not to exceed 10% of Total Asset Value), plus (v) the book value (after taking into account any impairments) of equity or debt investments in unconsolidated subsidiaries and joint ventures (in an amount not to exceed 25% of Total Asset Value), plus (vi) the book value (after taking into account any impairments) of Construction-in-Process for all Development Properties (in an amount not to exceed the greater of \$200,000,000 and 7% of Total Asset Value), all as determined on a consolidated basis in accordance with GAAP.

“Total EBITDA”: for any fiscal period, total EBITDA of the Group Members and the Borrower’s pro rata share of EBITDA of unconsolidated Subsidiaries and joint ventures of the Group Members.

“Total Fixed Charges”: for any fiscal period, an amount equal to the sum of (i) Interest Expense, (ii) regularly scheduled installments of principal payable with respect to all Total Indebtedness (but excluding any balloon bullet, or similar payments due at maturity and principal payments with respect to intercompany Indebtedness between the Borrower and its Wholly Owned Subsidiaries), plus (iii) all dividend payments due to the holders of any preferred shares of beneficial interest of Holdings and all distributions due to the holders of any limited partnership interests in the Borrower other than (a) limited partner distributions based on the per share dividend paid on the common shares of beneficial interest of Holdings (including the Borrower’s pro rata share thereof for unconsolidated Subsidiaries and joint ventures), (b) redemption payments or charges in connection with the redemption of preferred Capital Stock and (c) dividends or distributions paid or payable to the Borrower or any of its Subsidiaries.

“Total Indebtedness”: all Indebtedness of the Group Members and the Borrower’s pro rata share of all Indebtedness of unconsolidated Subsidiaries and joint ventures of the Borrower.

“Total Leverage Ratio”: as defined in Section 7.1(a).

“Total Revolving Commitments”: at any time, the aggregate amount of the Revolving Commitments then in effect.

“Total Revolving Extensions of Credit”: at any time, the aggregate amount of the Revolving Extensions of Credit of the Revolving Lenders outstanding at such time.

“Transferee”: any Assignee or Participant.

“Type”: when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the Adjusted EURIBOR Rate, the Adjusted TIBOR Rate, the Adjusted Daily Simple RFR, the LIBOR Daily Floating Rate, the Local Rate, or the ABR.

“UK Financial Institutions”: any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority”: the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement”: the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

**“Unencumbered Asset Value”**: an amount equal to the sum without duplication of (i) the undepreciated cost (after taking into account any impairments) of those Unencumbered Properties (other than Development Properties) that are 100% fee owned or ground leased by the Borrower, a Subsidiary Guarantor or a Wholly Owned Subsidiary of the Borrower, plus (ii) the pro rata share of the undepreciated cost (after taking into account any impairments) of those Unencumbered Properties (other than Development Properties) that are at least 51% owned by the Borrower, directly or indirectly, plus (iii) the book value of unencumbered Mortgage Notes so long as (A) the real estate securing such Mortgage Note meets the criteria for an Unencumbered Property that is not a Development Property (other than clauses (1), 3(a) and (7) of the definition thereof), (B) such Mortgage Note is not more than sixty (60) days past due or otherwise in payment default after giving effect to applicable cure periods that has resulted in the commencement of the exercise of remedies and (C) such Mortgage Note is owned by the Borrower, a Subsidiary Guarantor or a Wholly Owned Subsidiary of the Borrower that is not liable for any Recourse Indebtedness, plus (iv) unrestricted cash and Cash Equivalents in excess of \$10,000,000; provided that, for purposes of calculating the Unsecured Leverage Ratio, no such unrestricted cash and Cash Equivalents will be added to Unencumbered Asset Value if such unrestricted cash and Cash Equivalents have been deducted from Unsecured Indebtedness in the Unsecured Leverage Ratio, plus (v) the book value (after taking into account any impairments) of Construction-in-Process for all Development Properties that are Unencumbered Properties (in an amount not to exceed the greater of \$200,000,000 and 7% of Unencumbered Asset Value), plus (vi) the book value of Alternative Eligible Loans (in an amount, with respect to all such Alternative Eligible Loans at any time outstanding, not to exceed 10% of Unencumbered Asset Value) all, except for clause (ii), as determined on a consolidated basis in accordance with GAAP;

provided that (A) not more than 30% of Unencumbered Asset Value shall be attributable to Mortgage Notes, (B) not more than 15% of Unencumbered Asset Value may be attributable to any single Unencumbered Property, (C) not more than 40% of Unencumbered Asset Value may be attributable to Unencumbered Properties and Mortgage Notes for which a single Person is the tenant or obligor (and where any tenant or obligor is a joint venture in which a Person holds an interest, only such Person’s pro-rata share of the Unencumbered Asset Value attributable to the Unencumbered Property or Mortgage Note owned by such joint venture shall be counted against such Person for purposes of this clause (C)), (D) not more than 25% of Unencumbered Asset Value may be attributable to Unencumbered Properties that are at least 51% owned by the Borrower, directly or indirectly, but less than 90% owned by the Borrower, directly or indirectly, (E) not more than 15% of Unencumbered Asset Value may be attributable to Unencumbered Properties that are ground-leased by the Borrower or a Guarantor, (F) [reserved], (G) not more than 50% of Unencumbered Asset Value, in the aggregate, may be attributable to Unencumbered Properties located in Specified Jurisdictions (provided that not more than 20% of Unencumbered Asset Value, in the aggregate, may be attributable to Unencumbered Properties located in Specified Jurisdictions other than Australia, Germany and the United Kingdom), and (H) not more than 10% of Unencumbered Asset Value, in the aggregate, may be attributable to any Real Property leased to a tenant that is subject to any Bankruptcy Event.

**“Unencumbered NOI”**: for any fiscal period, the sum of (a) the total Adjusted NOI attributable to all Unencumbered Properties for such period plus (b) the net income attributable to

any unencumbered Mortgage Notes that are included in the calculation of Unencumbered Asset Value.

“Unencumbered Property”: any Real Property that meets each of the following criteria as of the date of determination (with each such Real Property that meets such criteria being treated as an Unencumbered Property herein):

1. Such Real Property is either (i) 100% fee owned or ground leased (with a remaining term of at least 25 years (except for the Real Property described on Schedule EGL which shall have a remaining ground lease term of at least 20 years) and the ability to qualify for financing under traditional long term financing terms and conditions), by (x) the Borrower, (y), a Subsidiary Guarantor or (z) a Property Owning Subsidiary that is a Wholly Owned Subsidiary of the Borrower that is not a Subsidiary Guarantor and that is not liable for any Recourse Indebtedness (whether secured or unsecured, and including any Guarantee Obligations in respect of indentures or otherwise) or (ii) at least 51% owned by the Borrower, directly or indirectly, so long as the Borrower exclusively controls the sale and financing of such Real Property.
2. Such Real Property is improved with one or more completed medical buildings of a type consistent with the Borrower’s business strategy, unless such Real Property is a Development Property.
3. Such Real Property is not directly or indirectly subject to any Lien (other than Liens permitted under clauses (a), (b), (c), (d), (e), (g) and (h) of Section 7.3) or any negative pledge agreement or other agreement that prohibits the creation of a Lien.
4. The representations in Section 4.17 are true with respect to such Real Property.
5. The buildings and improvements on such Real Property are free of material defects which would materially decrease the value of such Real Property.
6. Such Real Property is located in the United States or a Specified Jurisdiction; provided if such Real Property is located in a Specified Jurisdiction and the Foreign Subsidiary that is the owner or lessee of such Real Property is not a Subsidiary Guarantor, then such Real Property shall only be treated as an Unencumbered Property if such Subsidiary does not have any Recourse Indebtedness.
7. Such Real Property is subject to a triple-net lease with a tenant, the tenant under such lease is not in default in the payment of base rent after giving effect to applicable cure periods, and such tenant is not in bankruptcy under Chapter 7 of the U.S. Bankruptcy Code or similar insolvency liquidation proceedings of a country other than the United States, unless such Real Property is a Development Property.

“United States”: the United States of America.

“Unsecured Debt Reserve”: as defined in Section 7.1(f).

“Unsecured Indebtedness”: the outstanding principal amount of Total Indebtedness that is not secured by a Lien on any Real Property, personal property, Capital Stock or other assets.

Indebtedness. “Unsecured Interest Expense”: for any fiscal period, the amount of actual Interest Expense on Unsecured

“Unsecured Leverage Ratio”: as defined in Section 7.1(f).

“U.S. Person”: a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regime”: as defined in Section 10.23.

“U.S. Tax Compliance Certificate”: as defined in Section 2.19(f)(ii)(B)(3).

“Wholly Owned Subsidiary”: as to any Person, any other Person all of the Capital Stock of which (other than directors’ qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

“Write-Down and Conversion Powers”: (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

“Yen” and “JPY”: the lawful currency of Japan.

6.2 Other Definitional Provisions. A. Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

B. As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, (iii) the word “incur” shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words “incurred” and “incurrence” shall have correlative meanings), (iv) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, and (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

C. The words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

D. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

6.3 Exchange Rates; Currency Equivalents. A. The Administrative Agent or the Issuing Lender, as applicable, shall determine the rate of exchange as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of Loans and Letters of Credit denominated in Alternative Currencies. Such rate of exchange shall become effective as of such Revaluation Date and shall be the rate of exchange employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or the Issuing Lender, as applicable.

B. Wherever in this Agreement in connection with a borrowing, conversion, continuation or prepayment of a Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such borrowing, Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the Issuing Lender, as the case may be.

C. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of “LIBO Rate”, “EURIBOR Rate”, “TIBOR Rate”, “Daily Simple RFR”, or “Local Rate” or with respect to any comparable or successor rate thereto.

6.4 Additional Alternative Currencies. A. The Borrower may from time to time request that Loans be made and/or Letters of Credit be issued in a currency other than those specifically listed in the definition of “Alternative Currency;” provided that such requested currency is a lawful currency (other than Dollars) that is readily available and freely transferable and convertible into Dollars and, in the case of Eurocurrency Loans and RFR Loans, for which Reuters (or a successor thereto, or a substitute service selected by the Administrative Agent) reports a Relevant Rate. In the case of any such request with respect to the making of Loans, such request shall be subject to the approval of the Administrative Agent and all of the Lenders; and in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent, the Issuing Lender and all of the Lenders.

B. Any such request shall be made to the Administrative Agent not later than 11:00 A.M., twenty (20) Business Days prior to the date of the desired Loan or Letter of Credit (or such other time or date as may be agreed by the Administrative Agent and, in the case of any such request pertaining to Letters of Credit, the Issuing Lender, in its or their sole discretion). In the case of



any such request pertaining to Loans, the Administrative Agent shall promptly notify each Lender thereof; and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the Issuing Lender thereof. Each Lender (in the case of any such request pertaining to Loans) or the Issuing Lender (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 A.M., ten (10) Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Loans or the issuance of Letters of Credit, as the case may be, in such requested currency.

C. Any failure by a Lender or the Issuing Lender, as the case may be, to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Lender or the Issuing Lender, as the case may be, to permit Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the Lenders consent to making Loans in such requested currency, the Administrative Agent shall so notify the Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any borrowings of Loans; and if the Administrative Agent and the Issuing Lender consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify the Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain consent to any request for an additional currency under this Section 1.4, the Administrative Agent shall promptly so notify the Borrower.

**6.5** Change of Currency. A. Each obligation of the Borrower to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the date hereof shall be redenominated into Euro at the time of such adoption. If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency; provided that if any borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such borrowing, at the end of the then current Interest Period.

B. Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

C. Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

**6.6** Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

**6.7** Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

**6.8** Interest Rates; LIBOR Notification. The interest rate on a Loan denominated in Dollars or an Alternative Currency may be derived from an interest rate benchmark that is, or may in the future become, the subject of regulatory reform. Regulators have signaled the need to use alternative benchmark reference rates for some of these interest rate benchmarks and, as a result, such interest rate benchmarks may cease to comply with applicable laws and regulations, may be permanently discontinued, and/or the basis on which they are calculated may change. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the “IBA”) for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurocurrency Loans and LIBOR Daily Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, Section 2.16(b) and (c) provide the mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Borrower, pursuant to Section 2.16(e), of any change to the reference rate upon which the interest rate on Eurocurrency Loans and LIBOR Daily Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of “LIBO Rate” (or “EURIBOR Rate”, “LIBOR Daily Floating Rate”, or “Local Rate”, as applicable) or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 2.16(b) or (c), whether upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.16(d)), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBO Rate (or the EURIBOR Rate, LIBOR Daily Floating Rate or Local Rate, as applicable) or have the same volume or liquidity as did the London interbank offered rate (or the euro interbank offered rate, as applicable) prior to its discontinuance or unavailability.

**6.9** Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset,

right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Capital Stock at such time.

## **SECTION 7. AMOUNT AND TERMS OF COMMITMENTS**

**7.1** Term Commitments. Subject to the terms and conditions hereof, each Dollar Term Lender severally agrees to make a term loan (a "Dollar Term Loan") to the Borrower in Dollars in a single borrowing on the Funding Date in an amount not to exceed the amount of the Dollar Term Commitment of such Lender. The Dollar Term Loans may from time to time be Eurocurrency Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.12. The Dollar Term Lenders' commitments to make the Dollar Term Loan shall expire on the earlier to occur of 5:00 P.M. on the Funding Date and \_\_\_\_\_, 2021 if the Funding Date has not occurred by such date. Amounts paid or prepaid in respect of Dollar Term Loans may not be reborrowed.

**7.2** Procedure for Dollar Term Loan Borrowing. The Borrower shall give the Administrative Agent irrevocable notice in the form of Exhibit E (which notice must be received by the Administrative Agent prior to 11:00 A.M., New York City time, (a) three (3) Business Days prior to the requested Borrowing Date, in the case of Eurocurrency Loans, or (b) one (1) Business Day prior to the requested Borrowing Date, in the case of ABR Loans) requesting that the Dollar Term Lenders make the Dollar Term Loans on the Funding Date, specifying the amount to be borrowed, the requested Borrowing Date and whether such Dollar Term Loan shall be Eurocurrency Loans or ABR Loans and, in the case of Eurocurrency Loans, the initial Interest Period applicable thereto, which shall be a period contemplated by the definition of "Interest Period". Upon receipt of such notice the Administrative Agent shall promptly notify each Dollar Term Lender thereof. Not later than 11:00 A.M., New York City time, on the Funding Date each Dollar Term Lender shall make available to the Administrative Agent at the Funding Office an amount in Dollars in immediately available funds equal to the Dollar Term Loan to be made by such Lender. The Administrative Agent shall credit the account of the Borrower on the books of such office of the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Dollar Term Lenders in immediately available funds.

If no election as to the Type of Dollar Term Loan is specified, then the requested Dollar Term Loan shall be an ABR Loan. If no Interest Period is specified with respect to any requested Eurocurrency Tranche, then Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a borrowing request in the form of Exhibit E and in accordance with this Section, the Administrative Agent shall advise each Dollar Term Lender of the details thereof and of the amount of such Dollar Term Lender's Dollar Term Loan to be made.

Each Dollar Term Loan shall be made by the Dollar Term Lenders ratably in accordance with their applicable Dollar Term Commitments; provided that the failure of any Dollar Term Lender to make its Dollar Term Loan shall not in itself relieve any other Dollar Term Lender of its obligation to lend hereunder (it being understood, however, that no Dollar Term Lender shall be responsible for the failure of any other Dollar Term Lender to make any Dollar Term Loan

required to be made by such other Dollar Term Lender). ABR Loans comprising any Dollar Term Loan shall be in an aggregate principal amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000. Eurocurrency Loans comprising any Dollar Term Loan shall be in an aggregate principal amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000.

Subject to Sections 2.16 and 2.18, each Eurocurrency Tranche shall be comprised entirely of Eurocurrency Loans as Borrower may request in accordance herewith. Each Dollar Term Lender may at its option make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Dollar Term Lender to make such Dollar Term Loan; provided that any exercise of such option shall not affect the obligation of Borrower to repay such Dollar Term Loan in accordance with the terms of this Agreement. Borrowings of Dollar Term Loans of more than one Type may be outstanding at the same time, subject to Section 2.13. For purposes of the foregoing, Eurocurrency Tranches having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate borrowings.

Notwithstanding any other provision of this Agreement, Borrower shall not be entitled to request, or to elect to convert or continue, any Eurocurrency Tranche if the Interest Period requested with respect thereto would end after the Dollar Term Loan Maturity Date.

7.3            [Reserved]

7.4            Revolving Commitments.

A. Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans (“Revolving Loans”) to the Borrower or any Subsidiary Borrower from time to time during the Revolving Commitment Period in an aggregate Dollar Equivalent principal amount at any one time outstanding which, when added to such Lender’s Revolving Percentage of the sum of (i) the L/C Obligations then outstanding and (ii) the aggregate principal amount of the Swingline Loans then outstanding, does not exceed the amount of such Lender’s Revolving Commitment; provided that after giving effect to any such Revolving Loans, (x) the Total Revolving Extensions of Credit shall not exceed the Total Revolving Commitments and (y) the Total Revolving Extensions of Credit denominated in Alternative Currencies shall not exceed the Alternative Currency Sublimit. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurocurrency Loans, RFR Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.5 and 2.12.

B. Unless previously terminated, the Revolving Commitments shall terminate on the Revolving Termination Date. The Borrower shall repay all outstanding Revolving Loans on the Revolving Termination Date.

7.5            Procedure for Revolving Loan Borrowing. The Borrower may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day, provided that the Borrower shall give the Administrative Agent irrevocable notice in the form of Exhibit E (which notice must be received by the Administrative Agent (x) prior to 11:00 A.M.,

New York City time, (a) three (3) Business Days prior to the requested Borrowing Date, in the case of Eurocurrency Loans denominated in Dollars, (b) four (4) Business Days prior to the requested Borrowing Date, in the case of Eurocurrency Loans denominated in Alternative Currencies (except that the Borrower may give notice prior to 11:00 A.M., London time, three (3) Business Days prior to the requested Borrowing Date, in the case of Eurocurrency Loans denominated in Euros or Sterling), (c) five (5) RFR Business Days prior to the requested Borrowing Date, in the case of RFR Loans denominated in Sterling or CHF, or (d) on the requested Borrowing Date, in the case of ABR Loans denominated in Dollars) (provided that any such notice of a borrowing of ABR Loans under the Revolving Facility to finance payments required by Section 3.5 may be given not later than 10:00 A.M., New York City time, on the date of the proposed borrowing) or (y) prior to 10:00 a.m., New York City time, on the requested Borrowing Date, in the case of LIBOR Daily Loans denominated in Dollars), specifying (i) the amount and Type of Revolving Loans to be borrowed, (ii) the requested Borrowing Date, (iii) in the case of Eurocurrency Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor and (iv) the currency of the Revolving Loans to be borrowed, and certifying that the conditions set forth in Section 5.2 are satisfied. Each borrowing under the Revolving Commitments shall be in an amount equal to (x) in the case of ABR Loans or LIBOR Daily Loans, \$1,000,000 or a whole multiple thereof (or, if the then aggregate Available Revolving Commitments are less than \$1,000,000, such lesser amount) and (y) in the case of Eurocurrency Loans or RFR Loans, the Dollar Equivalent of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof; provided, that the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 2.7. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Revolving Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent in funds immediately available to the Administrative Agent for the account of the Borrower at the Funding Office prior to (x) 12:00 Noon, New York City time, in the case of Revolving Loans denominated in Dollars (or 1:00 p.m., New York City time, in the case of Revolving Loans that are ABR Loans or LIBOR Daily Loans denominated in Dollars that were requested on such date) or (y) the Applicable Time specified by the Administrative Agent, in the case of Revolving Loans denominated in an Alternative Currency, in each case, on the Borrowing Date requested by the Borrower. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Revolving Lenders and in like funds as received by the Administrative Agent. If the Borrower fails to specify a currency in the notice for any Revolving Loans, then such Revolving Loans shall be made in Dollars.

Subject to Sections 2.16 and 2.18, each borrowing of Revolving Loans shall be comprised entirely of ABR Loans, Eurocurrency Loans or RFR Loans, as applicable, as the Borrower may request in accordance herewith. Each Revolving Lender may at its option make any Eurocurrency Loan or RFR Loan by causing any domestic or foreign branch or Affiliate of such Revolving Lender to make such Revolving Loan; provided that any exercise of such option shall not affect the obligation of Borrower to repay such Revolving Loan in accordance with the terms of this Agreement. Borrowings of Revolving Loans of more than one Type may be outstanding at the same time, subject to Section 2.13. For purposes of the foregoing, Eurocurrency Tranches having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate borrowings.

## 7.6 Swingline Commitment.

A. Subject to the terms and conditions hereof, each Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swing line loans (“Swingline Loans”) to the Borrower in Euros or Sterling; provided that (i) the aggregate Dollar Equivalent principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Sublimit then in effect, (ii) the aggregate outstanding Dollar Equivalent principal amount of Swingline Loans made by any Swingline Lender shall not at any time exceed such Swingline Lender’s Swingline Commitment, (iii) the Total Revolving Extensions of Credit denominated in Alternative Currencies (including Swingline Loans denominated in Euros and Sterling) shall not at any time exceed the Alternative Currency Sublimit, (iv) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments would be less than zero and (v) a Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. During the Revolving Commitment Period, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be either (x) Eurocurrency Loans with an overnight maturity denominated in Euros or (y) Eurocurrency Loans bearing interest at the UK Pound Sterling Overnight ICE LIBO rate.

B. The Borrower shall repay to the Administrative Agent for the account of the Swingline Lenders the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Termination Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two (2) Business Days after such Swingline Loan is made; provided that on each date that a Revolving Loan is borrowed, the Borrower shall repay all Swingline Loans then outstanding that are denominated in the currency of such Revolving Loan.

## 7.7 Procedure for Swingline Borrowing; Refunding of Swingline Loans.

A. Whenever the Borrower desires that the Swingline Lenders make Swingline Loans, it shall give the Swingline Lenders and the Administrative Agent irrevocable telephonic notice confirmed promptly in writing in the form of Exhibit E (which telephonic notice must be received by the Swingline Lenders and the Administrative Agent not later than 10:00 A.M., London time, on the proposed Borrowing Date of a Swingline Loan denominated in Euros or Sterling), specifying (i) the amount to be borrowed, (ii) whether such borrowing shall be in Euros or Sterling and (iii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period), and certifying that the conditions set forth in Section 5.2 are satisfied. Each borrowing under the Swingline Commitment shall be in a Dollar Equivalent amount equal to \$500,000 or a whole multiple of \$100,000 in excess thereof. Not later than 3:00 P.M. (London time) in the case of a Swingline Loan denominated in Euros or Sterling, on the Borrowing Date specified in a notice in respect of Swingline Loans, each Swingline Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to its ratable portion of the requested Swingline Loan (such ratable portion to be calculated based on the ratio of such Swingline Lender's Swingline Commitment to the total Swingline Commitments of all Swingline Lenders). The Administrative Agent shall make the proceeds of such Swingline Loan available to the Borrower on such Borrowing Date by depositing such

proceeds in the account of the Borrower with the Administrative Agent on such Borrowing Date in immediately available funds. The failure of any Swingline Lender to make its ratable portion of a Swingline Loan shall not relieve any other Swingline Lender of its obligation hereunder to make its ratable portion of such Swingline Loan on the date of such Swingline Loan, but no Swingline Lender shall be responsible for the failure of any other Swingline Lender to make the ratable portion of a Swingline Loan to be made by such other Swingline Lender on the date of any Swingline Loan.

B. Each Swingline Lender, acting through the Administrative Agent, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs each Swingline Lender to act on its behalf), on notice given as set forth below, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay the Swingline Lenders. In the case of a Swingline Loan denominated in Euros or Sterling, such notice shall be given by the Swingline Lender no later than 12:00 P.M., New York time, on the day that is 3 Business Days prior to the date of such Revolving Loan, and each Revolving Lender shall make the amount of such Revolving Loan available to the Administrative Agent at the Funding Office as a Eurocurrency Loan or RFR Loan, as applicable, in immediately available funds, not later than 10:00 A.M., New York time, three (3) Business Days after the date of such notice. The proceeds of such Revolving Loans shall be immediately made available by the Administrative Agent to the Swingline Lenders for application by the Swingline Lenders to the repayment of the Refunded Swingline Loans. The Borrower irrevocably authorizes each Swingline Lender to charge the Borrower's accounts with the Administrative Agent (up to the amount available in each such account) in order to immediately pay the amount of such Refunded Swingline Loans to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loans.

C. If prior to the time a Revolving Loan would have otherwise been made pursuant to Section 2.7(b), one of the events described in Section 8(f) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by a Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 2.7(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 2.7(b), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Administrative Agent for the account of the Swingline Lenders an amount (the "Swingline Participation Amount") equal to (i) such Revolving Lender's Revolving Percentage times (ii) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Loans.

D. Whenever, at any time after a Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, such Swingline Lender receives any payment on account of the Swingline Loans, such Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided, however, that in the event that such payment received by

such Swingline Lender is required to be returned, such Revolving Lender will return to such Swingline Lender any portion thereof previously distributed to it by such Swingline Lender.

E. Each Revolving Lender's obligation to make the Loans referred to in Section 2.7(b) and to purchase participating interests pursuant to Section 2.7(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against a Swingline Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Revolving Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

#### **7.8**            Facility Fees, etc.

A. The Borrower agrees to pay the Administrative Agent, for the account of each Revolving Lender, a facility fee (the "Facility Fee") in Dollars equal to the then applicable Facility Fee Percentage on the Total Revolving Commitments, such fee being payable quarterly in arrears on each Fee Payment Date, commencing on the first day of the fiscal quarter next succeeding the Debt Rating Pricing Election Date.

B. The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent and to perform any other obligations contained therein.

#### **7.9**            Termination or Reduction of Revolving Commitments

. The Borrower shall have the right to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans and Swingline Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Total Revolving Commitments. Any such reduction shall be in an amount equal to \$1,000,000, or a whole multiple thereof, and shall reduce permanently the Revolving Commitments then in effect. The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments under this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Revolving Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Revolving Commitments shall be permanent. Each reduction of the Revolving Commitments shall be made ratably among the Revolving Lenders in accordance with their respective Revolving Commitments.



## **7.10**      Prepayments.

A. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty (except as set forth below), upon irrevocable notice delivered to the Administrative Agent no later than 11:00 A.M., New York City time, (i) three (3) Business Days prior thereto, in the case of Eurocurrency Loans denominated in Dollars, (ii) four (4) Business Days prior thereto, in the case of Eurocurrency Loans denominated in Alternative Currencies, (iii) five (5) RFR Business Days prior thereto, in the case of RFR Loans denominated in Sterling or CHF, (iv) one Business Day prior thereto, in the case of ABR Loans and LIBOR Daily Loans, and (v) on the date of prepayment, in the case of Swingline Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurocurrency Loans, RFR Loans, ABR Loans, LIBOR Daily Loans or Swingline Loans; provided, that if a Eurocurrency Loan is prepaid on any day other than the last day of the Interest Period applicable thereto or if an RFR Loan is prepaid on any day other than an Interest Payment Date, the Borrower shall also pay any amounts owing pursuant to Section 2.20. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Revolving Loans or Term Loans shall be in an aggregate principal Dollar Equivalent amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Swingline Loans shall be in an aggregate principal Dollar Equivalent amount of \$100,000 or a whole multiple thereof or, if less, the entire principal amount thereof then outstanding.

B. The Administrative Agent shall calculate the Dollar Equivalent amount of all Revolving Extensions of Credit denominated in Alternative Currencies at the time of each borrowing thereof, on the last Business Day of each month and at such other times as the Administrative Agent may elect. If the Administrative Agent notifies the Borrower at such times that the outstanding Dollar Equivalent amount of all Revolving Extensions of Credit denominated in Alternative Currencies at such time exceeds an amount equal to 105% of the Alternative Currency Sublimit then in effect, then, within five (5) Business Days after receipt of such notice, the Borrower shall prepay Revolving Loans in an aggregate amount sufficient to reduce such Revolving Extensions of Credit as of such date of payment to an amount not to exceed 105% of the Alternative Currency Sublimit then in effect. In addition, if the Administrative Agent notifies the Borrower at any time that the outstanding Dollar Equivalent amount of all Revolving Extensions of Credit at such time exceeds an amount equal to 105% of the Total Revolving Commitments then in effect, then, within five (5) Business Days after receipt of such notice, the Borrower shall prepay Revolving Loans in an aggregate amount sufficient to reduce such Revolving Extensions of Credit as of such date of payment to an amount not to exceed 100% of the Total Revolving Commitments then in effect.

## **7.11**      Repayment of Loans.

A. The Borrower promises to repay all outstanding Revolving Loans on the Revolving Termination Date or such earlier date as required herein. The Borrower promises to repay all outstanding Dollar Term Loans on the Dollar Term Loan Maturity Date or such earlier date as required herein.

B. Amounts to be applied in connection with prepayments of Revolving Loans made pursuant to Section 2.11 shall be applied, first, to the prepayment of Swingline Loans (without any corresponding reduction of the Revolving Commitments), second, to the prepayment of Revolving Loans (without any corresponding reduction of the Revolving Commitments), and third, to cash collateralize Letters of Credit by depositing an amount in cash in a cash collateral account established with the Administrative Agent for the benefit of the Revolving Lenders on terms and conditions satisfactory to the Administrative Agent. The application of any prepayment pursuant to Section 2.11 of Loans shall be made, first, to ABR Loans, second to LIBOR Daily Loans, and, third, to Eurocurrency Loans and RFR Loans. Each prepayment of the Loans under Section 2.11 (except in the case of Revolving Loans that are ABR Loans, LIBOR Daily Loans and Swingline Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

#### 7.12 Conversion and Continuation Options.

A. The Borrower may elect from time to time to convert Eurocurrency Loans denominated in Dollars to ABR Loans or LIBOR Daily Loans, or to convert LIBOR Daily Loans to ABR Loans, by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.M., New York City time, on the Business Day preceding the proposed conversion date, provided that any such conversion of Eurocurrency Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans or LIBOR Daily Loans to Eurocurrency Loans denominated in Dollars by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.M., New York City time, on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan or LIBOR Daily Loan under a particular Facility may be converted into a Eurocurrency Loan when any Event of Default has occurred and is continuing and the Administrative Agent or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such conversions. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

B. Any Eurocurrency Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans (or, if none is specified, one month), provided that no Eurocurrency Loan under a particular Facility may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such continuations, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso then (i) such Loans denominated in Dollars shall be automatically continued as Eurocurrency Loans with an Interest Period of one month on the last day of such then expiring Interest Period (unless such continuation is not permitted pursuant to the preceding proviso, in which case such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period) and (ii) such Loans denominated in an Alternative Currency shall be continued as Eurocurrency Loans in their original currency with an Interest Period of one month. Upon receipt of any such notice (or any such

automatic conversion or continuation) the Administrative Agent shall promptly notify each relevant Lender thereof. No Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be repaid in the original currency and reborrowed in the other currency. During the existence of an Event of Default, the Required Lenders may demand that any or all of the then outstanding Eurocurrency Loans denominated in an Alternative Currency be prepaid, or redenominated into Dollars in the amount of the Dollar Equivalent thereof, on the last day of the then current Interest Period with respect thereto.

**7.13**            Limitations on Eurocurrency Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurocurrency Loans and all selections of Interest Periods with respect thereto and Borrowings of RFR Loans shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal Dollar Equivalent amount of the Eurocurrency Loans comprising each Eurocurrency Tranche shall be equal to \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof and (b) no more than ten (10) Eurocurrency Tranches and RFR Borrowings shall be outstanding at any one time.

**7.14**            Interest Rates and Payment Dates.

A. Each Eurocurrency Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Adjusted LIBO Rate, the Adjusted EURIBOR Rate, the Adjusted TIBOR Rate, or the Local Rate, as applicable, for the applicable Interest Period plus the Applicable Margin.

B. Each RFR Loan shall bear interest at a rate per annum equal to the applicable Adjusted Daily Simple RFR plus the Applicable Margin.

C. Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

D. Each LIBOR Daily Loan shall bear interest at a rate per annum equal to the LIBOR Daily Floating Rate plus the Applicable Margin.

E. (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), all overdue outstanding Loans and Reimbursement Obligations shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to ABR Loans under the Revolving Facility plus 2%, and (ii) if all or a portion of any interest payable on any Loan or any facility fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Revolving Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

F. Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (e) of this Section shall be payable from time to time on demand of the Administrative Agent.

**7.15**            Computation of Interest and Fees.

A. Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, (i) with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed and (ii) with respect to Loans denominated in AUD, CAD, and Sterling, the interest thereon shall be calculated on the basis of a 365-day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Relevant Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Statutory Reserve Rate shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

B. Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.14(a).

**7.16**            Alternate Rate of Interest; Illegality. A. Subject to clauses (b), (c), (d), (e), (f) and (g) of this Section 2.16, if prior to the commencement of any Interest Period for a Eurocurrency Borrowing or a LIBOR Daily Borrowing:

(i)                            the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate, the LIBO Rate, the Adjusted EURIBOR Rate, the EURIBOR Rate, the TIBOR Rate, the Adjusted TIBOR Rate, the LIBOR Daily Floating Rate, or the Local Rate, as applicable (including because the Relevant Screen Rate is not available or published on a current basis), for the applicable Agreed Currency and such Interest Period, provided that no Benchmark Transition Event shall have occurred at such time or (B) at any time, adequate and reasonable means do not exist for ascertaining the Adjusted Daily Simple RFR, Daily Simple RFR or RFR for the applicable currency; or

(ii)                            the Administrative Agent is advised by the Required Lenders that (A) the Adjusted LIBO Rate, the Adjusted EURIBOR Rate, the Adjusted TIBOR Rate, the LIBOR Daily Floating Rate, or the Local Rate, as applicable, for the applicable Agreed Currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for the applicable Agreed Currency and such Interest Period or (B) at any time, the applicable Adjusted Daily Simple RFR for the applicable Agreed Currency will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for the applicable Agreed Currency;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any request for the conversion of any Eurocurrency Borrowing or LIBOR Daily Borrowing to, or continuation of any Eurocurrency Borrowing as, a Eurocurrency Borrowing or LIBOR Daily Borrowing shall be ineffective, (B) if a Eurocurrency Borrowing or LIBOR Daily Borrowing is requested in Dollars, such Borrowing shall be made as an ABR Borrowing, (C) if a Eurocurrency Borrowing or RFR Borrowing is requested in an Alternative Currency (other than CAD), then such request shall be ineffective and (D) if a Eurocurrency Borrowing is requested in CAD, such Borrowing shall be made at the Canadian Prime Rate; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted. Furthermore, if any Eurocurrency Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.16(a) with respect to a Relevant Rate applicable to such Eurocurrency Loan or RFR Loan, then (i) if such Eurocurrency Loan is denominated in Dollars, then on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), such Loan shall be converted by the Administrative Agent to, and shall constitute, an ABR Loan denominated in Dollars on such day, (ii) if such Eurocurrency Loan is denominated in CAD, then on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), such Loan shall be converted by the Administrative Agent to, and shall constitute, a Loan bearing interest at the Canadian Prime Rate, (iii) if such Eurocurrency Loan is denominated in any Agreed Currency (other than Dollars or CAD), then such Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for the applicable Agreed Currency plus the Applicable Margin; provided that, if the Administrative agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, such Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) be converted by the Administrative Agent to, and (subject to the remainder of this subclause (B)) shall constitute, an ABR Loan denominated in Dollars (in an amount equal to the Dollar Equivalent of such Agreed Currency) on such day (it being understood and agreed that if the Borrower does not so prepay such Loan on such day by 12:00 noon, local time, the Administrative Agent is authorized to effect such conversion of such Eurocurrency Loan into an ABR Loan denominated in Dollars), and, in the case of such subclause (B), upon the Borrower's receipt of notice from the Administrative Agent that the circumstances giving rise to the aforementioned notice no longer exist, such ABR Loan denominated in Dollars shall then be converted by the Administrative Agent to, and shall constitute, a Eurocurrency Loan denominated in such original Agreed Currency (in an amount equal to the Alternative Currency Equivalent of such Agreed Currency) on the day of such notice being given to the Borrower by the Administrative Agent or (iv) if such RFR Loan is denominated in any Agreed Currency other than Dollars, then such Loan shall bear interest at the Central Bank Rate for the applicable Agreed Currency plus the Applicable Margin; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected RFR Loans denominated in any Agreed Currency other than Dollars, at the Borrower's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or (B) be prepaid in full immediately.

B. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders of each affected class.

C. Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, solely with respect to a Dollar Loan, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then to the extent the Borrower and the Administrative Agent mutually agree, the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that, this clause (c) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may do so in its sole discretion.

D. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

E. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d)

below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.16, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.16.

F. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBO Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

G. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Eurocurrency Borrowing or RFR Borrowing of, conversion to or continuation of Eurocurrency Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, either (x) the Borrower will be deemed to have converted any request for a Eurocurrency Borrowing or LIBOR Daily Borrowing denominated in Dollars into a request for a Borrowing of or conversion to ABR Loans, (y) the Borrower will be deemed to have converted any request for a Eurocurrency Borrowing denominated in CAD into a request for a Borrowing or conversion of Loans bearing interest at the Canadian Prime Rate or (z) any Eurocurrency Borrowing or RFR Borrowing denominated in an Alternative Currency (other than CAD) shall be ineffective. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Eurocurrency Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Eurocurrency Loan or RFR Loan, then (i) if such Eurocurrency Loan or LIBOR Daily Loan is denominated in Dollars, then on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), such Loan shall be converted by the Administrative Agent to, and shall constitute, an ABR Loan denominated in Dollars on such day, (ii) if such Eurocurrency Loan is denominated in CAD, then on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), such Loan shall be converted by the Administrative Agent to, and shall

constitute, a Loan bearing interest at the Canadian Prime Rate, (iii) if such Eurocurrency Loan is denominated in any Agreed Currency (other than Dollars or CAD), then such Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), bear interest at the Central Bank Rate for the applicable Agreed Currency plus the Applicable Margin; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected Eurocurrency Loans at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) be converted by the Administrative Agent to, and (subject to the remainder of this subclause (B)) shall constitute, an ABR Loan denominated in Dollars (in an amount equal to the Dollar Equivalent of such Agreed Currency) on such day (it being understood and agreed that if the Borrower does not so prepay such Loan on such day by 12:00 noon, local time, the Administrative Agent is authorized to effect such conversion of such Eurocurrency Loan into an ABR Loan denominated in Dollars), and, in the case of such subclause (B), upon any subsequent implementation of a Benchmark Replacement in respect of such Agreed Currency pursuant to this Section 2.16, such ABR Loan denominated in Dollars shall then be converted by the Administrative Agent to, and shall constitute, a Eurocurrency Loan denominated in such original Agreed Currency (in an amount equal to the Alternative Currency Equivalent of such Agreed Currency) on the day of such implementation, giving effect to such Benchmark Replacement in respect of such Agreed Currency (iv) if such RFR Loan is denominated in any Agreed Currency other than Dollars, then such Loan shall bear interest at the Central Bank Rate for the applicable Agreed Currency plus the Applicable Margin; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected RFR Loans denominated in any Agreed Currency, at the Borrower's election, shall either (a) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or (b) be prepaid in full immediately.

H. If any Lender determines that any Requirement of Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain, or fund Loans whose interest is determined by reference to the Eurocurrency Rate or the RFR Rate, or to determine or charge interest rates based upon the Eurocurrency Rate or RFR Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars or any Alternative Currency in the London or other applicable offshore interbank market for the applicable currency, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent), (a) any obligation of such Lender to make or continue Eurocurrency Loans or RFR Loans in the affected currency or currencies or, in the case of Eurocurrency Loans denominated in Dollars, to convert ABR Loans to Eurocurrency Loans shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining ABR Loans the interest rate on which is determined by reference to the LIBO Rate component of the ABR, the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to clause (c) of the definition of "ABR", in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (i) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, (x) convert all Eurocurrency Loans denominated in Dollars of such Lender to ABR Loans or (y)



convert all Eurocurrency Loans or RFR Loans denominated in an Alternative Currency to ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) (in each case, the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to clause (c) of the definition of "ABR"), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Loans or RFR Loans and (ii) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurocurrency Rate, the Administrative Agent shall during the period of such suspension compute the ABR applicable to such Lender without reference to clause (c) of the definition of "ABR" until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurocurrency Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.20.

**7.17**            Pro Rata Treatment and Payments.

A. Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any facility fee and any reduction of the Commitments of the Lenders shall be made pro rata according to the respective applicable Term Percentages or Revolving Percentages of the applicable Lenders.

B. Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Dollar Term Loans shall be made pro rata according to the respective outstanding principal amounts of the Dollar Term Loans then held by the Dollar Term Lenders. Amounts repaid or prepaid on account of the Dollar Term Loans may not be reborrowed.

C. Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders.

D. All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim. Except with respect to principal and interest on Loans denominated in an Alternative Currency, all payments shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds. Except as otherwise expressly provided herein, all payments by the Borrower hereunder with respect to principal and interest on Loans denominated in an Alternative Currency shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Funding Office in such Alternative Currency and in immediately available funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. Without limiting the generality of the foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, the Borrower is prohibited by any Requirement of Law from making any required payment hereunder in an Alternative Currency, the Borrower shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount. The

Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurocurrency Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurocurrency Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

E. Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three (3) Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans, on demand, from the Borrower.

F. Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three (3) Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

**7.18**        Requirements of Law.

(a) If any Change in Law:

(i) shall subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) shall impose, modify or hold applicable any reserve, special deposit, liquidity, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender or the Issuing Lender that is not otherwise included in the determination of the Adjusted LIBO Rate, the Adjusted EURIBOR Rate or the Adjusted TIBOR Rate, as applicable; or

(iii) shall impose on such Lender or the Issuing Lender or the London interbank market any other condition, cost or expense (other than Taxes);

and the result of any of the foregoing is to increase the cost to such Lender or the Issuing Lender, by an amount that such Lender or the Issuing Lender deems to be material, of making, converting into, continuing or maintaining Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender or the Issuing Lender, upon its demand, any additional amounts necessary to compensate such Lender or the Issuing Lender for such increased cost or reduced amount receivable. If any Lender or the Issuing Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

B. If any Lender or the Issuing Lender shall have determined that any Change in Law regarding capital or liquidity requirements or ratios shall have the effect of reducing the rate of return on such Lender's or the Issuing Lender's capital or on the capital of such Lender's or Issuing Lender's holding company, if any, as a consequence of its obligations hereunder or under or in respect of any Letters of Credit to a level below that which such Lender or the Issuing Lender or such Lender's or Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Lender's or such holding company's policies with respect to capital adequacy) by an amount deemed by such Lender or the Issuing Lender to be material, then from time to time, after submission by such Lender or the Issuing Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender or the Issuing Lender such additional amount or amounts as will compensate such Lender or the Issuing Lender or such holding company for such reduction.

C. A certificate as to any additional amounts payable pursuant to this Section submitted by any Lender or the Issuing Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. Notwithstanding anything to the contrary in this Section, the Borrower shall not be required to compensate a Lender or the Issuing Lender pursuant to this Section for any amounts incurred more than nine months prior to the date that such Lender or the Issuing Lender notifies the Borrower of such Lender's or the Issuing Lender's intention to claim compensation therefor; provided that, if the circumstances giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period

of such retroactive effect. The obligations of the Borrower pursuant to this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

**7.19**            Taxes.

A. Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.19) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

B. Payment of Other Taxes by the Borrower. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

C. Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.19, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

D. Indemnification by the Borrower. The Loan Parties shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

E. Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the

Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

F. Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.19(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, an executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable,

establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) an executed IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) an executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender is not the beneficial owner, an executed IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

G. Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.19 (including by the payment of additional amounts pursuant to this Section 2.19), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.19 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

H. Survival. Each party's obligations under this Section 2.19 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

I. Defined Terms. For purposes of this Section 2.19, the term "Lender" includes any Issuing Lender and the term "applicable law" includes FATCA.

**7.20** Indemnity. The Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss, cost or expense (including any foreign exchange losses) that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurocurrency Loans or RFR Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of or conversion from Eurocurrency Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement, (c) the making of a prepayment of Eurocurrency Loans or RFR Loans on a day that is not the last day of an Interest Period (or the Interest Payment Date, in the case of an RFR Loan) with respect thereto, (d) the assignment of any Eurocurrency Loan or RFR Loan other than on the last day of an Interest Period (or the Interest Payment Date, in the case of an RFR Loan) pursuant to a request by the Borrower under Section 2.22, or (e) any failure by the Borrower to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in an Alternative Currency on its scheduled due date or any payment thereof

in a different currency. In the case of a Eurocurrency Loan, such indemnification shall be deemed to include the amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, at the Adjusted LIBO Rate, Adjusted EURIBOR Rate or Adjusted TIBOR Rate, as applicable, that would have been applicable for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder. This Section 2.20 shall not apply with respect to Taxes other than Taxes that represent losses, costs or expenses arising from any non-Tax claims.

**7.21**        Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.18 or 2.19 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.18 or 2.19(a).

**7.22**        Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.18 or 2.19 or (b) becomes a Defaulting Lender or a Non-Consenting Lender, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) if applicable, prior to any such replacement, such Lender shall have taken no action under Section 2.21 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.18 or 2.19, (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.20 if any Eurocurrency Loan or RFR Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period (or the Interest Payment Date, in the case of an RFR Loan) relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.18 or 2.19, as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.



A. Incremental Facilities. On one or more occasions at any time after the Closing Date, the Borrower may by written notice to the Administrative Agent elect to request (A) an increase to the existing Revolving Commitments (any such increase, the “New Revolving Commitments”) and/or (B) the establishment of one or more new term loan commitments denominated in Dollars (the “New Term Commitments”, together with the New Revolving Commitments, the “Incremental Commitments”), by up to an aggregate amount not to exceed \$500,000,000 for all Incremental Commitments (so that the sum of the Total Revolving Commitments plus the principal amount of Dollar Term Loans made hereunder does not exceed \$2,000,000,000). Each such notice shall specify the date (each, an “Increased Amount Date”) on which the Borrower proposes that such Incremental Commitments shall be effective, which shall be a date not less than ten (10) Business Days after the date on which such notice is delivered to the Administrative Agent. The Administrative Agent and/or its Affiliates shall use commercially reasonable efforts, with the assistance of the Borrower, to arrange a syndicate of Lenders or other Persons that are Eligible Assignees willing to hold the requested Incremental Commitments; provided that (x) any Incremental Commitments on any Increased Amount Date shall be in the minimum aggregate amount of \$25,000,000, (y) any Lender approached to provide all or a portion of the Incremental Commitments may elect or decline, in its sole discretion, to provide an Incremental Commitment; provided that the Lenders will first be afforded the opportunity to provide the Incremental Commitments on a pro rata basis, and if any Lender so approached fails to respond within such ten (10) Business Day period after its receipt of such request, such Lender shall be deemed to have declined to provide such Incremental Commitments, and (z) any Lender or other Person that is an Eligible Assignee (each, a “New Revolving Lender” or “New Term Lender,” as applicable) to whom any portion of such Incremental Commitment shall be allocated shall be subject to the approval of the Borrower and the Administrative Agent (such approval not to be unreasonably withheld or delayed), and, in the case of a New Revolving Commitment, the Issuing Lender and the Swingline Lender (each of which approvals shall not be unreasonably withheld), unless such New Revolving Lender is an existing Lender (other than a Defaulting Lender) with a Revolving Commitment at such time or such New Term Lender is an existing Lender or an Affiliate of an existing Lender.

The terms and provisions of any New Revolving Commitments shall be identical to the existing Revolving Commitments. The terms and provisions of any New Term Commitments and any New Term Loans shall (a) provide that the maturity date of any New Term Loan that is a separate tranche shall be no earlier than the Dollar Term Loan Maturity Date for the existing Dollar Term Loans and the weighted average life to maturity of such New Term Loans shall not be shorter than the weighted average life to maturity of the existing Dollar Term Loans, and such New Term Loans shall not have any scheduled amortization payments, (b) share ratably in any prepayments of the existing Dollar Term Facility, unless the Borrower and the New Term Lenders in respect of such New Term Loans elect lesser payments and (c) otherwise be identical to the existing Dollar Term Loans or reasonably acceptable to the Administrative Agent, the Borrower and each New Term Lender.

The effectiveness of any Incremental Commitments and the availability of any borrowings under any such Incremental Commitments shall be subject to the satisfaction of the following conditions precedent: (x) after giving pro forma effect to such Incremental Commitments and

borrowings and the use of proceeds thereof, (i) no Default or Event of Default shall exist and (ii) as of the last day of the most recent calendar quarter for which financial statements have been delivered pursuant to Section 6.1, the Borrower would have been in compliance with the financial covenants set forth in Section 7.1; (y) the representations and warranties made or deemed made by the Borrower in any Loan Document shall be true and correct in all material respects (other than any representation or warranty qualified as to “materiality”, “Material Adverse Effect” or similar language, which shall be true and correct in all respects) on the effective date of such Incremental Commitments except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date); and (z) the Administrative Agent shall have received each of the following, in form and substance reasonably satisfactory to the Administrative Agent: (i) if not previously delivered to the Administrative Agent, copies certified by the Secretary or Assistant Secretary of all corporate or other necessary action taken by the Borrower to authorize such Incremental Commitments; and (ii) a customary opinion of counsel to the Borrower (which may be in substantially the same form as delivered on the Closing Date), and addressed to the Administrative Agent and the Lenders, and (iii) if requested by any Lender, new Notes executed by the Borrower, payable to any new Lender, and replacement Notes executed by the Borrower, payable to any existing Lenders.

On any Increased Amount Date on which New Revolving Commitments are effected, subject to the satisfaction of the foregoing terms and conditions, (a) each of the Revolving Lenders shall assign to each of the New Revolving Lenders, and each of the New Revolving Lenders shall purchase from each of the Revolving Lenders, at the principal amount thereof (together with accrued interest), such interests in the Revolving Loans outstanding on such Increased Amount Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans will be held by existing Revolving Lenders and New Revolving Lenders ratably in accordance with their Revolving Commitments after giving effect to the addition of such New Revolving Commitments to the Revolving Commitments, (b) each New Revolving Commitment shall be deemed for all purposes a Revolving Commitment and each Loan made thereunder shall be deemed, for all purposes, a Revolving Loan and (c) each New Revolving Lender shall become a Lender with respect to its New Revolving Commitment and all matters relating thereto.

On any Increased Amount Date on which any New Term Commitments are effected, subject to the satisfaction of the foregoing terms and conditions, (i) each New Term Lender shall make a Loan to the Borrower (a “New Term Loan”) in an amount equal to its New Term Commitment, and (ii) each New Term Lender shall become a Dollar Term Lender hereunder with respect to the New Term Commitment and the New Term Loans made pursuant thereto.

The Administrative Agent shall notify the Lenders promptly upon receipt of the Borrower’s notice of each Increased Amount Date and in respect thereof (y) the New Revolving Commitments and the New Revolving Lenders or the New Term Commitments and the New Term Lenders, as applicable, and (z) in the case of each notice to any Revolving Lender, the respective interests in such Revolving Lender’s Revolving Loans, in each case subject to the assignments contemplated by this paragraph.

The fees payable by Borrower upon any such Incremental Commitments shall be agreed upon by the Administrative Agent and Borrower at the time of such increase.

The Incremental Commitments shall be evidenced pursuant to one or more Additional Credit Extension Amendments executed and delivered by the Borrower, the New Revolving Lenders or New Term Lenders, as applicable, and the Administrative Agent, and each of which shall be recorded in the Register. Each Additional Credit Extension Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.23, subject to the approval of the Borrower (which approval shall not be unreasonably withheld or delayed).

#### 7.24 Defaulting Lenders

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

A. fees shall cease to accrue on the unused portion of the Revolving Commitment of such Defaulting Lender pursuant to Section 2.8;

B. the Commitments, Term Loans, and Revolving Extensions of Credit of such Defaulting Lender shall not be included in determining whether all Lenders, the Majority Facility Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 10.1), provided that any waiver, amendment or modification that increases the Commitment of a Defaulting Lender, forgives all or any portion of the principal amount of any Loan or Reimbursement Obligation or interest thereon owing to a Defaulting Lender, reduces the Applicable Margin on the underlying interest rate options owing to a Defaulting Lender or extends the Revolving Termination Date or a Term Loan Maturity Date applicable to such Defaulting Lender shall require the consent of such Defaulting Lender;

C. if any Swingline Exposure or L/C Exposure exists with respect to a Lender at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of such Swingline Exposure and L/C Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their respective Revolving Percentages but only to the extent (x) the sum of all non-Defaulting Lenders' Revolving Extensions of Credit plus such Defaulting Lender's Swingline Exposure and L/C Exposure does not exceed the total of all non-Defaulting Lenders' Revolving Commitments, (y) the sum of each non-Defaulting Lender's Revolving Extensions of Credit would not exceed its Revolving Commitment and (z) the conditions set forth in Section 5.2 are satisfied at such time; and

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall (x) first, within one (1) Business Day following notice by the Administrative Agent, prepay such Swingline Exposure and (y) second, within ten (10) Business Days following notice by the Administrative

Agent, cash collateralize such Defaulting Lender's L/C Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) by depositing amounts into the collateral account in accordance with the procedures set forth in Section 8 for so long as such L/C Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's L/C Exposure pursuant to Section 2.24(c), the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.3(a) with respect to such Defaulting Lender's L/C Exposure during the period such Defaulting Lender's L/C Exposure is cash collateralized;

(iv) if the L/C Exposure of the non-Defaulting Lenders is reallocated pursuant to Section 2.24(c), then the fees payable to the Lenders pursuant to Section 3.3(a) shall be adjusted in accordance with such non-Defaulting Lenders' Revolving Percentages; or

(v) if any Defaulting Lender's L/C Exposure is neither cash collateralized nor reallocated pursuant to Section 2.24, then, without prejudice to any rights or remedies of the Issuing Lender or any Lender hereunder, all letter of credit fees payable under Section 3.3(a) with respect to such Defaulting Lender's L/C Exposure shall be payable to the Issuing Lender until such L/C Exposure is cash collateralized and/or reallocated.

D. so long as any Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be one hundred percent (100%) covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in the amount of the Defaulting Lender's L/C Exposure in accordance with Section 2.24, and participating interests in any such newly issued or increased Letter of Credit or newly made Swingline Loan shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.24(c)(i) (and Defaulting Lenders shall not participate therein).

E. In the event that the Administrative Agent, the Borrower, the Issuing Lender and the Swingline Lender each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and L/C Exposure of the Revolving Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Commitment and on such date such Revolving Lender shall purchase at par such of the Revolving Loans of the other Revolving Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Revolving Loans in accordance with its Revolving Percentage.

F. any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.7 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such

Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Lender or Swingline Lender hereunder; *third*, to cash collateralize L/C Exposure with respect to such Defaulting Lender in accordance with this Section; *fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) cash collateralize future L/C Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with this Section; *sixth*, to the payment of any amounts owing to the Lenders, the Issuing Lenders or Swingline Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Lenders or Swingline Lenders against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or Reimbursement Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 5.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and Reimbursement Obligations owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or Reimbursement Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in the Borrower's obligations corresponding to such Defaulting Lender's L/C Exposure and Swingline Loans are held by the Lenders pro rata in accordance with the Revolving Commitments without giving effect to clause (c) above. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

**7.25**      Extension of Revolving Termination Date. The Borrower may, by written notice to the Administrative Agent (which shall promptly notify each of the Lenders) given at least thirty (30) days but not more than ninety (90) days prior to the then applicable Revolving Termination Date, extend the then applicable Revolving Termination Date two (2) times for up to six (6) months per extension so long as (A) the final extended Revolving Termination Date is not later than February 1, 2025, (B) no Default or Event of Default shall have occurred and be continuing on the date of such written notice and on the last day of the then applicable Revolving Termination Date, (C) each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of the date of such written notice and on and as of the effective date of such extension as if made on and as of such dates, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date), and (D) the Borrower pays an

aggregate extension fee for each extension equal to 0.075% of the then existing Revolving Commitments (to the Administrative Agent for the ratable benefit of the Revolving Lenders).

## **SECTION 8. LETTERS OF CREDIT**

### **8.1 L/C Commitment.**

A. Subject to the terms and conditions hereof, the Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 3.4(a), may in its sole discretion issue standby letters of credit (“Letters of Credit”) for the account of the Borrower denominated in Dollars or any Alternative Currency on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by the Issuing Lender; provided that the Issuing Lender shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment, (ii) the aggregate amount of the Available Revolving Commitments would be less than zero, (iii) the Total Revolving Extensions of Credit denominated in Alternative Currencies would exceed the Alternative Currency Sublimit or (iv) unless such Issuing Lender otherwise consents, the L/C Obligations with respect to Letters of Credit issued by any Issuing Lender would exceed the Issuing Lender Commitment of such Issuing Lender. Each Letter of Credit shall (i) be denominated in Dollars or any Alternative Currency and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Revolving Termination Date, provided that any Letter of Credit with a one-year term may provide for the automatic renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above) so long as such Letter of Credit permits the Issuing Lender to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the “Non-Extension Notice Date”) in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Once an automatic renewal Letter of Credit has been issued, the Revolving Lenders shall be deemed to have authorized the Issuing Lender to permit the extension of such Letter of Credit at any time to an expiry date not later than the date referred to in clause (y) above; provided, however, that the Issuing Lender shall not permit any such extension if it has received written notice on or before the day that is seven Business Days before the Non-Extension Notice Date from any Lender or the Administrative Agent that a Default or Event of Default has occurred and is continuing directing the Issuing Lender not to permit such extension. The letters of credit outstanding under the Existing Revolving Credit Agreement and described in Schedule 3.1(a) hereto shall become Letters of Credit hereunder on the Funding Date and thereafter be Letters of Credit hereunder for all purposes.

B. The Issuing Lender shall not at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause the Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law or would violate such Issuing Lender’s internal policies or procedures. Notwithstanding anything herein to the contrary, the Issuing Lender shall have no obligation hereunder to issue, and shall not issue, any Letter of Credit the proceeds of which would be made to any Person (i) to fund any prohibited activity or business of or with any Sanctioned Person, or in any country or territory, that at the time of such funding is the subject of any Sanctions or (ii) in any manner that would result in a violation of any Sanctions by any party to this Agreement.

**8.2**            Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender and the Administrative Agent at their address for notices specified herein a request and an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may request. Upon receipt of any Application, the Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and, unless it has received written notice from any Lender, the Administrative Agent or a Loan Party at least one (1) Business Day prior to the requested date of issuance that a Default or Event of Default has occurred and is continuing, shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three (3) Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

**8.3**            Fees and Other Charges.

A. The Borrower will pay to the Administrative Agent for the account of the Revolving Lender a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin under the Revolving Facility then in effect with respect to Eurocurrency Loans on the average daily amount of the L/C Obligations (excluding any portion thereof attributable to unreimbursed drawings), shared ratably among the Revolving Lenders and payable in Dollars quarterly in arrears on each Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the Issuing Lender for its own account a fronting fee of 0.125% per annum on the average daily amount of the L/C Obligations (excluding any portion thereof attributable to unreimbursed drawings), payable in Dollars quarterly in arrears on each Fee Payment Date after the issuance date.

B. In addition to the foregoing fees, the Borrower shall pay or reimburse the Issuing Lender in Dollars for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

**8.4**            L/C Participations.

A. The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Percentage in the Issuing Lender's obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by the Issuing Lender thereunder. Such participation interest shall be in the currency of the applicable underlying Letter of Credit. Each L/C Participant agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not

reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to the Administrative Agent, for the account of the Issuing Lender, upon demand at the Administrative Agent's address for notices specified herein an amount equal to such L/C Participant's Revolving Percentage of the amount of such draft, or any part thereof, that is not so reimbursed. Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

B. If any amount required to be paid by any L/C Participant for the account of the Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit is paid to the Administrative Agent within three (3) Business Days after the date such payment is due, such L/C Participant shall pay to the Administrative Agent, for the account of the Issuing Lender, on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the Administrative Agent by such L/C Participant within three (3) Business Days after the date such payment is due, the Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Revolving Facility. A certificate of the Issuing Lender submitted to the Administrative Agent and any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

C. Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a), the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will distribute to the Administrative Agent, for the account of such L/C Participant, its pro rata share thereof; provided, however, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such L/C Participant shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

**8.5**            Reimbursement Obligation of the Borrower. If any drawing is paid under any Letter of Credit, the Borrower shall reimburse the Administrative Agent for the amount of (a) the drawing so paid and in the applicable currency and (b) any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment, not later than (x) in the case of any Letter of Credit to be reimbursed in Dollars 12:00 Noon, New York City time, on (i) the Business Day that the Borrower receives notice of such drawing, if such notice is received on



such day prior to 10:00 A.M., New York City time, or (ii) if clause (i) above does not apply, the Business Day immediately following the day that the Borrower receives such notice or (y) in the case of a Letter of Credit to be reimbursed in an Alternative Currency, the Applicable Time specified by the Issuing Lender on the date of any payment by the Issuing Lender (each such date, an "Honor Date"); provided that the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.5 or Section 2.6 and the provisions below that such payment to be reimbursed in Dollars be financed with an ABR Revolving Loan or Swingline Loan in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Loan or Swingline Loan. Each such payment shall be made to the Administrative Agent at its address for notices referred to herein in the applicable currency and in immediately available funds. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Lender. Interest shall be payable on any such amounts from the date on which the relevant drawing is paid until payment in full at the rate set forth in (x) until the Business Day next succeeding the date of the relevant notice, Section 2.14(b) and (y) thereafter, Section 2.14(c).

In the case of a Letter of Credit denominated in an Alternative Currency, the Borrower shall reimburse the Administrative Agent, for the account of the Issuing Lender, in such Alternative Currency, unless the Issuing Lender (at its option) shall have specified in such notice that it will require reimbursement in Dollars. In the case of any such reimbursement in Dollars of a drawing under a Letter of Credit denominated in an Alternative Currency, the Issuing Lender shall notify the Administrative Agent and the Borrower of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof. In the event that (A) a drawing denominated in an Alternative Currency is to be reimbursed in Dollars pursuant to the first sentence of this paragraph and (B) the Dollar amount paid by the Borrower, whether on or after the Honor Date, shall not be adequate on the date of that payment to purchase in accordance with normal banking procedures a sum denominated in the Alternative Currency equal to the drawing, the Borrower agrees, as a separate and independent obligation, to indemnify the Issuing Lender for the loss resulting from its inability on that date to purchase the Alternative Currency in the full amount of the drawing.

**8.6** Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Lender under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Lenders, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in

transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Lender; provided that the foregoing shall not be construed to excuse the Issuing Lender from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Lender's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Lender (as finally determined by a court of competent jurisdiction), the Issuing Lender shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Lender may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

**8.7** Letter of Credit Payments. If any documents shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any documents presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

**8.8** Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

**8.9** Replacement of the Issuing Lender. (i) Any Issuing Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Lender and the successor Issuing Lender. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Lender. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Lender pursuant to Section 3.3. From and after the effective date of any such replacement, (x) the successor Issuing Lender shall have all the rights and obligations of the Issuing Lender under this Agreement with respect to Letters of Credit to be issued thereafter and (y) references herein to the term "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the replacement of an Issuing Lender hereunder, the replaced Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(ii) Any Issuing Lender may resign as an Issuing Lender at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower and the Lenders, in which case, such Issuing Lender shall be replaced in accordance with Section 3.9(i) above.

## **SECTION 9. REPRESENTATIONS AND WARRANTIES**

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans or to issue or participate in the Letters of Credit, Holdings and the Borrower hereby jointly and severally represent and warrant to the Administrative Agent and each Lender that:

### **9.1 Financial Condition.**

A. The pro forma covenant compliance certificate described in Section 5.1(j), copies of which have heretofore been furnished to each Lender, has been prepared giving effect (as if such events had occurred on such date) to (i) the Loans to be made on the Funding Date and the use of proceeds thereof, (ii) the repayment of Indebtedness under the Existing Credit Agreement and (iii) the payment of fees and expenses in connection with the foregoing. Such certificate has been prepared based on the best information available to the Borrower as of the date of delivery thereof, and presents fairly in all material respects on a pro forma basis the estimated financial covenant compliance of Borrower and its consolidated Subsidiaries as at the Funding Date, assuming that the events specified in the preceding sentence had actually occurred at such date.

B. The audited consolidated balance sheets of Holdings and its Subsidiaries as at December 31, 2019, and the related consolidated statements of income and of cash flows for the fiscal year ended on such date, reported on by and accompanied by an unqualified report from PricewaterhouseCoopers, present fairly in all material respects the consolidated financial condition of Holdings and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended. The unaudited consolidated balance sheet of Holdings and its Subsidiaries as at September 30, 2020, and the related unaudited consolidated statements of income and cash flows for the three-month period ended on such date, present fairly in all material respects the consolidated financial condition of Holdings and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the three-month period then ended (subject to normal year end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein and except for the lack of footnotes with interim statements). No Group Member has any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph.

**9.2 No Change.** Since December 31, 2019, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

**9.3** Existence; Compliance with Law. Each Group Member (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged except to the extent that its failure could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, (c) is duly qualified as a foreign corporation or other organization and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except to the extent that its failure to be so qualified could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

**9.4** Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i) consents, authorizations, filings and notices described in Schedule 4.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect and (ii) the filings referred to in Section 4.19. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

**9.5** No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder, the issuance of the Letters of Credit and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of any Group Member, except for any such violation which could not reasonably be expected to have a Material Adverse Effect, and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation. No Requirement of Law or Contractual Obligation applicable to the Borrower or any of its Subsidiaries could reasonably be expected to have a Material Adverse Effect.

**9.6** Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of Holdings or the Borrower, threatened by or against any Group Member or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

**9.7** No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

**9.8** Ownership of Property; Liens. Each Group Member has title in fee simple to, or a valid leasehold interest in, all its Real Property, and good title to, or a valid leasehold interest in, all its other property (including Mortgage Notes) necessary in the ordinary conduct of its business, and none of such property is subject to any Lien except as permitted by Section 7.3 and except for minor defects in title that do not materially interfere with its ability to conduct its business or to utilize such assets for their intended purposes and except where the failure to have such title or other property interests described above would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each Group Member has obtained customary title insurance on its owned Real Property.

**9.9** Intellectual Property. Each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted, except where the failure to have any such rights, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does Holdings or the Borrower know of any valid basis for any such claim, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. To the knowledge of Borrower, the use of Intellectual Property by each Group Member does not infringe on the rights of any Person in any material respect.

**9.10** Taxes. Each Group Member has filed or caused to be filed all material Federal, state and other tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member); no tax Lien has been filed, and, to the knowledge of Holdings and the Borrower, no claim is being asserted, that any such tax, fee or other charge is past due or delinquent.

**9.11** Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used (a) for “buying” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect for any purpose that violates the provisions of the Regulations of the Board or (b) for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

**9.12** Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of Holdings or the Borrower, threatened; (b) hours worked

by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from any Group Member on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Group Member.

**9.13** ERISA. Neither a Reportable Event nor an “accumulated funding deficiency” (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Single Employer Plan or Multiemployer Plan, and, except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan or Multiemployer Plan has occurred, and no Lien in favor of the PBGC or such a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan that is a “pension plan” within the meaning of Section 3(2) of ERISA (based on those assumptions used to fund such Single Employer Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Single Employer Plan allocable to such accrued benefits by a material amount. Neither the Borrower nor any Commonly Controlled Entity has had, within the past five years, a complete or partial withdrawal from any Multiemployer Plan that has resulted or would reasonably be expected to result in a material liability under ERISA, and neither the Borrower nor any Commonly Controlled Entity would become subject to any material liability under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such Multiemployer Plan is in Reorganization or Insolvent.

**9.14** Investment Company Act; Other Regulations. No Loan Party is an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

**9.15** Subsidiaries. Except as disclosed to the Administrative Agent by the Borrower in writing from time to time after the Closing Date, (a) Schedule 4.15 sets forth the name and jurisdiction of incorporation of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors’ qualifying shares) of any nature relating to any Capital Stock of the Borrower or any Subsidiary, except as created by the Loan Documents.

**9.16** Use of Proceeds. The proceeds of the Term Loans, the Revolving Loans and the Swingline Loans, and the Letters of Credit, shall be used for general corporate purposes of the Borrower and its Subsidiaries, including the financing of working capital needs, the repayment of

Indebtedness of the Borrower (including Indebtedness under the Existing Credit Agreement) and its Subsidiaries and acquisitions and other Investments permitted by this Agreement.

**9.17** Environmental Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, to the best knowledge of Holdings and the Borrower after due inquiry:

A. the facilities and properties owned, leased or operated by any Group Member (the "Properties") do not contain, and have not previously contained during the ownership or lease of, or operation by, such Group Member, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

B. no Group Member has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the "Business"), nor does Holdings or the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

C. During the ownership or lease of, or operation by, any Group Member, Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

D. no judicial proceeding or governmental or administrative action is pending or, to the knowledge of Holdings and the Borrower, threatened, under any Environmental Law to which any Group Member is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

E. during the ownership or lease of, or operation by, any Group Member, there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of any Group Member in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws;

F. the Business and all operations of any Group Member at the Properties are, and have been, in compliance, with all applicable Environmental Laws, and there is no violation of any Environmental Law with respect to the Properties or the Business; and

G. no Group Member has assumed any liability of any other Person under Environmental Laws.

**9.18** Accuracy of Information, etc. The statements and information contained in this Agreement, any other Loan Document, or any other document, certificate or statement furnished

by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, taken as a whole, do not contain as of the date such statement, information, document or certificate was so furnished and as updated from time to time, any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not materially misleading in light of the circumstances under which, and in light of the purposes for which, such statements are made. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information will differ, possibly significantly, from the projected results set forth therein, and that no assurance can be given that the projected results will be realized. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents, or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

**9.19** Anti-Corruption Laws and Sanctions. The Borrower, its Subsidiaries and to the knowledge of the Borrower, its directors, officers, employees and agents to the extent acting on behalf of Borrower or its Subsidiaries or benefitting from the credit facilities established hereby, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of the Borrower, any Subsidiary or any of their respective directors, officers or employees that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

**9.20** Solvency. The Loan Parties, on a consolidated basis, are, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection herewith will be and will continue to be, Solvent.

**9.21** Plan Assets; Prohibited Transactions. None of the Borrower or any of its Subsidiaries is an entity deemed to hold “plan assets” (within the meaning of the Plan Asset Regulations), and assuming no Lender is using “plan assets” (within the meaning of the Plan Asset Regulations) of one of more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments, neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Loan and the issuance of any Letter of Credit hereunder, will give rise to a non-exempt prohibited transaction under Section 406(a)(1)(A)-(D) of ERISA or Section 4975(a)(1)(A)-(D) of the Code.

**9.22** Status of Holdings. Holdings (i) is a REIT, (ii) has not revoked its election to be a REIT, (iii) has not engaged in any “prohibited transactions” as defined in Section 856(b)(6)(iii) of the Code (or any successor provision thereto), and (iv) for its current “tax year” (as defined in the Code) is, and for all prior tax years subsequent to its election to be a real estate investment trust has been, entitled to a dividends paid deduction which meets the requirements of Section 857 of the Code. The common stock of Holdings is listed for trading on the New York Stock Exchange.



**9.23** Properties. Schedule 4.23(a), as supplemented from time to time, sets forth a list of all Real Property of the Group Members and the owner (or ground-lessor) of such Real Property, and Schedule 4.23(b), as supplemented from time to time, sets forth a list of all Unencumbered Properties and the owner (or ground-lessor) of such Unencumbered Property. All such Unencumbered Properties satisfy the requirements for an Unencumbered Property set forth in the definition thereof.

**9.24** Affected Financial Institutions. No Loan Party is an Affected Financial Institution.

## **SECTION 10. CONDITIONS PRECEDENT**

### **10.1** Conditions to Initial Extension of Credit

The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction, prior to or concurrently with the making of such extension of credit on the Funding Date, of the following conditions precedent:

A. Credit Agreement; Guarantee Agreement. The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Administrative Agent, Holdings, the Borrower and each Person listed on Schedule 1.1A (which, subject to Section 10.8(b), may include any Electronic Signatures), and (ii) the Guarantee Agreement, executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor.

B. Financial Statements. The Lenders shall have received (i) audited consolidated financial statements of Holdings and its Subsidiaries for the 2019 fiscal year and (ii) unaudited interim consolidated financial statements of Holdings and its Subsidiaries for each fiscal quarter ended after the date of the latest applicable financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available, and such financial statements shall not, in the reasonable judgment of the Lenders, reflect any material adverse change in the consolidated financial condition of Holdings and its Subsidiaries, as reflected in the financial statements.

C. Projections. The Lenders shall have received satisfactory projections through 2023.

D. Approvals. All material governmental and third party approvals necessary in connection with the continuing operations of the Group Members and the transactions contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the financing contemplated hereby.

E. Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions where assets of the Borrower and Holdings are located, and such search shall reveal no liens on any of the assets of the Borrower or Holdings except for liens permitted by Section 7.3 or discharged or to be discharged on or prior to the Funding Date pursuant to documentation satisfactory to the Administrative Agent.

F. Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), at least one (1) Business Day before the Funding Date. All such amounts will be paid with proceeds of Loans made on the Funding Date and will be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Funding Date.

G. Closing Certificate; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (y) a certificate of the secretary, assistant secretary or other appropriate officer of each Loan Party, attaching (i) the certificate of incorporation of such Loan Party that is a corporation certified by the relevant authority of the jurisdiction of organization of such Loan Party, (ii) the resolutions, written consents or other applicable action of such Loan Party authorizing, among other things, the execution, delivery and performance of this Agreement and the other Loan Documents (including the borrowing of the Loans, in the case of the Borrower), and the transactions contemplated in this Agreement and the other Loan Documents, and (iii) an incumbency certificate certifying the names and true signatures of the officers of such Loan Party entitled to sign this Agreement and the other Loan Documents to which such Loan Party is a party, in each case, in form and substance reasonably satisfactory to the Administrative Agent, and (z) a good standing certificate for each Loan Party from its jurisdiction of organization (to the extent applicable).

H. Legal Opinion. The Administrative Agent shall have received the legal opinion of (i) Goodwin Procter LLP, counsel to the Borrower and its Subsidiaries in the United States and the United Kingdom and (ii) Arnold Bloch Leibler, counsel to the Borrower and its Subsidiaries in Australia, in form and substance reasonably satisfactory to the Agents.

I. Know-Your-Customer Requirements. (i) The Administrative Agent shall have received, at least five (5) days prior to the Closing Date, all documentation and other information regarding the Borrower requested in connection with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Borrower at least ten (10) days prior to the Closing Date and (ii) to the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five (5) days prior to the Closing Date, any Lender that has requested, in a written notice to the Borrower at least ten (10) days prior to the Closing Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

J. Compliance Certificate. The Lenders shall have received a certificate of a Responsible Officer of the Borrower certifying as to compliance with the financial covenants set forth in Section 7.1 on a pro-forma basis on the Funding Date after giving effect to the incurrence of the Loans, which certificate shall include calculations in reasonable detail demonstrating such compliance, including as to the calculation of Unencumbered Asset Value.

K. Solvency Certificate. The Administrative Agent shall have received a solvency certificate from a Responsible Officer of Holdings certifying that it is Solvent.

For purposes of determining compliance with the conditions specified in this Section 5.1, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender.

**10.2**                      Conditions to Each Extension of Credit

The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit), and of the Issuing Lender to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions precedent:

A. Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (other than any representation or warranty qualified as to “materiality”, “Material Adverse Effect” or similar language, which shall be true and correct in all respects) on and as of such date as if made on and as of such date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct on and as of such earlier date.

B. No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

C. Alternative Currency. In the case of Loans or Letters of Credit to be denominated in an Alternative Currency, there shall not have occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Administrative Agent, the Required Lenders (in the case of any Loans to be denominated in an Alternative Currency) or the Issuing Lender (in the case of any Letter of Credit to be denominated in an Alternative Currency) would make it impracticable for such Loan or Letter of Credit to be denominated in the relevant Alternative Currency.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in Section 5.2(a) and (b) have been satisfied.

**SECTION 11. AFFIRMATIVE COVENANTS**

Holdings and the Borrower hereby jointly and severally agree that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (except to the extent cash collateralized on a basis reasonably acceptable to the Administrative Agent) or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than contingent indemnification obligations as to which no claim has been asserted), each of Holdings and the Borrower shall and shall cause each of its Subsidiaries to:

**11.1**                      Financial Statements. Furnish to the Administrative Agent for prompt further distribution to each Lender each of the following:

A. as soon as available, but in any event within ninety (90) days after the end of each fiscal year of Holdings, a copy of the audited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a “going concern” or like qualification or exception, or qualification arising out of the scope of the audit, by PricewaterhouseCoopers or other independent certified public accountants of nationally recognized standing (other than as may be required as a result of the impending maturity of the Obligations maturing within one (1) year after the time such opinion is delivered); and

B. as soon as available, but in any event not later than forty five (45) days after the end of each of the first three quarterly periods of each fiscal year of Holdings, the unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments).

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein and except for the absence of footnotes with the interim statements) consistently throughout the periods reflected therein and with prior periods. Delivery by Holdings to the Administrative Agent and the Lenders of its annual report to the SEC on Form 10-K and its quarterly report to the SEC on Form 10-Q, in each case in accordance with SEC requirement for such reports, shall be deemed to be compliance by Holdings with Section 6.1(a) and Section 6.1(b), as applicable.

**11.2** Certificates; Other Information. Furnish to the Administrative Agent for prompt further distribution by the Administrative Agent to each Lender each of the following (or, in the case of clause (f), to the relevant Lender):

A. as soon as available, but in any event within sixty (60) days after the end of each of the first three quarterly periods of each fiscal year of Holdings and within ninety (90) days after the end of each fiscal year of Holdings, (i) a certificate of a Responsible Officer stating that, to the best of such Responsible Officer’s knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (ii) in the case of quarterly or annual financial statements, (x) a Compliance Certificate containing all information and calculations necessary for determining compliance by each Group Member with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be, and (y) to the extent not previously disclosed to the Administrative Agent, a description of any change in the jurisdiction of organization of any Loan Party since the date of the most recent report delivered pursuant to this clause (y) (or, in the case of the first such report so delivered, since the Closing Date), (iii) the items described in Section 6.10 with respect to any Subsidiary Guarantors created or acquired during such fiscal quarter or any Unencumbered

Properties or Mortgage Notes added during such fiscal quarter and (iv) updates to Schedules 4.23(a) and 4.23(b) (if applicable);

B. as soon as available, and in any event no later than ninety (90) days after the end of each fiscal year of the Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year, the related consolidated statements of projected cash flow, projected changes in financial position and projected income and a description of the underlying assumptions applicable thereto), and, as soon as available, significant revisions, if any, of such budget and projections with respect to such fiscal year (collectively, the "Projections"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections are based on reasonable estimates, information and assumptions;

C. within forty five (45) days after the end of each fiscal quarter of the Borrower (or ninety (90) days in the case of the fourth quarter), a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, as compared to the comparable periods of the previous year; provided that delivery to the Administrative Agent and the Lenders of Holdings' annual report to the SEC on Form 10-K and its quarterly report to the SEC on Form 10-Q containing such narrative discussion and analysis shall be deemed to be compliance with this Section 6.2(c);

D. [Reserved];

E. within five (5) days after the same are sent, copies of all financial statements and reports that Holdings or the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five (5) days after the same are filed, copies of all material financial statements and reports that Holdings or the Borrower may make to, or file with, the SEC; provided that delivery to the Administrative Agent and the Lenders of Holdings' quarterly report to the SEC on Form 10-Q and its current report to the SEC on Form 8-K containing such narrative discussion and analysis shall be deemed to be compliance with this Section 6.2(e); and

F. promptly, such additional financial and other information as the Administrative Agent or any Lender may from time to time reasonably request.

**11.3** Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member and except for any nonpayment of which could not reasonably be expected to have a Material Adverse Effect.

**11.4** Maintenance of Existence; Compliance. (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except (other than with respect to the preservation of the existence of the Loan Parties) (x) to the extent that failure to do so could not

reasonably be expected to have a Material Adverse Effect or (y) pursuant to any merger, amalgamation, consolidation, liquidation, dissolution or Disposition permitted hereunder; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, Holdings will do all things necessary to maintain its status as a REIT and will maintain its listing on the New York Stock Exchange. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by Holdings, the Borrower, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions.

**11.5** Maintenance of Property; Insurance. (a) Except if the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and fire, casualty or condemnation excepted and (b) maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability, all-risks casualty and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business.

**11.6** Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP (it being understood and agreed that any Foreign Subsidiary may maintain additional individual books and records in a manner that permits preparation of its financial statements in accordance with the generally accepted accounting principles that are applicable in its jurisdiction of organization and that such maintenance shall not constitute a breach of the representations, warranties or covenants hereunder) and (b) permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and with their independent certified public accountants (subject to such accountants' customary policies and procedures), all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided that, absent the existence of an Event of Default, only the expenses of the Administrative Agent for one inspection during any calendar year shall be at the Borrower's expense; provided, further, that when an Event of Default exists, the Administrative Agent (or any of its respective representatives or independent contractors) and the Lenders may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants. Notwithstanding anything to the contrary in this Section 6.6, none of Holdings, the Borrower or any of the Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (a) constitutes non-financial trade secrets or non-financial proprietary information, (b) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding agreement or (c) is subject to attorney-client or similar privilege or constitutes attorney work product; provided that, to the extent legally permissible, the Borrower shall notify the Administrative Agent that any such document,

information or other matter is being withheld pursuant to clauses (a), (b) or (c) of this Section 6.6 and shall use commercially reasonable efforts to communicate, to the extent permitted, the applicable information in a way that would not violate such restrictions and to eliminate such restrictions.

**11.7**                    Notices. Promptly give notice to the Administrative Agent for prompt further distribution by the Administrative Agent to each Lender of:

A. the occurrence of any Default or Event of Default;

B. any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

C. any litigation or proceeding affecting any Group Member (i) in which the amount involved is \$10,000,000 or more and not covered by insurance, (ii) in which injunctive or similar relief is sought or (iii) which relates to any Loan Document;

D. the following events, as soon as possible and in any event within thirty (30) days after the Borrower knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Single Employer Plan or Multiemployer Plan, a failure to make any material required contribution to a Single Employer Plan or Multiemployer Plan, the creation of any Lien in favor of the PBGC or a Single Employer Plan or Multiemployer Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Single Employer Plan or Multiemployer Plan;

E. [Reserved]; and

F. any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

**11.8**                    Environmental Laws.

A. Comply with, and take commercially reasonable steps to ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and take commercially reasonable steps to ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, in each case to the extent the failure to do so could reasonably be expected to have a Material Adverse Effect.

B. Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

**11.9** Distributions in the Ordinary Course. In the ordinary course of business, the Borrower causes all of its Subsidiaries to make transfers of net cash and Cash Equivalents upstream to the Borrower, and the Borrower shall continue to follow such ordinary course of business. The Borrower shall not make net transfers of cash and cash equivalents downstream to its Subsidiaries except in the ordinary course of business consistent with past practice.

**11.10** Additional Guarantors; Additional Unencumbered Properties

(a) With respect to any Subsidiary of the Borrower (other than an Excluded Foreign Subsidiary) that is required to become a Subsidiary Guarantor so that the Real Property owned or leased by such Subsidiary qualifies as an Unencumbered Property or any Mortgage Note owned by such Subsidiary is included in the computation of Unencumbered Asset Value, cause such new Subsidiary (A) to become a party to the Guarantee Agreement, (B) to deliver to the Administrative Agent a certificate of such Subsidiary, substantially in the form of Exhibit C, with appropriate insertions and attachments, and (C) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent, all at the times, with respect to clauses (A), (B) and (C), required by Section 6.2(a) above.

(b) Upon the addition of any new Real Property as an Unencumbered Property after the Closing Date, the Borrower shall deliver to the Administrative Agent (a) a certificate of a Responsible Officer certifying that such Real Property satisfies the eligibility criteria set forth in the definition of “Unencumbered Property”, certifying as to compliance with the financial covenants on a pro-forma basis after giving effect to the addition of such Real Property as an Unencumbered Property, which certificate shall include calculations in reasonable detail demonstrating such compliance, including as to the calculation of Unencumbered Asset Value, and (b) updated Schedules 4.23(a) and (b) of all Unencumbered Properties, all at times, with respect to clauses (a) and (b) required by Section 6.2(a) above. From and after the date of delivery of such certificate, schedule and information and so long as such Real Property continues to satisfy the eligibility criteria set forth in the definition of “Unencumbered Property”, such Real Property shall be treated as a Unencumbered Property hereunder.

(c) Upon the inclusion of any new Mortgage Note in the computation of Unencumbered Asset Value, the Borrower shall deliver to the Administrative Agent an updated schedule of all Mortgage Notes included in the computation of Unencumbered Asset Value, all at times required by Section 6.2(a) above.

(d) The Borrower shall deliver the items described in and required by clauses (a), (b) and (c) above at the time of the delivery of the Compliance Certificate pursuant to Section 6.2(a). The Borrower will, and will cause each of its Subsidiaries to, cooperate with the Lenders and the Administrative Agent and execute such further instruments and documents as the Lenders or the



Administrative Agent shall reasonably request to carry out to their satisfaction the transactions contemplated by this Agreement and the other Loan Documents.

**11.11** Notices of Asset Sales, Encumbrances or Dispositions

The Borrower shall deliver to the Administrative Agent and the Lenders written notice not less than two (2) Business Days prior to a sale, encumbrance with a Lien to secure Indebtedness or other Disposition of an Unencumbered Property for consideration in excess of \$75,000,000, which is permitted pursuant to Section 7.2(f), Section 7.3(i) or Section 7.5, as applicable. In addition, simultaneously with delivery of any such notice, the Loan Parties shall deliver to the Administrative Agent (A) a certificate of a Responsible Officer certifying that no Default or Event of Default (including any non-compliance with the financial covenants contained herein) has occurred and is continuing or would occur on a pro forma basis after giving effect to the proposed sale, encumbrance or other Disposition, which certificate shall include calculations in reasonable detail demonstrating compliance with the financial covenants on a pro-forma basis, including as to the calculation of Unencumbered Asset Value and (B) an updated schedule of all Unencumbered Properties.

To the extent such proposed transaction would result in a Default or an Event of Default, the Borrower shall apply the proceeds of such transaction (together with such additional amounts as may be required), to prepay the Obligations in an amount, as determined by the Administrative Agent, equal to that which would be required to reduce the Obligations so that no Default or Event of Default would exist.

**11.12** Maintenance of Ratings

The Borrower shall maintain a senior unsecured credit rating from each of S&P and Moody's; provided that if the rating obtained from such rating agency is a private letter rating that is not monitored and automatically updated by such rating agency, then the Borrower shall obtain an annual update of such rating on or before each anniversary of the Closing Date.

**11.13** Use of Proceeds

The proceeds of the Loans shall be used only for the purposes set forth in Section 4.16 and in compliance with Section 4.11. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. The Borrower will not request any Loan or Letter of Credit, and the Borrower shall not use, and shall not permit its Subsidiaries and its or their respective directors, officers, employees and agents to use, the proceeds of any Loan or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in a violation of any Sanctions applicable to any party hereto.

## SECTION 12. NEGATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (except to the extent cash collateralized on a basis reasonably acceptable to the Administrative Agent) or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than contingent indemnification obligations as to which no claim has been asserted), each of Holdings and the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

### 12.1 Financial Condition Covenants.

A. Total Leverage Ratio. Permit the ratio of (i) (A) Total Indebtedness (other than any such Indebtedness that has been Discharged) minus (B) as of such date of determination, unrestricted cash and Cash Equivalents of the Group Members in excess of \$10,000,000 that is being held to repay that portion of Total Indebtedness that matures within twenty-four (24) months of such date of determination to (ii) Total Asset Value (the "Total Leverage Ratio") as at the last day of any period of four consecutive fiscal quarters of the Borrower or on the date of any incurrence of Indebtedness by the Borrower or its Subsidiaries hereunder to exceed 60%; provided that such ratio may exceed 60% in order to permit the Borrower to consummate a Significant Acquisition so long as (i) such ratio does not exceed 60% as of the end of more than four (4) consecutive fiscal quarters and (ii) such ratio does not exceed 65% as of such date of determination.

B. Fixed Charge Coverage Ratio. Permit the ratio of Total EBITDA to Total Fixed Charges for any period of four consecutive fiscal quarters of the Borrower to be less than 1.50 to 1.0.

C. Secured Leverage Ratio. Permit the ratio of (A) (i) the aggregate amount of all Secured Indebtedness (other than any such Indebtedness that has been Discharged) minus (ii) as of such date of determination, unrestricted cash and Cash Equivalents of the Group Members in excess of \$10,000,000 that is being held to repay that portion of Secured Indebtedness that matures within twenty-four (24) months of such date of determination (the "Secured Debt Reserve"), and without duplication of the Unsecured Debt Reserve in Section 7.1(f), to (B) Total Asset Value (the "Secured Leverage Ratio"), as at the last day of any period of four consecutive fiscal quarters of the Borrower or on the date of any incurrence of Indebtedness by the Borrower or its Subsidiaries hereunder to exceed 40%.

D. [Reserved].

E. Consolidated Adjusted Net Worth. Permit Consolidated Tangible Net Worth to be less than the sum of (i) \$5,405,730,868 plus (ii) 75% of Net Cash Proceeds from issuances of Capital Stock by the Borrower or Holdings after September 30, 2020.

F. Unsecured Leverage Ratio. Permit the ratio of (i)(A) Unsecured Indebtedness (other than any such Indebtedness that has been Discharged) minus (B) as of such date of determination, unrestricted cash and Cash Equivalents of the Group Members in excess of \$10,000,000 that is being held to repay that portion of Unsecured Indebtedness that matures within twenty-four (24) months of such date of determination ("Unsecured Debt Reserve"), and without duplication of the Secured Debt Reserve in Section 7.1(c), to (ii) Unencumbered Asset Value (the "Unsecured

Leverage Ratio”) as at the last day of any period of four consecutive fiscal quarters of the Borrower or on the date of any incurrence of Indebtedness by the Borrower or its Subsidiaries hereunder to exceed 65%; and provided further that such ratio may exceed 65% for the fiscal quarters ending September 30, 2021 and December 31, 2021 so long as such ratio does not exceed 70% as of such date of determination.

G. Unsecured Interest Coverage Ratio. Permit the ratio of Unencumbered NOI for any period of four consecutive fiscal quarters of the Borrower to Unsecured Interest Expense for such period to be less than 1.75 to 1.0 as at the last day of any period of four consecutive fiscal quarters of the Borrower or on the date of any incurrence of Indebtedness by the Borrower or its subsidiaries hereunder.

H. [Reserved].

I. Pro Forma Calculations.

(i) For purposes of the pro-forma calculations to be made pursuant to Sections 7.1(a), (c) and (f) (and the definitions used therein), such calculations shall be adjusted by (A) excluding from Total Asset Value and Unencumbered Asset Value the actual value of any assets sold by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter and (B) adding to Total Asset Value and Unencumbered Asset Value the actual value of any assets acquired (or to be acquired with any borrowing) by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter.

(ii) For purposes of the pro-forma calculations to be made pursuant to Sections 7.1(b) and (g) (and the definitions used therein), such calculations shall be adjusted by (A) excluding from Unencumbered NOI the actual NOI for the relevant period of any assets sold by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter, (B) adding to Unencumbered NOI the projected NOI for the next four quarters (based on the Borrower’s projections made in good faith) for any assets acquired (or to be acquired with any borrowing) by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter, (C) excluding from Unsecured Interest Expense, the Unsecured Interest Expense for the relevant period for any Unsecured Indebtedness for which the Borrower or any Subsidiary is no longer obligated in respect of, or as the result of the application of proceeds from, any Unencumbered Properties sold by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter, and (D) adding to Unsecured Interest Expense, the projected Unsecured Interest Expense for the next four quarters (based on the Borrower’s projections made in good faith) for any Unsecured Indebtedness assumed or incurred by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter.

## 12.2 Indebtedness

Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

A. Indebtedness of any Loan Party pursuant to any Loan Document, and the other Obligations;

B. (i) Indebtedness of the Borrower to any Subsidiary and of any Wholly Owned Subsidiary of the Borrower to the Borrower or any other Subsidiary, (ii) Indebtedness of the Borrower or any Wholly Owned Subsidiary of the Borrower to any non-Wholly Owned Subsidiary of the Borrower, and (iii) Indebtedness of any non-Wholly Owned Subsidiary to the Borrower or to any Wholly Owned Subsidiary of the Borrower in an aggregate amount not to exceed 5% of Total Asset Value at any one time outstanding;

C. Guarantee Obligations incurred in the ordinary course of business by the Borrower or any of its Subsidiaries of obligations of any Wholly Owned Subsidiary of the Borrower in an aggregate amount not to exceed \$50,000,000 at any one time outstanding;

D. Indebtedness outstanding on the date hereof and listed on Schedule 7.2(d) and any refinancings, refundings, renewals or extensions thereof that would not cause a violation of any covenant set forth in Section 7.1 after giving pro forma effect thereto;

E. (i) Indebtedness of the Borrower in respect of any Additional Senior Unsecured Notes and (ii) Guarantee Obligations of Holdings and its Subsidiaries, as applicable, in respect of such Indebtedness;

F. additional Indebtedness of Holdings, the Borrower or any of its Subsidiaries in an aggregate principal amount at any one time outstanding that would not cause a violation of any covenant set forth in Section 7.1 after giving pro forma effect to any such additional Indebtedness;

G. Indebtedness with respect to obligations of the Borrower with respect to Swap Agreements permitted by Section 7.12; and

H. Discharged Indebtedness.

**12.3** Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

A. Liens for taxes that are not overdue for a period of more than thirty (30) days or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP or the equivalent accounting principles in the relevant local jurisdiction;

B. carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than thirty (30) days or that are being contested in good faith by appropriate proceedings;

C. pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation, or to secure statutory obligations;

D. deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

E. easements, rights-of-way, restrictions and other similar encumbrances that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

F. Liens (not affecting the Unencumbered Properties) in existence on the date hereof listed on Schedule 7.3(f), securing Indebtedness permitted by Section 7.2(d), provided that no such Lien is spread to cover any additional property that is an Unencumbered Property after the Closing Date and that the amount of Indebtedness secured thereby is not increased in violation of Section 7.2;

G. Liens securing the Obligations;

H. any interest or title of a lessor under any lease entered into by the Borrower or any other Subsidiary in the ordinary course of its business and covering only the assets so leased;

I. Liens (not affecting the Unencumbered Properties) securing Indebtedness constituting Indebtedness permitted by Section 7.2(f), and Liens (not affecting Unencumbered Properties) incurred in connection with the cash collateralization of any Swap Agreement permitted by Section 7.12;

J. Liens (not affecting the Unencumbered Properties) arising from judgments or orders for the payment of money (or appeal or other surety bonds relating thereto) not constituting an Event of Default under Section 8;

K. Liens (i) of a collection bank arising under section 4-208 or 4-210 of the Uniform Commercial Code or other similar provisions of applicable law on the items in the course of collection and (ii) in favor of a banking or other financial institution arising as a matter of common or statutory law or under customary general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of setoff);

L. Liens (i) on advances of cash or Cash Equivalents in favor of the seller of any property to be acquired in an Investment permitted hereunder to be applied against the purchase price for such Investment or other acquisition, and (ii) consisting of an agreement to Dispose of any property in a Disposition permitted hereunder, in each case, solely to the extent such Investment or other acquisition or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien or on the date of any contract for such Investment or Disposition;

M. Liens that are customary contractual rights of setoff or banker's liens (i) relating to the establishment of depository relations with banks or other deposit-taking financial institutions in the ordinary course and not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit, automatic clearinghouse accounts or sweep accounts of Holdings, the Borrower or any of the Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Holdings, the Borrower or any of the Subsidiaries, or (iii) relating to securities accounts of Holdings, the Borrower or any of the Subsidiaries incurred in the ordinary course of business of Holdings, the Borrower or any of the Subsidiaries;

N. Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

O. customary rights of first refusal and tag, drag and similar rights in joint venture agreements entered into in the ordinary course of business;

P. customary Liens of an indenture trustee on money or property held or collected by it to secure fees, expenses and indemnities owing to it by any obligor under an indenture;

Q. Liens on Real Property where a Group Member is insured against such Liens by title insurance;

R. the interests of lessees and lessors under leases or subleases of, and the interest of managers or operators with respect to, real or personal property made in the ordinary course of business;

S. Liens securing assessments or charges payable to a property owner association or similar entity, which assessments are not yet due and payable or are being contested in good faith by appropriate proceedings diligently conducted, and for which adequate reserves with respect thereto, to the extent required by GAAP, are maintained on the books of the applicable Person; and

T. Liens on a Property (other than an Unencumbered Property) acquired by Borrower and or any of its Subsidiaries after the date hereof and which are in place at the time such Property is so acquired and not created in contemplation of such acquisition.

**12.4** Fundamental Changes. A. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that:

(i) any Subsidiary of the Borrower may be merged, consolidated or amalgamated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any Wholly Owned Subsidiary of the Borrower (provided that a Wholly Owned Subsidiary of the Borrower shall be the continuing or surviving corporation);

(ii) any Subsidiary of the Borrower may Dispose of any or all of its assets (x) to the Borrower or any Wholly Owned Subsidiary of the Borrower (upon voluntary liquidation or otherwise) or (y) pursuant to a Disposition permitted by Section 7.5;

(iii) any Investment expressly permitted by Section 7.8 may be structured as a merger, consolidation or amalgamation; and

(iv) any non-Wholly Owned Subsidiary of the Borrower may merge, consolidate or amalgamate with any other non-Wholly Owned Subsidiary of the Borrower.

B. With respect to Holdings or the Borrower, enter into any merger, consolidation, amalgamation or reorganization transaction that would result in such Person being organized under the laws of a jurisdiction other than the United States.

- 12.5**                    Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:
- A. the Disposition of obsolete or worn out property in the ordinary course of business;
  - B. the sale of inventory, receivables and other current assets and any immaterial assets in the ordinary course of business;
  - C. Dispositions permitted by clause (ii)(x) of Section 7.4(a);
  - D. the sale or issuance of any Subsidiary's Capital Stock to the Borrower or any Wholly Owned Subsidiary of the Borrower;
  - E. to the extent allowable under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a permitted business between the Borrower or any Subsidiary and another Person;
  - F. the voluntary unwinding of any Cash Management Services or Swap Agreements;
  - G. the Disposition of other property, assets or Capital Stock so long as (i) no Default or Event of Default has occurred and is continuing, or would occur after giving effect thereto and (ii) the Borrower complies with Section 6.11, if applicable;
  - H. the creation, granting, perfection or realization of any Lien permitted under this Agreement; the license or sublicense of intellectual property or other general intangibles; the lease, assignment or sublease of property in the ordinary course of business so long as the same does not materially interfere with the business of Holdings, the Borrower and their Subsidiaries, taken as a whole; and any sale or disposition of property in connection with scheduled turnarounds, maintenance and equipment and facility updates;
  - I. the surrender or waiver of contract rights or settlement, release or surrender of a contract, tort or other litigation claim in the ordinary course of business;
  - J. (i) any exchange or swap of assets, or lease, assignment or sublease of any real property or personal property of like property for use in a business permitted by Section 6.18 and (ii) Dispositions of property to the extent that (x) such property is exchanged for credit against the purchase price of similar replacement property or (y) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property;
  - K. Dispositions of cash and Cash Equivalents;
  - L. any Disposition (i) arising from foreclosure, casualty, condemnation or any similar action or transfers by reason of eminent domain with respect to any property or other asset of Holdings, the Borrower or any of its Subsidiaries; and

M. the transfer for fair value of property (including Capital Stock of Subsidiaries) to another Person in connection with a joint venture arrangement with respect to the transferred property.

**12.6** Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Group Member, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member (collectively, "Restricted Payments"), except that:

A. any Subsidiary of the Borrower may make Restricted Payments to the Borrower or any Wholly Owned Subsidiary of the Borrower, and any Subsidiary of the Borrower may make Restricted Payments to any other Subsidiary and any other holders of its Capital Stock so long as such Restricted Payments are made on a pro rata basis or otherwise in accordance with the applicable governing documents;

B. the Borrower may make Restricted Payments to Holdings (and Holdings may make Restricted Payments of such amount to its shareholders) in an amount not to exceed 95% of Normalized Adjusted FFO attributable to the period of four fiscal quarters then ended, unless such Restricted Payment is necessary in order for Holdings to maintain its status as a REIT and to avoid any U.S. federal income taxes on the taxable income of Holdings or any excise tax under Section 4981 of the Code; provided that (i) if an Event of Default has occurred and is continuing, the Borrower may only make Restricted Payments to Holdings in the amounts required to be made by Holdings in order to maintain its status as a REIT and (ii) the Borrower may not make any Restricted Payments to Holdings if the Obligations have been declared due and payable.

C. redemptions, repurchases, retirements or other acquisitions of Capital Stock in Holdings, the Borrower or any of the Subsidiaries deemed to occur upon exercise of stock options or warrants or similar rights if such Capital Stock represent a portion of the exercise price of, or tax withholdings with respect to, such options or warrants or similar rights;

D. the Borrower and the Subsidiaries may pay (or make Restricted Payments to allow Holdings or any direct or indirect parent thereof to pay, so long as in the case of any payment in respect of Capital Stock of any direct or indirect parent of Holdings, the amount of such Restricted Payment is directly attributable to the Capital Stock of Holdings owned directly or indirectly by such parent) for the repurchase, retirement or other acquisition or retirement for value of Capital Stock of Holdings (or such direct or indirect parent thereof) held by any future, present or former officers, directors, employees, members of management and consultants (or their respective estates, executors, administrators, heirs, family members, legatees, distributees, spouses, former spouses, domestic partners and former domestic partners) of Holdings (or any direct or indirect parent of Holdings) or any of its Subsidiaries in connection with the death, disability, retirement or termination of employment of any such Person (or a breach of any non-compete or other restrictive covenant or confidentiality obligations of any such Person at any time after such Person's disability, retirement or termination of employment); and



E. (i) redemptions, repurchases, retirements or other acquisitions of Capital Stock in connection with or pursuant to any joint venture agreement, and (ii) the declaration and payment of dividends or other distributions on any non-Wholly Owned Subsidiary's Capital Stock, in each case based on the relevant ownership interests in the relevant class of Capital Stock.

**12.7** [Reserved].

**12.8** Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except Permitted Investments.

**12.9** [Reserved].

**12.10** Transactions with Affiliates

. Enter into any material transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than Holdings, the Borrower or any Wholly Owned Subsidiary of the Borrower) unless such transaction is (i) for payments of compensation, perquisites and fringe benefits arising out of any employment or consulting relationship in the ordinary course of business, (ii) for payments of Restricted Payments permitted by this Agreement, (iii) between or among Loan Parties, or (iv) (A) otherwise not prohibited under this Agreement and (B) in the ordinary course of business of the relevant Group Member, and (C) upon fair and reasonable terms no less favorable to the relevant Group Member than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate.

**12.11** Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by any Group Member of real or personal property that has been or is to be sold or transferred by such Group Member to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of such Group Member.

**12.12** Swap Agreements. Enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by the Borrower or any Subsidiary and for the Borrower or such Subsidiary has actual exposure (other than those in respect of Capital Stock or any Additional Senior Unsecured Notes) and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary.

**12.13** Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than December 31 or change the Borrower's method of determining fiscal quarters.

**12.14** Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Group Member to create, incur, assume or suffer to exist any Lien upon any of its property (including equity interests owned by such Group

Member) or revenues, whether now owned or hereafter acquired (which, for the avoidance of doubt, shall exclude any agreement that requires maintenance of financial covenant ratios regarding amounts of secured debt or unencumbered assets), other than (a) this Agreement and the other Loan Documents, (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (c) any restrictions set forth in the organizational documents of the Subsidiaries of the Borrower listed on Schedule ES, (d) any restrictions set forth in the 2013 Senior Unsecured Note Indenture or any Additional Senior Unsecured Indentures, (e) customary restrictions and conditions contained in any agreement relating to the sale of any property pending the consummation of such sale; provided that (1) such restrictions apply only to the property to be sold, and (2) such sale is permitted hereunder, (f) covenants in any one or more agreements governing Indebtedness permitted under Section 7.2 that are not materially more restrictive with respect to Borrower and its Subsidiaries than the equivalent restrictions set forth in the Loan Documents, (g) any encumbrance or restriction in connection with an acquisition of property, so long as such encumbrance or restriction relates solely to the property so acquired and was not created in connection with or in anticipation of such acquisition, (h) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses or similar agreements entered into in the ordinary course of business (provided that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be), (i) provisions limiting the disposition or distribution of assets or property in joint venture agreements, stock sale agreements and other similar agreements, in each case, to the extent permitted under this Agreement and only if entered into with the approval of the Board of Directors of Holdings, which limitation is applicable only to the assets that are the subject of such agreement, (j) Contractual Obligations that are binding on a Subsidiary at the time such Subsidiary first becomes a Subsidiary, so long as such Contractual Obligations were not entered into in contemplation of such Person becoming a Subsidiary, (k) are required by or pursuant to applicable law, (l) are customary restrictions on leases, subleases, licenses, sublicenses, Capital Stock, or asset sale agreements and other similar agreements otherwise permitted hereby so long as such restrictions relate to the assets subject thereto, and (m) are customary provisions restricting assignment of any agreement entered into in the ordinary course of business.

**12.15** Clauses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Subsidiary of the Borrower, (b) make loans or advances to, or other Investments in, the Borrower or any other Subsidiary of the Borrower or (c) transfer any of its assets to the Borrower or any other Subsidiary of the Borrower, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, the 2013 Senior Unsecured Note Indenture or any Additional Senior Unsecured Indentures, (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Subsidiary, (iii) any restrictions set forth in the organizational documents of the Subsidiaries of the Borrower listed on Schedule ES, (iv) applicable Requirements of Law, (v) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of a Subsidiary, (vi) any holder of a Lien permitted by Section 7.3 restricting the transfer of the property subject to such permitted Lien, (vii) any

agreement in effect at the time such Subsidiary becomes a Subsidiary of the Borrower, so long as such agreement was not entered into in connection with or in contemplation of such Person becoming a Subsidiary of the Borrower, and (viii) any restrictions in any one or more agreements governing Indebtedness permitted under Section 7.2 that are not materially more restrictive with respect to Borrower and its Subsidiaries than the equivalent restrictions set forth in the Loan Documents.

**12.16** Lines of Business. Enter into any business, either directly or through any Subsidiary, except for those businesses in which the Borrower and its Subsidiaries are engaged on the date of this Agreement or that are reasonably related thereto.

### **SECTION 13. EVENTS OF DEFAULT**

If any of the following events shall occur and be continuing:

A. the Borrower shall fail to pay any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation, or any other amount payable hereunder or under any other Loan Document, within five (5) days after any such interest or other amount becomes due in accordance with the terms hereof; or

B. any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate (i) in any material respect on or as of the date made or deemed made or (ii) in the case of any representation or warranty qualified by “materiality”, “Material Adverse Effect” or any similar language, in any respect (after giving effect to such materiality qualifier) on or as of the date made or deemed made; or

C. any Loan Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 6.4(a) (with respect to Holdings and the Borrower only), Section 6.7(a), Section 6.13, or Section 7 of this Agreement or Section 4 of the Guarantee Agreement; or

D. any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of thirty (30) days after notice to the Borrower from the Administrative Agent or the Required Lenders; provided that if such default is capable of being cured but cannot be cured within such thirty (30) day period and so long as the Borrower shall have commenced to cure such default within such thirty (30) day period and shall be diligently pursuing such cure, the Borrower shall have an additional thirty (30) day period to cure such default; or

E. any Group Member (other than an Immaterial Subsidiary) shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any,

provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due, prepaid, repurchased, defeased or redeemed prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate (x) \$50,000,000, in the case of Recourse Indebtedness or (y) \$100,000,000 in the case of Nonrecourse Indebtedness; provided further that this clause (e) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder; or

F. (i) any Group Member (other than an Immaterial Subsidiary) shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Group Member (other than an Immaterial Subsidiary) shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Group Member (other than an Immaterial Subsidiary) any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed or undischarged for a period of sixty (60) days; or (iii) any Group Member (other than an Immaterial Subsidiary) shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i) or (ii) above; or (iv) any Group Member (other than an Immaterial Subsidiary) shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

G. (i) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of any Group Member or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, or (v) any Group Member or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders

would be reasonably likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, would, in the reasonable judgment of the Required Lenders, reasonably be expected to have a Material Adverse Effect; or

H. one or more final judgments or decrees shall be entered against any Group Member (other than an Immaterial Subsidiary) involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has not denied coverage) of \$50,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within thirty (30) days from the entry thereof; or

I. any of the Loan Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert other than as expressly permitted hereunder or thereunder; or

J. [reserved]; or

K. (i) (any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) shall become, or obtain rights (whether by means or warrants, options or otherwise) to become, the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 40% of the outstanding common stock of Holdings; (ii) the board of directors of Holdings shall cease to consist of a majority of Continuing Directors; (iii) Holdings shall cease to own and control, of record and beneficially, 100% of the outstanding Capital Stock of the general partner of the Borrower or shall cease to own and control, of record and beneficially, 90% of each class of outstanding Capital Stock of the Borrower free and clear of all Liens; or (iv) a Specified Change of Control shall occur; or

L. Holdings shall (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than (A) those incidental to its ownership of the Capital Stock of the Borrower, (B) the maintenance of its legal existence (including the ability to incur fees, costs and expenses relating to such maintenance), (C) the performance of its obligations and payments with respect to the Loan Documents and any other agreements permitted hereunder, (D) any public offering of its common stock or any other issuance of its Capital Stock or hold proceeds thereof, (E) making payments or Restricted Payments to the extent otherwise permitted hereunder, (F) making Investments in its Subsidiaries, (G) participating in tax, accounting and other administrative matters as a member of the consolidated, combined, unitary or similar group that included Holdings and the Borrower, (H) holding any cash, Cash Equivalents or other property received in connection with Restricted Payments received from, and Investments in Holdings made by, its Subsidiaries, contributions to its capital or in exchange for the issuance of Capital Stock and Investments received in respect of any of the foregoing pending application thereof by Holdings, and (I) providing indemnification and contribution, directors, officers, employees, members of management and consultants, (ii) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (w) Indebtedness incurred with respect to guarantees of any Additional Senior Unsecured Notes, or other Indebtedness of the Borrower

and its Subsidiaries that is permitted by Section 7.2, (x) nonconsensual obligations imposed by operation of law, (y) obligations pursuant to the Loan Documents to which it is a party and (z) obligations with respect to its Capital Stock, or (iii) own, lease, manage or otherwise operate any properties or assets (including cash (other than cash received in connection with dividends made by the Borrower in accordance with Section 7.6 pending application in the manner contemplated by said Section) and cash equivalents) other than the ownership of shares of Capital Stock of the Borrower;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i), (ii), (iii) or (iv) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable (and the obligation to deposit cash collateral for Letters of Credit described below shall become effectively immediately and such deposits shall become immediately due and payable), and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. In addition, the Administrative Agent may with the consent of the Required Lenders, and shall at the request of the Required Lenders, exercise on behalf of itself and the Lenders all rights and remedies available under the Loan Documents and applicable law. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be held as collateral for the payment and performance of the Obligations and shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled

thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

In the event that following the occurrence or during the continuance of any Event of Default, the Administrative Agent or any Lender, as the case may be, receives any monies in connection with the enforcement of any the Loan Documents, such monies shall be distributed for application as follows:

A. First, to the payment of, or (as the case may be) the reimbursement of the Administrative Agent for or in respect of, all reasonable costs, expenses, disbursements, fees, indemnities, and losses which shall have been incurred or sustained by the Administrative Agent in connection with the collection of such monies by the Administrative Agent, for the exercise, protection or enforcement by the Administrative Agent of all or any of the rights, remedies, powers and privileges of the Administrative Agent under this Agreement or any of the other Loan Documents or in support of any provision of adequate indemnity to the Administrative Agent against any taxes or liens which by law shall have, or may have, priority over the rights of the Administrative Agent to such monies;

B. Second, to pay any fees, indemnities or expense reimbursements then due to the Lenders from the Loan Parties;

C. Third to pay interest then due and payable on the Loans and Reimbursement Obligations ratably,

D. Fourth, to payment of Obligations constituting principal on the Loans and Reimbursement Obligations and obligations under Cash Management Services and Lender Swap Agreements due to the Administrative Agent or any Lender or any Affiliate of the Administrative Agent or any Lender or to any Qualified Lender Counterparty by the Loan Parties, and to pay an amount to the Administrative Agent equal to one hundred five percent (105%) of the aggregate undrawn face amount of all outstanding Letters of Credit and the aggregate amount of any unpaid Reimbursement Obligations, to be held as cash collateral for such Obligations, in each case ratably among the Lenders, the Administrative Agent and their Affiliates in proportion to the amounts described in this clause Fourth payable to them; and

E. Fifth, to the payment of any other Obligation due to the Administrative Agent or any Lender or any Affiliate of the Administrative Agent or any Lender by the Loan Parties.

Notwithstanding the foregoing, amounts received from any Guarantor shall not be applied to any Excluded Swap Obligation of such Guarantor, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation otherwise set forth in clauses (d) and (e) above.

## **SECTION 14. THE AGENTS**

### **14.1**                      Appointment

Each Lender and each Issuing Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender and Issuing Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Without limiting the foregoing, each Lender and each Issuing Lender hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party, and to exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Documents.

Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein. In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders and the Issuing Lenders (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. Without limiting the generality of the foregoing,

A. the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing (and it is understood and agreed that the use of the term “agent” (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and/or the transactions contemplated hereby;

B. the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise or refrain from exercising as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.1), for which the Administrative Agent shall be fully protected in so acting or refraining from acting, and, unless and until revoked in writing, such directions shall be binding upon each Lender and each Issuing Lender; provided, however, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification and is exculpated in a manner satisfactory to it from the Lenders and the Issuing Lenders with respect to such action or (ii) is contrary to this Agreement or any other Loan Document or applicable law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; provided, further, that the Administrative Agent may seek clarification or



direction from the Required Lenders prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided; and

C. except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity.

Nothing in this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Lenders, and, except solely to the extent of the Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article, none of the Borrower or any Subsidiary, or any of their respective Affiliates, shall have any rights as a third party beneficiary under any such provisions. The provisions of this Article shall survive the repayment of the Loans, the expiration or termination of the Commitments and the termination of this Agreement.

**14.2** Delegation of Duties. The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

**14.3** Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic

means that reproduces an image of an actual executed signature page) or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. Further, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default or Event of Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Section 5 or elsewhere in any Loan Document, other than to confirm receipt of items (which on their face purport to be such items) expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent. The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into or monitor compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Institution.

**14.4** Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings or the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

**14.5** Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative

Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

**14.6** Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender and each Issuing Lender represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility, (ii) it is engaged in making, acquiring or holding commercial loans and in providing other facilities set forth herein as may be applicable to such Lender or Issuing Lender, in each case in the ordinary course of business, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument (and each Lender and each Issuing Lender agrees not to assert a claim in contravention of the foregoing), (iii) it has, independently and without reliance upon any Agent, any Arranger, or any other Lender or Issuing Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder and (iv) it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or such Issuing Lender, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities. Each Lender also represents that it will, independently and without reliance upon any Agent, any Arranger or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates. Each Lender, by delivering its signature page to this Agreement on the Closing Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Closing Date.

**14.7** Indemnification. To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent, the Issuing Lender or the Swingline Lender under Section 10.5, each Lender severally agrees to pay to the Administrative Agent, the Issuing Lender or the Swingline Lender, as the case may be, such Lender's Aggregate Exposure Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is

sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Lender or the Swingline Lender in its capacity as such.

**14.8** Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it and with respect to any Letters of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms “Lender” and “Lenders” shall include each Agent in its individual capacity.

**14.9** Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon ten (10) days’ notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term “Administrative Agent” shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent’s rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is ten (10) days following a retiring Administrative Agent’s notice of resignation, the retiring Administrative Agent’s resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent’s resignation as Administrative Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

**14.10** Other Agents. The Syndication Agent, the Documentation Agents, and the Arrangers shall not have any duties or responsibilities hereunder in its capacity as such.

**14.11** Certain ERISA Matters. A. Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

- (i) such Lender is not using “plan assets” (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

B. In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent, or any Arranger, any Syndication Agent, any Documentation Agent or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

C. The Administrative Agent, and each Arranger, Syndication Agent and Documentation Agent hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the

transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

## **SECTION 15. MISCELLANEOUS**

### **15.1 Amendments and Waivers**

Subject to Section 2.16(b), (c) and (d), neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall: (i) forgive or reduce the principal amount or extend the final scheduled date of maturity of any Loan (except as provided in Section 2.25), reduce the stated rate of any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)), extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 10.1 without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, or release Holdings from its obligations under the Guarantee Agreement or release the Borrower from its obligations under any Qualified Borrower Guarantee, in each case without the written consent of all Lenders; (iv) amend, modify or waive any provision of Section 9 without the written consent of the Administrative Agent; (v) amend, modify or waive any provision of Section 2.6 or 2.7 or Section 2.24 without the written consent of the Swingline Lender; (vi) amend, modify or waive any provision of Section 2.24 or Section 3 without the written consent of the Issuing Lender; (vii) change Section 2.17(a), (b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender affected thereby; (viii) amend Section 1.4 or the definition of "Alternative Currency" without the consent of each Revolving Lender; (ix) reduce the percentage specified in the definition of "Majority Facility Lenders" with respect to any Facility without the written consent of all Lenders under such Facility; (x) amend the last paragraph of Section 8 (regarding the application of funds after an Event of Default), without the written

consent of each Lender adversely affected thereby; (xi) amend, modify or waive Section 5.2 without the consent of the applicable Majority Facility Lenders of the affected Facility; (xii) waive any condition set forth in Section 5.1 without the consent of all Lenders; or (xiii) extend the expiry date of any Letter of Credit beyond the Revolving Termination Date without the consent of each Revolving Lender. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

**15.2** Notices. A. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three (3) Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Holdings, the Borrower and the Administrative Agent, and as set forth in an Administrative Questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Holdings: Medical Properties Trust, Inc.  
1000 Urban Center Drive, Suite 501  
Birmingham, AL 35242  
Attention:R. Steven Hamner  
Telecopy:(205) 969-3756  
Telephone:(205) 969-3755

Borrower: MPT Operating Partnership, L.P.  
c/o Medical Properties Trust, Inc.  
1000 Urban Center Drive, Suite 501  
Birmingham, AL 35242  
Attention:R. Steven Hamner  
Telecopy:(205) 969-3756  
Telephone:(205) 969-3755

With a copy to: Goodwin Procter LLP  
100 Northern Avenue  
Boston, MA 02210  
Attention:Milena Tantcheva  
Telecopy:(617) 523-1231  
Telephone:(617) 570-1954

Administrative Agent: JPMorgan Chase Bank, N.A.  
500 Stanton Christiana Road  
NCC5/1st Floor  
Newark, DE 19713-2107  
Attention:Loan & Agency Services Group  
Email:himran.aziz@chase.com  
Telecopy:(302) 634-4733  
Telephone:(302) 634-1027

With a copy to (for requests relating to Loans and Letters of Credit denominated in an Alternative Currency):

J.P.Morgan Europe Limited  
25 Bank Street, Canary Wharf  
London E14 5JP  
Attention of The Manager, Loan & Agency Services  
Telecopy No. +44 207 777 2360,  
Email: loan\_and\_agency\_london@jpmorgan.com

With a copy to:

JPMorgan Chase Bank, N.A.  
383 Madison Avenue, 40th Floor  
New York, NY 10179



Attention:Jaime Gitler  
Telecopy:(212) 270-2157  
Telephone:(212) 270-1311

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

B. Notices and other communications to the Borrower and the Lenders hereunder may be delivered or furnished by electronic communications (including Electronic Systems) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

C. Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

D. Electronic Systems.

(i) Each Loan Party agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Issuing Lenders and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(ii) Although the Electronic System and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the

Administrative Agent from time to time (including, as of the Closing Date, a user ID/password authorization system) and the Electronic System is secured through a per-deal authorization method whereby each user may access the Electronic System only on a deal-by-deal basis, each of the Lenders, each of the Issuing Lenders and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Electronic System, and that there may be confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Issuing Lenders and the Borrower hereby approves distribution of the Communications through the Electronic System and understands and assumes the risks of such distribution.

(iii) Any Electronic System used by the Administrative Agent and the Communications are provided “as is” and “as available.” The Agent Parties (as defined below) do not warrant the accuracy or completeness of the Communications or the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Electronic System and the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or any Electronic System. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to the Borrower or the other Loan Parties, any Lender, the Issuing Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower’s, any Loan Party’s or the Administrative Agent’s transmission of communications through an Electronic System. “Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Lender by means of electronic communications pursuant to this Section, including through an Electronic System.

(iv) Each Lender and each Issuing Lender agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Electronic System shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender and Issuing Lender agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender’s or Issuing Lender’s (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(v) Each of the Lenders, each of the Issuing Lenders and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Electronic System in accordance with the Administrative Agent’s generally applicable document retention procedures and policies.

(vi) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or any Issuing Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

**15.3** No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law or otherwise available. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 10.1, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Lender may have had notice or knowledge of such Default at the time.

**15.4** Survival. All covenants, representations and warranties made by the Borrower hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Lender or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.18, 2.19, 2.20 and 10.5 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

**15.5** Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent and the Arrangers and their respective Affiliates for all its reasonable out-of-pocket costs and expenses incurred in connection with the development, syndication, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent and including such costs and expenses incurred under Section 6.10 and 6.11, with statements with respect to the foregoing to be submitted to the Borrower prior to the Funding Date (in the case of amounts to be paid on the Funding Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender and the Administrative Agent for all its documented out-of-pocket costs

and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents (including any workout or restructuring or negotiations in respect thereof), including the documented fees and disbursements and other out-of-pocket costs of counsel to each Lender and of counsel to the Administrative Agent, (c) to pay, indemnify, and hold each Lender and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender and the Administrative Agent and their respective officers, directors, employees, affiliates, advisors, trustees, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including the reasonable documented fees and expenses of legal counsel (except for Taxes, other than Taxes that represent losses, costs or expenses arising from any non-Tax claims) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any Loan Party with respect to (1) the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans or Letters of Credit (including any refusal by an Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit) or (2) any actual or alleged presence or release of Materials of Environmental Concern, or the violation of, noncompliance with or liability under, any Environmental Law, in each case applicable to the operations of any Group Member or any of the Properties or (3) in connection with claims, actions, arbitrations, or proceedings by any Indemnitee against any Loan Party under any Loan Document or asserted against any Indemnitee relating to any of the foregoing, whether or not such claim, action, arbitration, or proceeding is brought by the Borrower or any other Loan Party or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct or material breach of Loan Document obligations of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than ten (10) Business Days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to R. Steven Hamner (Telephone No. (205) 969-3755) (Telecopy No. (205) 969-3756), at the address of the Borrower set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the

Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Loans and all other amounts payable hereunder.

**15.6** Successors and Assigns; Participations and Assignments. A. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any affiliate of the Issuing Lender that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Lender that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Lender and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

B. (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons that are Eligible Assignees (each, an "Assignee") all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Borrower (such consent not to be unreasonably withheld or delayed), provided that no consent of the Borrower shall be required for an assignment to a Lender, an affiliate of a Lender, an Approved Fund (as defined below) or, if an Event of Default has occurred and is continuing, any other Person that is an Eligible Assignee; and provided further that the Borrower shall be deemed to have consented to an assignment unless it shall have objected thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof;

(B) the Administrative Agent (such consent not to be unreasonably withheld or delayed); provided that no consent of the Administrative Agent shall be required for the assignment of (x) any Revolving Commitment to an assignee that is a Lender (other than a Defaulting Lender) with a Revolving Commitment immediately prior to giving effect to such assignment and (y) Term Loans to a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) solely in the case of the Revolving Facility, the Issuing Lender and the Swingline Lender (such consent not to be unreasonably withheld or delayed).

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Loans, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption

with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that (1) no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its affiliates or Approved Funds, if any;

(B) the assigning Lender and the Assignee party to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For the purposes of this Section 10.6, "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an affiliate of a Lender or (c) an entity or an affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.18, 2.19, 2.20 and 10.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent, and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Lender and any Lender, at any reasonable time and from time to time upon reasonable prior notice. The obligations of Borrower under the Loan Documents are registered obligations and the right, title and interest of the Lenders and their Assignees in and to such obligations shall be transferable only upon notation of such transfer in the Register. This Section 10.6(b)(iv) shall be construed so that such obligations are at all times

maintained in “registered form” within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations (and any other relevant or successor provisions of the Code or such regulations).

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee’s completed Administrative Questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

C. (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (other than Holdings, the Borrower or any of their respective Subsidiaries or Affiliates) or a natural person (a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Lender and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Lender directly affected thereby pursuant to the proviso to the second sentence of Section 10.1 and (2) directly affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.18, 2.19 and 2.20 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7(b) as though it were a Lender, provided such Participant shall be subject to Section 10.7(a) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under the Loan Documents (the “Participant Register”); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant’s interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for

maintaining a Participant Register. The obligations of Borrower under the Loan Documents are registered obligations and the right, title and interest of the Lenders and their Participants in and to such obligations shall be transferable only upon notation of such transfer in the Participant Register. This Section 10.6(c)(i) shall be construed so that such obligations are at all times maintained in “registered form” within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations (and any other relevant or successor provisions of the Code or such regulations).

(ii) Each Participant shall agree to be subject to the provisions of Section 2.22 as though it were a Lender. A Participant shall not be entitled to receive any greater payment under Section 2.18 or 2.19 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent, which consent specifically refers to this Section 10.6(c)(ii). Any Participant that is a Non-U.S. Lender shall not be entitled to the benefits of Section 2.19 unless such Participant complies with Section 2.19(f).

D. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any other central bank having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto.

E. The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (d) above.

F. Notwithstanding the foregoing, any Conduit Lender may assign any or all of the Loans it may have funded hereunder to its designating Lender without the consent of the Borrower or the Administrative Agent and without regard to the limitations set forth in Section 10.6(b). Each of Holdings, the Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

G. Disqualified Institutions. (i) No assignment or participation shall be made to any Person that was a Disqualified Institution as of the date (the “Trade Date”) on which the assigning Lender entered into a binding agreement to sell and assign or grant a participation in all or a portion of its rights and obligations under this Agreement to such Person (unless the Borrower has consented to such assignment or participation in writing in its sole and absolute discretion, in which case such Person will not be considered a Disqualified Institution for the purpose of such assignment or



participation). For the avoidance of doubt, with respect to any assignee or Participant that becomes a Disqualified Institution after the applicable Trade Date (including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, the definition of “Disqualified Institution”), (x) such assignee or Participant shall not retroactively be disqualified from becoming a Lender or Participant and (y) the execution by the Borrower of an Assignment and Assumption with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Institution. Any assignment or participation in violation of this clause (g)(i) shall not be void, but the other provisions of this clause (g) shall apply.

(ii) If any assignment or participation is made to any Disqualified Institution without the Borrower’s prior written consent in violation of clause (i) above or if any Person becomes a Disqualified Institution after the applicable Trade Date, the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and the Administrative Agent, (A) terminate any Revolving Commitment of such Disqualified Institution and repay all obligations of the Borrower owing to such Disqualified Institution in connection with such Revolving Commitment plus accrued interest, accrued fees and all other amounts payable to it hereunder, (B) in the case of outstanding Term Loans held by Disqualified Institutions, purchase or prepay such Term Loans by paying the principal amount thereof plus accrued interest fees and other amounts payable to it hereunder and/or (C) require such Disqualified Institution to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 10.6), all of its interest, rights and obligations under this Agreement to one or more Eligible Assignees at the principal amount thereof plus accrued interest, accrued fees and all other amounts payable to it hereunder.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Institutions to whom an assignment or participation is made in violation of clause (i) above (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Institution will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Institutions consented to such matter.

(iv) The Administrative Agent shall have the right, and the Borrower hereby expressly authorizes the Administrative Agent, to (A) post the list of Disqualified Institutions provided by the Borrower and any updates thereto from time to time (collectively, the “Disqualified Institution List”) on the Electronic System, including that portion of the Electronic System that is designated for “public side” Lenders and/or (B) provide the Disqualified Institution List to each Lender requesting the same.

**15.7**                      Adjustments; Set-off.

A. Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "Benefitted Lender") shall receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

B. In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to Holdings or the Borrower, any such notice being expressly waived by Holdings and the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Holdings or the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Holdings or the Borrower, as the case may be. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

**15.8** Counterparts; Integration; Effectiveness; Electronic Execution. A. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.1, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

B. Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or

such Ancillary Document, as applicable. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower without further verification thereof and without any obligation to review the appearance or form of any such Electronic Signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and the Borrower, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent’s and/or any Lender’s reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

**15.9** Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**15.10** Integration. This Agreement and the other Loan Documents represent the entire agreement of Holdings, the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or

warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

**15.11** Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

**15.12** Submission To Jurisdiction; Waivers. Each of Holdings and the Borrower hereby irrevocably and unconditionally:

A. submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Issuing Lender or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower, any Loan Party or its properties in the courts of any jurisdiction.

B. consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

C. agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Holdings or the Borrower, as the case may be at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

D. agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

E. to the extent permitted by applicable law (i) the Borrower and any Loan Party shall not assert, and the Borrower and each Loan Party hereby waives, any claim against the Administrative Agent, any Arranger, any Issuing Lender and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "Lender-Related Person") for any Liabilities arising from the use by others of information or other materials (including, without limitation, any

personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) no party hereto shall assert, and each such party hereby waives, any Liabilities against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this paragraph shall relieve the Borrower of any obligation it may have to indemnify an Indemnitee, as provided in Section 10.5, against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

**15.13**                    Acknowledgements. Each of Holdings and the Borrower hereby acknowledges that:

A. it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

B. none of the Administrative Agent, the other Agents, the Arrangers or any Lender has any fiduciary or advisory relationship with or duty to Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent, the other Agents, the Arrangers and the Lenders, on one hand, and Holdings and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor;

C. no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Borrower and the Lenders; and

D. each Agent, Issuing Lender, Swing Line Lender, Lender and their Affiliates may have economic interests that conflict with those of the Loan Parties, their stockholders and/or their affiliates.

**15.14**                    Releases of Guarantees. A. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 10.1) to take any action requested by the Borrower having the effect of releasing any Guarantee Obligations (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 10.1 or (ii) under the circumstances described in paragraph (b) below.

B. At such time as the Loans, the Reimbursement Obligations, obligations under Lender Swap Agreements due to any Lender or its Affiliate or to any Qualified Lender Counterparty by the Loan Parties and the other Obligations shall have been paid in full, the Commitments have been terminated and no Letters of Credit shall be outstanding, the Guarantors shall be released from their obligations under the Guarantee Agreement (other than those expressly stated to survive such termination), all without delivery of any instrument or performance of any act by any Person.

**15.15**                    Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all Information (as defined below); provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such Information (a) to the Administrative Agent, any other Lender or any affiliate thereof, (b) subject to an agreement to comply with the provisions of this Section, to any actual or prospective Transferee or any direct or indirect counterparty to any Swap Agreement (or any professional advisor to such counterparty) or any credit insurance provider relating to the Borrower and its obligations (it being understood that the Disqualified Institution List may be disclosed to any assignee or Participant, or prospective assignee or Participant, in reliance on this clause (b) so long as such Person is not listed on such Disqualified Institution List), (c) to its Affiliates and to its and its Affiliates' employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates in connection with this Agreement and the other Loan Documents, (d) upon the request or demand of any Governmental Authority or any regulatory authority (including any self-regulatory authority), (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed or becomes publicly available, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, or (i) in connection with the exercise of any remedy hereunder or under any other Loan Document. For the purposes of this Section, "Information" means all information received from the Loan Parties relating to the Loan Parties or their business, other than any such information that is available to the Administrative Agent, any Issuing Lender or any Lender on a non-confidential basis prior to disclosure by the Borrower and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such information as such Person would accord to its own confidential information.

**15.16**                    WAIVERS OF JURY TRIAL. HOLDINGS, THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND FOR ANY COUNTERCLAIM THEREIN. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**15.17**                    USA PATRIOT Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act")

hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

**15.18**                      Transitional Arrangements.

A. Existing Credit Agreement Superseded. This Agreement shall supersede the Existing Credit Agreement in its entirety, except as provided in this Section 10.18. On the Closing Date, (i) the Dollar Term Loans outstanding under the Existing Credit Agreement and the Revolving Loans outstanding under the Existing Credit Agreement shall become Dollar Term Loans and Revolving Loans hereunder, respectively, (ii) the rights and obligations of the parties under each of the Existing Credit Agreement and the “Notes” defined therein shall be subsumed within and be governed by this Agreement and the Notes; provided however, that for purposes of this clause (ii) any of the “Obligations” (as defined in the Existing Credit Agreement) outstanding under the Existing Credit Agreement shall, for purposes of this Agreement, be Obligations hereunder, (iii) this Agreement shall not in any way release or impair the rights, duties or Obligations created pursuant to the Existing Credit Agreement or any other Loan Document or affect the relative priorities thereof, in each case to the extent in force and effect thereunder as of the Closing Date, except as modified hereby or by documents, instruments and agreements executed and delivered in connection herewith, and all of such rights, duties and Obligations are assumed, ratified and affirmed by the Borrower; (iv) the Obligations incurred under each of the Existing Credit Agreement shall, to the extent outstanding on the Closing Date, continue outstanding under this Agreement and shall not be deemed to be paid, released, discharged or otherwise satisfied by the execution of this Agreement, and this Agreement shall not constitute a refinancing, substitution or novation of such Obligations or any of the other rights, duties and obligations of the parties hereunder; and (v) the execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of Lenders or the Administrative Agent under the Existing Credit Agreement, nor constitute a waiver of any covenant, agreement or obligation under the Existing Credit Agreement, except to the extent that any such covenant, agreement or obligation is no longer set forth herein or is modified hereby. The Lenders’ interests in such Obligations, and participations in such Letters of Credit, shall be reallocated on the Closing Date in accordance with each Lender's applicable Revolving Percentages and Dollar Term Percentages. On the Closing Date, (a) the “Revolving Commitment” and “Dollar Term Commitment” (as defined in the Existing Credit Agreement) of each Lender that is a party to the Existing Credit Agreement but is not a party to this Agreement (an “Exiting Lender”) shall be terminated, all outstanding Obligations owing to the Exiting Lenders under the Existing Agreement on the Closing Date shall be paid in full, and each Exiting Lender shall cease to be a Lender under this Agreement, and (b) each Person listed on Schedule 1.1A attached to this Agreement shall be a Lender under this Agreement with the Commitments set forth opposite its name on such Schedule 1.1A.

B. Interest and Fees under Existing Credit Agreement. All interest and all commitment, facility and other fees and expenses owing or accruing under or in respect of the Existing Credit Agreement shall be calculated as of the Closing Date (prorated in the case of any fractional periods), and shall be paid on the Closing Date in accordance with the method specified in the Existing Credit Agreement as if such agreement were still in effect.

**15.19** Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

**15.20** Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

**15.21** Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

A. the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

B. the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document (provided, however, that Borrower shall be entitled to transfer, assign or waive its right to receive any such shares or other instruments to the extent necessary or prudent to preserve its status as a REIT), to the extent permitted by applicable law; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

**15.22** Subsidiary Borrowers.

A. At the election of the Borrower at any time and from time to time, upon not less than seven (7) Business Days' notice (or 15 days' notice in the event the Subsidiary is organized under



the laws of a jurisdiction other than the United States (a “Foreign Subsidiary Borrower”)) to the Administrative Agent and each Lender, at the time of such election, one or more Wholly Owned Subsidiaries shall become a Borrower hereunder (each, a “Subsidiary Borrower”) by (A) the Borrower’s and such Subsidiary Borrower’s executing and delivering to the Administrative Agent, as applicable, (i) an Adherence Agreement, (ii) an incumbency certificate as to the names, titles and specimen signatures of such Wholly Owned Subsidiary’s officers or other representatives authorized to act on its behalf in connection with this Agreement, and (iii) if and to the extent generally issued by the applicable jurisdiction, a current good standing certificate as to such Wholly Owned Subsidiary from its jurisdiction of organization and a certified copy of its organizational or constituent documents (such as a certificate or articles of incorporation or formation and by-laws, limited liability company agreement or limited partnership agreement, as applicable); provided that (x) each such Wholly Owned Subsidiary shall satisfy the Baseline Conditions on and as of the date such Wholly Owned Subsidiary delivers its Adherence Agreement, (y) the Borrower shall be deemed to represent and warrant as of such date that such proposed Subsidiary Borrower is a Wholly Owned Subsidiary, and (z) no Subsidiary Borrower shall cease to be a Subsidiary Borrower solely because it ceases to be a Wholly Owned Subsidiary so long as it remains a Subsidiary and (B) the Borrower’s executing a Qualified Borrower Guarantee. Following the giving of any notice pursuant to this Section 10.22(a) and prior to the effectiveness of any such Subsidiary becoming a Subsidiary Borrower, if the designation of such Subsidiary Borrower obligates the Administrative Agent or any Lender to comply with “know your customer” or similar identification procedures in accordance with applicable laws and regulations in circumstances where the necessary information is not already available to it, the applicable Subsidiary Borrower shall, promptly upon the request of the Administrative Agent or such Lender, supply such documentation and other evidence as is reasonably and customarily requested by the Administrative Agent or such Lender in order for the Administrative Agent or such Lender to be satisfied (in good faith) it has complied with all necessary “know your customer” or other similar verifications under all applicable laws and regulations. Notwithstanding the foregoing, (x) with respect to any Foreign Subsidiary Borrower, any Lender may, with notice to the Administrative Agent and the Borrower, fulfill its Commitment by causing an Affiliate of such Lender to act as the Lender in respect of such Foreign Subsidiary Borrower (and such Lender shall, to the extent of Loans made to and participations in Letters of Credit issued for the account of such Foreign Subsidiary Borrower, be deemed for all purposes hereof to have pro tanto assigned such Loans and participations to such Affiliate in compliance with the provisions of Section 10.6; and (y) as soon as practicable and in any event within seven (7) Business Days after notice of the designation under this Section of a Foreign Subsidiary Borrower, any Lender that (I) may not legally lend to such Foreign Subsidiary Borrower, (II) by policy or practice does not lend to entities in the jurisdiction of formation of such Foreign Subsidiary Borrower, or (III) would incur or suffer adverse regulatory or legal consequences by lending to such Foreign Subsidiary Borrower and, in any case (I) or (II) or (III), is generally not lending to other borrowers similarly situated to such Foreign Subsidiary Borrower (a “Protesting Lender”) shall so notify the Borrower and the Administrative Agent in writing. With respect to each Protesting Lender, the Borrower shall, effective on or before the date that such Foreign Subsidiary Borrower shall have the right to borrow hereunder, either (I) (A) replace such Protesting Lender in accordance with Section 2.22 or (B) notify the Administrative Agent and such Protesting Lender that the Commitments of such Protesting Lender shall be terminated (whereupon such Commitments shall be terminated); provided that, in the case of this clause (B) with respect to Revolving Commitments, (1) the

Borrower shall have received the prior written consent of the Administrative Agent and each Issuing Lender, which consents shall not unreasonably be withheld, and (2) such Protesting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the relevant Borrower (in the case of all other amounts), or (II) cancel its request to designate such Subsidiary as a “Subsidiary Borrower” hereunder.

B. A Subsidiary Borrower shall be released as a Borrower hereunder upon written request by the Borrower; provided that (i) any Loans to and/or other obligations of such Subsidiary Borrower proposed to be released shall have been either (A) repaid (and any outstanding Letters of Credit issued for its account shall have been fully cash collateralized unless the Borrower is a co-applicant thereof) or (B) assumed (pursuant to a written agreement reasonably satisfactory in form and substance to the Administrative Agent), concurrently with or prior to such release, by the Borrower or by another Subsidiary Borrower (which other Subsidiary Borrower satisfies the Baseline Conditions at the time of such assumption), (ii) there is no Event of Default after giving effect to such release, (iii) the Borrower is in compliance with each of the financial covenants set forth in Section 7.1 if the ratio or amount referred to therein were to be calculated as of such date, but after giving effect to such release, and (iv) the Borrower has furnished to the Administrative Agent a certificate of its chief financial officer or other authorized officer as to the matters referred in the preceding sub-clauses (ii) and (iii).

**15.23**                      Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights

could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

As used in this Section 10.23, the following terms have the following meanings:

“**BHC Act Affiliate**” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“**Covered Entity**” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“**QFC**” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

MEDICAL PROPERTIES TRUST, INC.

By: \_\_\_\_\_  
Name: R. Steven Hamner  
Title: Executive Vice President and Chief Financial Officer

MPT OPERATING PARTNERSHIP, L.P.

By: MEDICAL PROPERTIES TRUST, LLC, its general partner

By: MEDICAL PROPERTIES TRUST, INC., its sole member

By: \_\_\_\_\_  
Name: R. Steven Hamner  
Title: Executive Vice President and Chief Financial Officer

JPMORGAN CHASE BANK, N.A., as Administrative Agent and as a Lender, Issuing Lender and Swingline Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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BANK OF AMERICA, N.A., as a Lender, Issuing Lender and  
Swingline Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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BARCLAYS BANK PLC, as a Lender, Issuing Lender and Swingline  
Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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KEYBANK NATIONAL ASSOCIATION, as a Lender, Issuing Lender  
and Swingline Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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GOLDMAN SACHS BANK USA, as a Lender, Issuing Lender and  
Swingline Lender

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as  
a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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ROYAL BANK OF CANADA, as a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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TRUIST BANK, as a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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CITIZENS BANK, NATIONAL ASSOCIATION, as a Lender

By: \_\_\_\_\_  
Name:  
Title:

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CREDIT SUISSE AG, NEW YORK BRANCH, as a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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CADENCE BANK, N.A., as a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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FIRST HORIZON BANK, as a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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MUFG BANK, LTD., as a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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THE BANK OF NOVA SCOTIA, as a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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HANCOCK WHITNEY BANK, as a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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BNP PARIBAS, as a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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MIZUHO BANK, LTD., as a Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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HUA NAN COMMERCIAL BANK, LOS ANGELES BRANCH, as a  
Lender

By: \_\_\_\_\_  
Name:  
Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

## SUBSIDIARIES OF REGISTRANT

| Subsidiaries                         | Jurisdiction of Organization | Jurisdiction(s) in Which Qualified as a Foreign Corporation |
|--------------------------------------|------------------------------|---|
| Medical Properties Trust, LLC        | Delaware                     | Alabama, Massachusetts                                      |
| Mountain View-MPT Hospital, LLC      | Delaware                     | Idaho   |
| MPT of Allen FCER, LLC               | Delaware                     | Texas   |
| MPT of Altoona, LLC                  | Delaware                     | Wisconsin   |
| MPT of Alvarado, LLC                 | Delaware                     | California  |
| MPT of Alvarado, L.P.                | Delaware                     | California  |
| MPT of Alvin FCER, LLC               | Delaware                     | Texas   |
| MPT Bath S.a.r.l.                    | Luxembourg                   | —   |
| MPT of Bayonne, LLC                  | Delaware                     | New Jersey  |
| MPT of Bennettsville, LLC            | Delaware                     | South Carolina  |
| MPT of Billings, LLC                 | Delaware                     | Montana   |
| MPT of Bloomington, LLC              | Delaware                     | Indiana   |
| MPT of Boise, LLC                    | Delaware                     | Idaho   |
| MPT of Bossier City, LLC             | Delaware                     | Louisiana   |
| MPT of Brodie FCER, LLC              | Delaware                     | Texas   |
| MPT of Broomfield FCER, LLC          | Delaware                     | Colorado  |
| MPT of Brownsville, LLC              | Delaware                     | Texas   |
| MPT of Carrollton AD, LLC            | Delaware                     | Texas   |
| MPT of Casper, LLC                   | Delaware                     | Wyoming   |
| MPT of Cedar Hill FCER, LLC          | Delaware                     | Texas   |
| MPT of Champion Forest FCER, LLC     | Delaware                     | Texas   |
| MPT of Chandler FCER, LLC            | Delaware                     | Arizona   |
| MPT of Cheraw, LLC                   | Delaware                     | South Carolina  |
| MPT of Clear Lake, LLC               | Delaware                     | Texas   |
| MPT of Clear Lake, L.P.              | Delaware                     | Texas   |
| MPT of Comal County, LLC             | Delaware                     | Texas   |
| MPT of Commerce City FCER, LLC       | Delaware                     | Colorado  |
| MPT of Converse FCER, LLC            | Delaware                     | Texas   |
| MPT of Corpus Christi, LLC           | Delaware                     | Texas   |
| MPT of Dallas, LLC                   | Delaware                     | Texas   |
| MPT of Dallas LTACH, LLC             | Delaware                     | Texas (as “MPT of Dallas LTACH GP, LLC”)                    |
| MPT of Dallas LTACH, L.P.            | Delaware                     | Texas   |
| MPT Development Services, Inc.       | Delaware                     | Alabama   |
| MPT of Fairmont-Alecto, LLC          | Delaware                     | West Virginia   |
| MPT of Fairmont-Alecto Hospital, LLC | Delaware                     | West Virginia   |
| MPT Finance Corporation              | Delaware                     | —   |
| MPT of Firestone FCER, LLC           | Delaware                     | Colorado  |
| MPT of Florence, LLC                 | Delaware                     | Arizona   |
| MPT of Fort Worth FCER, LLC          | Delaware                     | Texas   |
| MPT of Fountain FCER, LLC            | Delaware                     | Colorado  |
| MPT of Frisco FCER, LLC              | Delaware                     | Texas   |
| MPT of Ft. Lauderdale, LLC           | Delaware                     | Florida   |
| MPT of Garden Grove Hospital, LLC    | Delaware                     | California  |
| MPT of Garden Grove Hospital, L.P.   | Delaware                     | California  |
| MPT of Garden Grove MOB, LLC         | Delaware                     | California  |
| MPT of Garden Grove MOB, L.P.        | Delaware                     | California  |
| MPT of Glendale FCER, LLC            | Delaware                     | Arizona   |
| MPT of Greenwood, LLC                | Delaware                     | South Carolina  |
| MPT of Hausman, LLC                  | Delaware                     | Texas   |
| MPT of Hillsboro, LLC                | Delaware                     | Texas   |
| MPT of Hillsboro, L.P.               | Delaware                     | Texas   |
| MPT of Hoboken Hospital, LLC         | Delaware                     | —   |
| MPT of Hoboken TRS, LLC              | Delaware                     | New Jersey  |
| MPT of Hoover-Medical West, LLC      | Delaware                     | Alabama   |
| MPT of Houston-Eldridge FCER, LLC    | Delaware                     | Texas   |
| MPT of Idaho Falls, LLC              | Delaware                     | Idaho   |
| MPT of Johnstown, LLC                | Delaware                     | Colorado  |
| MPT JV Holdco Sarl                   | Luxembourg                   | —   |
| MPT of Kansas City, LLC              | Delaware                     | Missouri  |
| MPT of Lafayette, LLC                | Delaware                     | Indiana   |
| MPT of Laredo, LLC                   | Delaware                     | Texas   |
| MPT of Las Cruces                    | Delaware                     | New Mexico  |
| MPT of Leavenworth, LLC              | Delaware                     | Kansas  |
| MPT Legacy of Montclair, LLC         | Delaware                     | New Jersey  |
| MPT of Little Elm FCER, LLC          | Delaware                     | Texas   |
| MPT of Los Angeles, LLC              | Delaware                     | California  |
| MPT of Los Angeles, L.P.             | Delaware                     | California  |
| MPT of Mesa, LLC                     | Delaware                     | Arizona   |
| MPT of Mesquite, LLC                 | Delaware                     | Texas   |
| MPT of Missouri City FCER, LLC       | Delaware                     | Texas   |
| MPT of Mountain View, LLC            | Delaware                     | —   |
| MPT of Nacogdoches FCER, LLC         | Delaware                     | Texas   |
| MPT of North Gate FCER, LLC          | Delaware                     | Colorado  |
| MPT of Ogden, LLC                    | Delaware                     | Utah  |
| MPT of Olympia, LLC                  | Delaware                     | —   |
| MPT Operating Partnership, L.P.      | Delaware                     | Massachusetts, Alabama, New York, Kansas                    |



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| MPT of Overlook Parkway, LLC               | Delaware   | Texas      |
| MPT of Paradise Valley, LLC                | Delaware   | California |
| MPT of Paradise Valley, L.P.               | Delaware   | California |
| MPT of PA-Vibra Lender, LLC                | Delaware   | Michigan   |
| MPT of Pearland FCER, LLC                  | Delaware   | Texas      |
| MPT of Petersburg, LLC                     | Delaware   | Virginia   |
| MPT of Poplar Bluff, LLC                   | Delaware   | Missouri   |
| MPT of Port Arthur, LLC                    | Delaware   | Texas      |
| MPT of Post Falls, LLC                     | Delaware   | Idaho      |
| MPT of Prescott Valley, LLC                | Delaware   | Arizona    |
| MPT of Provo, LLC                          | Delaware   | Utah       |
| MPT of Reno, LLC                           | Delaware   | Nevada     |
| MPT RHM Achertal S.a.r.l.                  | Luxembourg | —          |
| MPT RHM Adelsberg S.a.r.l.                 | Luxembourg | —          |
| MPT RHM Aukammtal S.a.r.l.                 | Luxembourg | —          |
| MPT RHM Bad Lausick S.a.r.l.               | Luxembourg | —          |
| MPT RHM Bad Sulze S.a.r.l.                 | Luxembourg | —          |
| MPT RHM Berggiesshubel S.a.r.l.            | Luxembourg | —          |
| MPT RHM Braunfels S.a.r.l.                 | Luxembourg | —          |
| MPT RHM Buchberg S.a.r.l.                  | Luxembourg | —          |
| MPT RHM Burg Landshut S.a.r.l.             | Luxembourg | —          |
| MPT AHG Odenwald S.a.r.l.                  | Luxembourg | —          |
| MPT RHM Christiaan S.a.r.l.                | Luxembourg | —          |
| MPT RHM Flechtingen S.a.r.l.               | Luxembourg | —          |
| MPT RHM Flechtingen II S.a.r.l.            | Luxembourg | —          |
| MPT RHM Fontana S.a.r.l.                   | Luxembourg | —          |
| MPT RHM Franz-Alexander S.a.r.l.           | Luxembourg | —          |
| MPT RHM Gottleuba S.a.r.l.                 | Luxembourg | —          |
| MPT RHM Grunheide S.a.r.l.                 | Luxembourg | —          |
| MPT RHM Gunzenbach S.a.r.l.                | Luxembourg | —          |
| MPT RHM Gyhum S.a.r.l.                     | Luxembourg | —          |
| MPT RHM Hannover S.a.r.l.                  | Luxembourg | —          |
| MPT RHM Heidelberg S.a.r.l.                | Luxembourg | —          |
| MPT RHM Heiligendamm S.a.r.l.              | Luxembourg | —          |
| MPT RHM Heinrich Mann S.a.r.l.             | Luxembourg | —          |
| MPT RHM Hillersbach S.a.r.l.               | Luxembourg | —          |
| MPT RHM Hohenfeld S.a.r.l.                 | Luxembourg | —          |
| MPT RHM Hohenlohe S.a.r.l.                 | Luxembourg | —          |
| MPT RHM Holdco S.a.r.l.                    | Luxembourg | —          |
| MPT RHM Hoppegarten S.a.r.l.               | Luxembourg | —          |
| MPT RHM Kaiserberg S.a.r.l.                | Luxembourg | —          |
| MPT RHM Kalbe S.a.r.l.                     | Luxembourg | —          |
| MPT RHM Kinzigtal S.a.r.l.                 | Luxembourg | —          |
| MPT RHM Kladow S.a.r.l.                    | Luxembourg | —          |
| MPT RHM Klaus S.a.r.l.                     | Luxembourg | —          |
| MPT RHM Lobenstein S.a.r.l.                | Luxembourg | —          |
| MPT RHM Magdeburg S.a.r.l.                 | Luxembourg | —          |
| MPT RHM Moselschleife S.a.r.l.             | Luxembourg | —          |
| MPT RHM Park S.a.r.l.                      | Luxembourg | —          |
| MPT RHM Schlangenbad S.a.r.l.              | Luxembourg | —          |
| MPT RHM Sonnenwende S.a.r.l.               | Luxembourg | —          |
| MPT RHM St. George Bad Durrheim S.a.r.l.   | Luxembourg | —          |
| MPT RHM St. George Bad Krotzingen S.a.r.l. | Luxembourg | —          |
| MPT RHM Sudpark S.a.r.l.                   | Luxembourg | —          |
| MPT RHM Tennstedt S.a.r.l.                 | Luxembourg | —          |
| MPT RHM TRS S.a.r.l.                       | Luxembourg | —          |
| MPT RHM Vesalius S.a.r.l.                  | Luxembourg | —          |
| MPT RHM Wismar S.a.r.l.                    | Luxembourg | —          |
| Med Valencia S.a.r.l.                      | Luxembourg | —          |
| Bacoreta Investments S.L.                  | Spain      | —          |
| Healthcare Properties Fund Italy           | Italy      | —          |
| MPT Median Münchwies S.a.r.l.              | Luxembourg | —          |
| MPT Median Schweriner See S.a.r.l.         | Luxembourg | —          |
| MPT Median Bad Oeynhausen S.a.r.l.         | Luxembourg | —          |
| MPT Median Bad Salzuflen S.a.r.l.          | Luxembourg | —          |
| MPT Bad Pymont II S.a.r.l.                 | Luxembourg | —          |
| MPT Median Bassenheim S.a.r.l.             | Luxembourg | —          |
| MPT Psychosomatik S.a.r.l.                 | Luxembourg | —          |
| MPT Median Wilhelmsheim S.a.r.l.           | Luxembourg | —          |
| MPT Median Daun-Thommener Höhe S.a.r.l.    | Luxembourg | —          |
| MPT Median Daun-Am Rosenberg S.a.r.l.      | Luxembourg | —          |
| MPT Median Dormagen, S.a.r.l.              | Luxembourg | —          |
| MPT Median Tönisstein S.a.r.l.             | Luxembourg | —          |
| MPT Median Haus Dondert S.a.r.l.           | Luxembourg | —          |
| MPT Median Haus Grefrath S.a.r.l.          | Luxembourg | —          |
| MPT Haus Remscheid S.a.r.l.                | Luxembourg | —          |
| MPT Median Germersheim S.a.r.l.            | Luxembourg | —          |
| MPT Median am Waldsee S.a.r.l.             | Luxembourg | —          |
| MPT Median Haus Willich S.a.r.l.           | Luxembourg | —          |
| MPT Median Daun-Altburg S.a.r.l.           | Luxembourg | —          |
| MPT Median Salze S.a.r.l.                  | Luxembourg | —          |

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| MPT Median Saale S.a.r.l.            | Luxembourg        | — |
| MPT Median Saale II S.a.r.l.         | Luxembourg        | — |
| MPT Median Children’s Rehab S.a.r.l. | Luxembourg        | — |
| MPT Median Meduna S.a.r.l.           | Luxembourg        | — |
| MPT Median Meduna Park S.a.r.l.      | Luxembourg        | — |
| MPT JV Acute Holdco S.a.r.l.         | Luxembourg        | — |
| MPT AHG Lubeck S.a.r.l.              | Luxembourg        | — |
| MPT AHG Mecklenberg S.a.r.l.         | Luxembourg        | — |
| MPT AHG Ravensruh S.a.r.l.           | Luxembourg        | — |
| MPT AHG Richelsdorf S.a.r.l.         | Luxembourg        | — |
| MPT AHG Romhild S.a.r.l.             | Luxembourg        | — |
| MPT AHG Wigbertshohe S.a.r.l.        | Luxembourg        | — |
| MPT ATOS Cologne S.a.r.l.            | Luxembourg        | — |
| MPT Circle-Birmingham S.a.r.l.       | Luxembourg        | — |
| MPT UK Holdco S.a.r.l.               | Luxembourg        | — |
| MPT Median Burggraben S.a.r.l.       | Luxembourg        | — |
| MPT Median Holdings, S.a.r.l.        | Luxembourg        | — |
| Medical Properties Trust S.a.r.l.    | <b>Luxembourg</b> | — |
| MPT Luxembourg GP S.a.r.l.           | Luxembourg        | — |
| MPT Luxembourg Partnership SCS       | Luxembourg        | — |
| MPT Luxembourg AIF Italy GP S.a.r.l. | Luxembourg        | — |
| MPT Luxembourg AIF Italy SCSp        | Luxembourg        | — |
| MPT Europe Holdco S.a.r.l.           | Luxembourg        | — |
| MPT BMI Harbour Hospital Sarl        | Luxembourg        | — |
| MPT Switzerland Holdings Sarl        | Luxembourg        | — |
| MPT Mt Stuart Limited                | United Kingdom    | — |
| MPT Euxton Limited                   | United Kingdom    | — |
| MPT Renacres Limited                 | United Kingdom    | — |
| MPT Downs Limited                    | United Kingdom    | — |
| MPT Winfield Limited                 | United Kingdom    | — |
| MPT Rowley Limited                   | United Kingdom    | — |
| MPT Ashtead Limited                  | United Kingdom    | — |
| MPT Reading Limited                  | United Kingdom    | — |
| MPT Viseu Sarl                       | Luxembourg        | — |
| MPT Gozo Sarl                        | Luxembourg        | — |
| Newco Inversiones Inmobiliarias SL   | Spain             | — |
| Proyectos Torrelodones SL            | Spain             | — |
| Proyectos Moraleja 2002 SL           | Spain             | — |
| MPT Australia Realty Trust           | New South Wales   | — |
| MPT Australian Services Pty Ltd      | New South Wales   | — |
| MPT Kingswood Realty Trust           | New South Wales   | — |
| MPT Campbelltown Realty Trust        | New South Wales   | — |
| MPT Liverpool Realty Trust           | New South Wales   | — |
| MPT Bundoora Realty Trust            | New South Wales   | — |
| MPT Sunnybank Realty Trust           | New South Wales   | — |
| MPT Strathpine Realty Trust          | New South Wales   | — |
| MPT Perth Realty Trust               | New South Wales   | — |
| MPT St. Albans Realty Trust          | New South Wales   | — |
| MPT Glen Waverley Realty Trust       | New South Wales   | — |
| MPT Wantirna Realty Trust            | New South Wales   | — |
| MPT Ringwood East Realty Trust       | New South Wales   | — |
| Medical Properties Trust Limited     | Jersey            | — |
| MPT Propco Holdco Ltd                | Jersey            | — |
| MPT Harrow Ltd                       | United Kingdom    | — |
| MPT Glasgow Ltd                      | United Kingdom    | — |
| MPT Osborn Ltd                       | United Kingdom    | — |
| MPT Stepney Green Ltd                | United Kingdom    | — |
| MPT Fulwood Ltd                      | United Kingdom    | — |
| MPT Great Missenden Ltd              | United Kingdom    | — |
| MPT Arnold Ltd                       | United Kingdom    | — |
| MPT Combe Down Ltd                   | United Kingdom    | — |
| MPT Guildford Ltd                    | United Kingdom    | — |
| MPT Basingstoke Ltd                  | United Kingdom    | — |
| MPT Canterbury Ltd                   | United Kingdom    | — |
| MPT Croydon Ltd                      | United Kingdom    | — |
| MPT Rochdale Ltd                     | United Kingdom    | — |
| MPT Orpington Ltd                    | United Kingdom    | — |
| MPT Swindon Ltd                      | United Kingdom    | — |
| MPT Milton Keynes Ltd                | United Kingdom    | — |
| MPT Aberdeen Ltd                     | United Kingdom    | — |
| MPT Winchester Ltd                   | United Kingdom    | — |
| MPT 21 (Somerville Hospital) Ltd     | United Kingdom    | — |
| MPT Hendon Ltd                       | United Kingdom    | — |
| MPT 23 (Fawkham Manor Hospital) Ltd  | United Kingdom    | — |
| MPT Beckenham Ltd                    | United Kingdom    | — |
| MPT Carmarthen Ltd                   | United Kingdom    | — |
| MPT Blackburn Ltd                    | United Kingdom    | — |
| MPT 27 (Esperance Hospital) Ltd      | United Kingdom    | — |
| MPT Biddenham Ltd                    | United Kingdom    | — |
| MPT 29 (Fernbrae Hospital) Ltd       | United Kingdom    | — |

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| MPT 30 (Paddocks Hospital) Ltd                | United Kingdom | —          |
| MPT Blackheath Ltd                            | United Kingdom | —          |
| MPT Worthing Ltd                              | United Kingdom | —          |
| MPT Bolton Ltd                                | United Kingdom | —          |
| MPT Edgbaston Ltd                             | United Kingdom | —          |
| MPT Droitwich Spa Ltd                         | United Kingdom | —          |
| MPT Dorchester Ltd                            | United Kingdom | —          |
| MPT Cheadle Ltd                               | United Kingdom | —          |
| MPT 38 (Property Holdings) Ltd                | United Kingdom | —          |
| Bath Business Management Limited              | Luxembourg     | —          |
| MPT Dahlemer Heide S.a.r.l.                   | Luxembourg     | —          |
| MPT Darlington Limited                        | United Kingdom | —          |
| MPT Colombia TRS, S.L.                        | Spain          | —          |
| Medical Properties Trust, S.L.                | Spain          | —          |
| MPT Colombia Finance, S.L.                    | Spain          | —          |
| MPT Cavendish Ltd.                            | United Kingdom | —          |
| MPT Circle Reading Ltd.                       | United Kingdom | —          |
| MPT UK Finance Co. Ltd.                       | United Kingdom | —          |
| MPT Santa Maria da Feira S.a.r.l.             | United Kingdom | —          |
| MPT Bamford Ltd.                              | United Kingdom | —          |
| MPT Bromley Ltd.                              | United Kingdom | —          |
| MPT Bussage Ltd.                              | United Kingdom | —          |
| MPT Fromefield Ltd.                           | United Kingdom | —          |
| MPT Godalming Ltd.                            | United Kingdom | —          |
| MPT Hemel Hempstead Ltd.                      | United Kingdom | —          |
| MPT Hurworth Ltd.                             | United Kingdom | —          |
| MPT Mansionhouse Ltd.                         | United Kingdom | —          |
| MPT Meanwood Ltd.                             | United Kingdom | —          |
| MPT Melton Mowbray Ltd.                       | United Kingdom | —          |
| MPT Middleton Ltd.                            | United Kingdom | —          |
| MPT Monmouth Ltd.                             | United Kingdom | —          |
| MPT Newbury Ltd.                              | United Kingdom | —          |
| MPT Nottingham Ltd.                           | United Kingdom | —          |
| MPT Odiham Ltd.                               | United Kingdom | —          |
| MPT Old Woking Ltd.                           | United Kingdom | —          |
| MPT Preston Ltd.                              | United Kingdom | —          |
| MPT Sketchley Ltd.                            | United Kingdom | —          |
| MPT Southampton Ltd.                          | United Kingdom | —          |
| MPT Tadley Ltd.                               | United Kingdom | —          |
| MPT Wilmslow Ltd.                             | United Kingdom | —          |
| MPT Woodbourne Ltd.                           | United Kingdom | —          |
| MPT Annesley Ltd.                             | United Kingdom | —          |
| MPT Burston Ltd.                              | United Kingdom | —          |
| MPT Roehampton Ltd.                           | United Kingdom | —          |
| MPT Calverton Ltd.                            | United Kingdom | —          |
| MPT Goddards Green Ltd.                       | United Kingdom | —          |
| MPT Langho Ltd.                               | United Kingdom | —          |
| MPT Royston Ltd.                              | United Kingdom | —          |
| MPT Llanarth Ltd.                             | United Kingdom | —          |
| MPT Edmonton Ltd.                             | United Kingdom | —          |
| MPT Stockton Ltd.                             | United Kingdom | —          |
| MPT Ayr Ltd.                                  | United Kingdom | —          |
| MPT Stapleford Tawney Ltd.                    | United Kingdom | —          |
| MPT Willenhall Ltd.                           | United Kingdom | —          |
| MPT Stirling Ltd.                             | United Kingdom | —          |
| Cayman TRS Holdings                           | Cayman Islands | —          |
| MPT of Victory Lakes FCER, LLC                | Delaware       | Texas      |
| MPT of West Anaheim, LLC                      | Delaware       | California |
| MPT of West Anaheim, L.P.                     | Delaware       | California |
| MPT of West Monroe, LLC                       | Delaware       | Louisiana  |
| MPT of Westover Hills, LLC                    | Delaware       | Texas      |
| MPT of West Valley City, LLC                  | Delaware       | Utah       |
| MPT of Wichita, LLC                           | Delaware       | Kansas     |
| MPT of Wyandotte County, LLC                  | Delaware       | Kansas     |
| Wichita Health Associates Limited Partnership | Delaware       | Kansas     |
| MPT of Sherman-Alecto Hospital, LLC           | Delaware       | Texas      |
| MPT of Denver 48th FCER, LLC                  | Delaware       | Colorado   |
| MPT of McKinney FCER, LLC                     | Delaware       | Texas      |
| MPT of Gilbert FCER, LLC                      | Delaware       | Arizona    |
| MPT of Conroe FCER, LLC                       | Delaware       | Texas      |
| MPT of Houston Vintage AD, LLC                | Delaware       | Texas      |
| MPT of Blue Springs, LLC                      | Delaware       | Missouri   |
| MPT of Missouri, LLC                          | Delaware       | Missouri   |
| MPT of Aurora FCER, LLC                       | Delaware       | Colorado   |
| MPT of Weslaco, LLC                           | Delaware       | Texas      |
| MPT of Chandler-Ray FCER, LLC                 | Delaware       | Arizona    |
| MPT of Highland Village FCER, LLC             | Delaware       | Texas      |
| MPT Europe Opportunities, LLC                 | Delaware       | —          |
| MPT of Helotes FCER, LLC                      | Delaware       | Texas      |
| MPT of Parker FCER, LLC                       | Delaware       | Colorado   |
| MPT of Cinco Ranch FCER, LLC                  | Delaware       | Texas      |

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| MPT of Lubbock, LLC                             | Delaware | Texas                               |
| MPT of Mesa-Ellsworth AD, LLC                   | Delaware | Arizona                             |
| MPT of Goodyear FCER, LLC                       | Delaware | Arizona                             |
| MPT of Hartsville-Capella, LLC                  | Delaware | South Carolina                      |
| MPT of Hot Springs-Capella, LLC                 | Delaware | Arkansas                            |
| MPT of McMinnville-Capella, LLC                 | Delaware | Oregon                              |
| MPT of Olympia-Capella, LLC                     | Delaware | Washington                          |
| MPT of Longmont FCER, LLC                       | Delaware | Colorado                            |
| MPT of Port Huron, LLC                          | Delaware | Michigan                            |
| MPT of Creekside FCER, LLC                      | Delaware | Texas                               |
| MPT of Morris, LLC                              | Delaware | New Jersey                          |
| MPT of Desoto FCER, LLC                         | Delaware | Texas                               |
| MPT of Flagstaff, LLC                           | Delaware | Arizona                             |
| MPT of Highlands Ranch FCER, LLC                | Delaware | Colorado                            |
| MPT of Marrero FCER, LLC                        | Delaware | Louisiana                           |
| MPT of San Tan Valley FCER, LLC                 | Delaware | Arizona                             |
| MPT of New Orleans Canal FCER, LLC              | Delaware | Louisiana                           |
| MPT of Plano Preston FCER, LLC                  | Delaware | Texas                               |
| MPT of Houston Antoine FCER, LLC                | Delaware | Texas                               |
| MPT of Katy 1463 FCER, LLC                      | Delaware | Texas                               |
| MPT of Newark, LLC                              | Delaware | New Jersey                          |
| MPT of Potranco FCER, LLC                       | Delaware | Texas                               |
| MPT of Mandeville FCER, LLC                     | Delaware | Louisiana                           |
| MPT of DeZavala FCER, LLC                       | Delaware | Texas                               |
| MPT of Glendale Camelback FCER, LLC             | Delaware | Arizona                             |
| MPT of Austin Riverside FCER, LLC               | Delaware | Texas                               |
| MPT of Lewiston-RCCH LLC                        | Delaware | Idaho                               |
| MPT of Pasco-RCCH, LLC                          | Delaware | Washington                          |
| MPT of Cypress Fry FCER, LLC                    | Delaware | Texas                               |
| MPT of Ayer-Steward, LLC                        | Delaware | Massachusetts                       |
| MPT of Brighton-Steward, LLC                    | Delaware | Massachusetts                       |
| MPT of Brockton-Steward, LLC                    | Delaware | Massachusetts                       |
| MPT of Dorchester-Steward, LLC                  | Delaware | Massachusetts                       |
| MPT of Fall River-Steward, LLC                  | Delaware | Massachusetts                       |
| MPT of Methuen-Steward, LLC                     | Delaware | Massachusetts                       |
| MPT of Norwood-Steward, LLC                     | Delaware | Massachusetts                       |
| MPT of Taunton-Steward, LLC                     | Delaware | Massachusetts                       |
| MPT of Haverhill-Steward, LLC                   | Delaware | Massachusetts                       |
| MPT Sycamore Opco, LLC                          | Delaware | —                                   |
| MPT of Toledo, LLC                              | Delaware | Ohio                                |
| MPT of Melbourne-Steward                        | Delaware | Florida                             |
| MPT of Rockledge-Steward, LLC                   | Delaware | Florida                             |
| MPT of Sebastian-Steward, LLC                   | Delaware | Florida                             |
| MPT of Warren-Steward, LLC                      | Delaware | Ohio                                |
| MPT of Youngstown-Steward, LLC                  | Delaware | Ohio                                |
| MPT of Easton-Steward, LLC                      | Delaware | Pennsylvania                        |
| MPT of Sharon-Steward, LLC                      | Delaware | Pennsylvania                        |
| MPT of Hillside-Steward, LLC                    | Delaware | Ohio                                |
| MPT of Martins Ferry-Alecto, LLC                | Delaware | Ohio                                |
| MPT of Martins Ferry-Alecto Hospital, LLC (TRS) | Delaware | Ohio                                |
| MPT of Maricopa RE-Steward, LLC                 | Delaware | Arizona                             |
| MPT of Odessa RE-Steward, LLC                   | Delaware | Texas                               |
| MPT of Ogden RE-Steward, LLC                    | Delaware | Utah                                |
| MPT of Phoenix RE-Steward, LLC                  | Delaware | Arizona                             |
| MPT of Port Arthur RE-Steward LLC               | Delaware | Texas                               |
| MPT of San Antonio RE-Steward, LLC              | Delaware | Texas                               |
| MPT of Phoenix Behavioral-Steward, LLC          | Delaware | Arizona                             |
| MPT Global Opportunities, LLC                   | Delaware | —                                   |
| MPT of Rosenberg FCER, LLC                      | Delaware | Texas                               |
| MPT of Roxborough, LLC                          | Delaware | Pennsylvania                        |
| MPT of Roxborough, L.P.                         | Delaware | Pennsylvania                        |
| MPT of San Dimas Hospital, LLC                  | Delaware | California                          |
| MPT of San Dimas Hospital, L.P.                 | Delaware | California                          |
| MPT of San Dimas MOB, LLC                       | Delaware | California                          |
| MPT of San Dimas MOB, L.P.                      | Delaware | California                          |
| MPT of Shasta, LLC                              | Delaware | California                          |
| MPT of Shasta, L.P.                             | Delaware | California                          |
| MPT of Sherman-Alecto, LLC                      | Delaware | Texas                               |
| MPT of Spartanburg, LLC                         | Delaware | South Carolina                      |
| MPT of Thornton FCER, LLC                       | Delaware | Colorado                            |
| MPT of Tomball, LLC                             | Delaware | Texas (as “MPT of Tomball GP, LLC”) |
| MPT of Tomball, L.P.                            | Delaware | Texas                               |
| MPT of Twelve Oaks, LLC                         | Delaware | Texas                               |
| MPT of Twelve Oaks, L.P.                        | Delaware | Texas                               |
| MPT of Wheeling-Alecto, LLC                     | Delaware | West Virginia                       |
| MPT of Wheeling-Alecto Hospital, LLC            | Delaware | West Virginia                       |
| MPT of Layton-Steward, LLC                      | Delaware | Utah                                |
| MPT of Hope-Steward, LLC                        | Delaware | Arkansas                            |
| MPT of West Jordan-Steward, LLC                 | Delaware | Utah                                |
| MPT of Odessa-Steward, LLC                      | Delaware | Texas                               |
| MPT of Houston-Steward, LLC                     | Delaware | Texas                               |

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| MPT of Phoenix-Steward, LLC                | Delaware   | Arizona        |
| MPT of Salt Lake City-Steward, LLC         | Delaware   | Utah           |
| MPT of San Antonio-Steward, LLC            | Delaware   | Texas          |
| MPT of Tempe-Steward, LLC                  | Delaware   | Arizona        |
| MPT of Texarkana-Steward, LLC              | Delaware   | Texas          |
| MPT of Houston RE-Steward, LLC             | Delaware   | Texas          |
| MPT of Layton RE-Steward, LLC              | Delaware   | Utah           |
| MPT of Lehi-Steward, LLC                   | Delaware   | Utah           |
| MPT TRS Lender-Steward, LLC                | Delaware   | Massachusetts  |
| MPT of Big Spring-Steward, LLC             | Delaware   | Texas          |
| MPT Australia MIT Holdings, LLC            | Delaware   | —              |
| MPT Australia, LLC                         | Delaware   | —              |
| MPT of Elgin, LLC                          | Delaware   | South Carolina |
| MPT of Watsonville Lender, LLC             | Delaware   | California     |
| MPT of Watsonville, LLC                    | Delaware   | California     |
| MPT of St. Luke's Parallel Parkway, LLC    | Delaware   | Kansas         |
| MPT of St. Luke's Roeland Park, LLC        | Delaware   | Kansas         |
| MPT of St. Luke's Shawnee, LLC             | Delaware   | Kansas         |
| MPT of St. Luke's Overland Park North, LLC | Delaware   | Kansas         |
| MPT of St. Luke's Overland Park South, LLC | Delaware   | Kansas         |
| MPT of St. Luke's Olathe, LLC              | Delaware   | Kansas         |
| MPT of St. Luke's Leawood, LLC             | Delaware   | Kansas         |
| MPT Australia Trust, Inc.                  | Maryland   | —              |
| MPT TRS Lender PMH, LLC                    | Delaware   | —              |
| MPT of Bellflower PMH GP, LLC              | Delaware   | California     |
| MPT of Culver City PMH GP, LLC             | Delaware   | California     |
| MPT of Hollywood PMH GP, LLC               | Delaware   | California     |
| MPT of Los Angeles PMH GP, LLC             | Delaware   | California     |
| MPT of Manchester PMH, LLC                 | Delaware   | Connecticut    |
| MPT of North Providence PMH, LLC           | Delaware   | Rhode Island   |
| MPT of Norwalk PMH GP, LLC                 | Delaware   | California     |
| Hospital Midco Sarl                        | Luxembourg |                |
| MPT of Providence PMH, LLC                 | Delaware   | Rhode Island   |
| MPT of Ridley Park PMH, LLC                | Delaware   | Pennsylvania   |
| MPT of Rockville PMH, LLC                  | Delaware   | Connecticut    |
| MPT of Springfield PMH, LLC                | Delaware   | Pennsylvania   |
| MPT of Tustin PMH GP, LLC                  | Delaware   | California     |
| MPT of Upland PMH, LLC                     | Delaware   | Pennsylvania   |
| MPT of Upper Darby PMH, LLC                | Delaware   | Pennsylvania   |
| MPT of Van Nuys PMH GP, LLC                | Delaware   | California     |
| MPT of Waterbury PMH, LLC                  | Delaware   | Connecticut    |
| MPT of Bellflower PMH, L.P.                | Delaware   | California     |
| MPT of Culver City PMH, L.P.               | Delaware   | California     |
| MPT of Hollywood PMH, L.P.                 | Delaware   | California     |
| MPT of Los Angeles PMH, L.P.               | Delaware   | California     |
| MPT of Norwalk PMH, L.P.                   | Delaware   | California     |
| MPT of Tustin PMH, L.P.                    | Delaware   | California     |
| MPT of Van Nuys PMH, L.P.                  | Delaware   | California     |
| MPT TRS Lender-Vibra, LLC                  | Delaware   | —              |
| MPT of Bowling Green-Vibra, LLC            | Delaware   | Kentucky       |
| MPT of Fresno-Vibra GP, LLC                | Delaware   | California     |
| MPT of Fresno-Vibra, L.P.                  | Delaware   | California     |
| MPT of San Bernardino-Vibra GP, LLC        | Delaware   | California     |
| MPT of San Bernardino-Vibra, L.P.          | Delaware   | California     |
| MPT of Crown Point-Vibra, LLC              | Delaware   | Indiana        |
| MPT of Mahoning Valley-Vibra, LLC          | Delaware   | Ohio           |
| MPT of Sacramento-Vibra GP, LLC            | Delaware   | California     |
| MPT of Sacramento-Vibra, L.P.              | Delaware   | California     |
| MPT of Rochdale-Vibra, LLC                 | Delaware   | Massachusetts  |
| MPT of Charleston-Vibra, LLC               | Delaware   | South Carolina |
| MPT of Richmond-Vibra, LLC                 | Delaware   | Virginia       |
| MPT of Lafayette-Vibra, LLC                | Delaware   | Louisiana      |
| MPT of Springfield-Vibra, LLC              | Delaware   | Illinois       |
| MPT of South Clear Lake, LLC               | Delaware   | Texas          |
| MPT of Johnstown-Lima, LLC                 | Delaware   | Pennsylvania   |
| MPT of Meyersdale-Lima, LLC                | Delaware   | Pennsylvania   |
| MPT of Hastings-Lima, LLC                  | Delaware   | Pennsylvania   |
| MPT of Roaring Springs-Lima, LLC           | Delaware   | Pennsylvania   |
| MPT of Lawton-Lima, LLC                    | Delaware   | Oklahoma       |
| MPT of Palestine-Lima, LLC                 | Delaware   | Texas          |
| MPT of Dodge City-Lima, LLC                | Delaware   | Kansas         |
| MPT of Ottumwa-Lima, LLC                   | Delaware   | Iowa           |
| MPT of Riverton-Lima, LLC                  | Delaware   | Wyoming        |
| MPT of Lander-Lima, LLC                    | Delaware   | Wyoming        |
| MPT of Ernest-Bakersfield, LLC             | Delaware   | California     |
| MPT of Ernest-Bakersfield, LP              | Delaware   | California     |
| MPT of Utah-Steward, LLC                   | Delaware   | —              |
| MPT of Utah-Steward Holdings, LLC          | Delaware   | —              |
| MPT Manolete Opco TRS, LLC                 | Delaware   | —              |
| MPT of Layton-Steward Property, LLC        | Delaware   | Utah           |
| MPT of West Jordan-Steward Property, LLC   | Delaware   | Utah           |

|  |                |                |
|--|----------------|----------------|
| MPT of Hillsboro TRS Lender, LLC       | Delaware       | —              |
| MPT of Lynwood, L.P.                   | Delaware       | California     |
| MPT of Lynwood GP, LLC                 | Delaware       | —              |
| MPT of Ernest-Stockton, LLC            | Delaware       | California     |
| MPT of Ernest-Stockton, LP             | Delaware       | California     |
| MPT of El Paso, LLC                    | Delaware       | Texas          |
| MPT of Clarksville, LLC                | Delaware       | Indiana        |
| MPT TRS, Inc.                          | Delaware       | —              |
| MPT of Coral Gables-Steward, LLC       | Delaware       | Florida        |
| MPT of Hialeah-Steward, LLC            | Delaware       | Florida        |
| MPT of Hialeah Palmetto-Steward, LLC   | Delaware       | Florida        |
| MPT of Lauderdale Lakes-Steward, LLC   | Delaware       | Florida        |
| MPT of Miami-Steward, LLC              | Delaware       | Florida        |
| MPT of Ernest-Lexington, LLC           | Delaware       | South Carolina |
| MPT Springstone REIT, Inc.             | Delaware       | —              |
| MPT of Gardena-PHS, L.P.               | Delaware       | California     |
| MPT of Huntington Park-PHS, L.P.       | Delaware       | California     |
| MPT of Huntington Park MOB-PHS, L.P.   | Delaware       | California     |
| MPT of East Los Angeles-PHS, L.P.      | Delaware       | California     |
| MPT of Norwalk-PHS, L.P.               | Delaware       | California     |
| MPT of Norwalk MOB-PHS, L.P.           | Delaware       | California     |
| MPT of Gardena-PHS GP, LLC             | Delaware       | California     |
| MPT of Huntington Park-PHS GP, LLC     | Delaware       | California     |
| MPT of Huntington Park MOB-PHS GP, LLC | Delaware       | California     |
| MPT of East Los Angeles-PHS GP, LLC    | Delaware       | California     |
| MPT of Norwalk-PHS GP, LLC             | Delaware       | California     |
| MPT of Norwalk MOB-PHS GP, LLC         | Delaware       | California     |
| MPT Business Holdings, LLC             | Delaware       | —              |
| Springstone TRS, Inc.                  | Delaware       | —              |
| MPT of Detroit, LLC                    | Delaware       | Michigan       |
| MPT of Avondale-Springstone, LLC       | Delaware       | Arizona        |
| MPT of Carrollton-Springstone, LLC     | Delaware       | Texas          |
| MPT of Columbus-Springstone, LLC       | Delaware       | Ohio           |
| MPT of Conroe-Springstone, LLC         | Delaware       | Texas          |
| MPT of Dublin-Springstone, LLC         | Delaware       | Ohio           |
| MPT of Englewood-Springstone, LLC      | Delaware       | Colorado       |
| MPT of Ft. Worth-Springstone, LLC      | Delaware       | Texas          |
| MPT of Georgetown-Springstone, LLC     | Delaware       | Texas          |
| MPT of Gilbert-Springstone, LLC        | Delaware       | Arizona        |
| MPT of Highland Hills-Springstone, LLC | Delaware       | Ohio           |
| MPT of Lafayette-Springstone, LLC      | Delaware       | Indiana        |
| MPT of Newburgh-Springstone, LLC       | Delaware       | Indiana        |
| MPT of Olathe-Springstone, LLC         | Delaware       | Kansas         |
| MPT of Oklahoma City-Springstone, LLC  | Delaware       | Oklahoma       |
| MPT of Raleigh-Springstone GP, LLC     | Delaware       | North Carolina |
| MPT of Richmond-Springstone, LLC       | Delaware       | Texas          |
| MPT of West Chester-Springstone, LLC   | Delaware       | Ohio           |
| MPT of Vancouver-Springstone, LLC      | Delaware       | Washington     |
| MPT Springstone REIT, Inc.             | Maryland       | —              |
| MPT of Miami Exchange, LLC             | Delaware       | Florida        |
| MPT of Coral Gables Exchange, LLC      | Delaware       | Florida        |
| MPT of Hialeah Exchange, LLC           | Delaware       | Florida        |
| MPT of Hialeah Palmetto Exchange, LLC  | Delaware       | Florida        |
| MPT of Lauderdale Lakes Exchange, LLC  | Delaware       | Florida        |
| MPT Silver Holdco, LLC                 | Delaware       | —              |
| Silver Holdco JV, LLC                  | Delaware       | —              |
| MPT UK JV Holdings, LLC                | Delaware       | —              |
| MPT of Raleigh-Springstone, L.P.       | Delaware       | North Carolina |
| MPT of McKinney-Springstone, LLC       | Delaware       | Texas          |
| Silver Holdco JV Sub, LLC              | Delaware       | —              |
| Hospital Properties (Reading Ltd.)     | Jersey         | —              |
| MPT UK Finance Co Limited              | United Kingdom | —              |
| Rehab and Mental Healthcare Group B.V. | Netherlands    | —              |

Certain subsidiaries were omitted pursuant to Item 601(21)(ii) of the SEC's Regulation S-K.

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-261966) and Form S-8 (Nos. 333-223471 and 333-190533) of Medical Properties Trust, Inc. of our report dated March 1, 2022 relating to the financial statements and financial statement schedules and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.**

**/s/ PricewaterhouseCoopers LLP  
Birmingham, Alabama  
March 1, 2022**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-261966) of MPT Operating Partnership, L.P. of our report dated March 1, 2022 relating to the financial statements and financial statement schedules and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP  
Birmingham, Alabama  
March 1, 2022



**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934**

I, Edward K. Aldag, Jr., certify that:

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

Date: March 1, 2022

/s/ Edward K. Aldag, Jr.

Edward K. Aldag, Jr.

Chairman, President and Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934**

I, R. Steven Hamner, certify that:

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

Date: March 1, 2022

/s/ R. Steven Hamner

R. Steven Hamner

Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934**

I, Edward K. Aldag, Jr., certify that:

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

Date: March 1, 2022

/s/ Edward K. Aldag, Jr.

Edward K. Aldag, Jr.

Chairman, President and Chief Executive Officer  
of the Sole Member of the General Partner of MPT Operating  
Partnership, L.P.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934**

I, R. Steven Hamner, certify that:

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

Date: March 1, 2022

/s/ R. Steven Hamner

R. Steven Hamner

Executive Vice President and Chief Financial Officer  
of the Sole Member of the General Partner of MPT Operating  
Partnership, L.P.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND  
18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY  
ACT OF 2002**

In connection with this annual report on Form 10-K of Medical Properties Trust, Inc. (the "Company") for the year ended December 31, 2021 (the "Report"), each of the undersigned, Edward K. Aldag, Jr. and R. Steven Hamner, certifies, pursuant to Section 18 U.S.C. Section 1350, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2022

/s/ Edward K. Aldag, Jr.

Edward K. Aldag, Jr.

Chairman, President and Chief Executive Officer

/s/ R. Steven Hamner

R. Steven Hamner

Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND  
18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY  
ACT OF 2002**

In connection with this annual report on Form 10-K of MPT Operating Partnership, L.P. (the “Company”) for the year ended December 31, 2021 (the “Report”), each of the undersigned, Edward K. Aldag, Jr. and R. Steven Hamner, certifies, pursuant to Section 18 U.S.C. Section 1350, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2022

/s/ Edward K. Aldag, Jr.

Edward K. Aldag, Jr.  
Chairman, President and Chief Executive Officer  
of the sole member of the general partner of  
MPT Operating Partnership, L.P.

/s/ R. Steven Hamner

R. Steven Hamner  
Executive Vice President and Chief Financial Officer  
of the sole member of the general partner of  
MPT Operating Partnership, L.P.