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

FORM 10-Q

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

For the quarterly period ended March 31, 2008

OR

o **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

MEDICAL PROPERTIES TRUST, INC.

(Exact Name of Registrant as Specified in Its Charter)

MARYLAND **(State or other jurisdiction of incorporation or organization)**	**20-0191742** **(I. R. S. Employer Identification No.)**
1000 URBAN CENTER DRIVE, SUITE 501 **BIRMINGHAM, AL** **(Address of principal executive offices)**	**35242** **(Zip Code)**

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (205) 969-3755

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.
Yes ☑ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filero Accelerated filer☑ Non-accelerated filero Smaller reporting company o
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No ☑

As of May 8, 2008, the registrant had 66,364,324 shares of common stock, par value $.001, outstanding.

MEDICAL PROPERTIES TRUST, INC.
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2008

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	March 31, 2008 (Unaudited)	December 31, 2007
Assets		
Real estate assets		
Land, buildings and improvements, and intangible lease assets	$ 568,441,431	$ 568,552,263
Mortgage loans	185,000,000	185,000,000
Real estate held for sale	80,843,153	81,411,362
Gross investment in real estate assets	834,284,584	834,963,625
Accumulated depreciation and amortization	(18,276,267)	(14,772,109)
Net investment in real estate assets	816,008,317	820,191,516
Cash and cash equivalents	147,001,752	94,215,134
Interest and rent receivable	10,272,697	10,234,436
Straight-line rent receivable	16,679,048	14,855,564
Other loans	84,486,130	80,758,273
Other assets of discontinued operations	13,715,297	13,227,885
Other assets	27,612,995	18,177,878
Total Assets	**$1,115,776,236**	**$1,051,660,686**
Liabilities and Stockholders' Equity		
Liabilities		
Debt	$ 415,372,109	$ 480,525,166
Accounts payable and accrued expenses	23,678,440	21,091,374
Deferred revenue	19,584,007	20,839,338
Lease deposits and other obligations to tenants	16,832,033	16,006,813
Total liabilities	475,466,589	538,462,691
Minority interests	78,753	77,552
Stockholders' equity		
Preferred stock, $0.001 par value. Authorized 10,000,000 shares; no shares outstanding	—	—
Common stock, $0.001 par value. Authorized 100,000,000 shares; issued and outstanding — 64,901,616 shares at March 31, 2008, and 52,133,207 shares at December 31, 2007	64,902	52,133
Additional paid in capital	670,975,185	540,501,058
Distributions in excess of net income	(30,546,850)	(27,170,405)
Treasury shares, at cost	(262,343)	(262,343)
Total stockholders' equity	640,230,894	513,120,443
Total Liabilities and Stockholders' Equity	**$1,115,776,236**	**$1,051,660,686**

See accompanying notes to condensed consolidated financial statements.

MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(Unaudited)

	For the Three Months Ended March 31,	
	2008	2007
Revenues		
Rent billed	$ 15,043,408	$ 8,959,852
Straight-line rent	1,659,784	352,677
Interest and fee income	6,710,041	5,420,923
Total revenues	23,413,233	14,733,452
Expenses		
Real estate depreciation and amortization	3,527,595	1,972,905
General and administrative	4,414,136	4,614,119
Total operating expenses	7,941,731	6,587,024
Operating income	15,471,502	8,146,428
Other income (expense)		
Interest income	102,678	178,215
Interest expense	(7,119,866)	(5,013,234)
Net other expense	(7,017,188)	(4,835,019)
Income from continuing operations	8,454,314	3,311,409
Income from discontinued operations	2,779,468	6,892,543
Net income	**$ 11,233,782**	**$ 10,203,952**
Net income per common share — basic		
Income from continuing operations	$ 0.16	$ 0.08
Income from discontinued operations	0.05	0.16
Net income	$ 0.21	$ 0.24
Weighted average shares outstanding — basic	52,933,616	42,823,619
Net income per share — diluted		
Income from continuing operations	$ 0.16	$ 0.08
Income from discontinued operations	0.05	0.16
Net income	$ 0.21	$ 0.24
Weighted average shares outstanding — diluted	53,045,790	43,070,303

See accompanying notes to condensed consolidated financial statements.

MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the Three Months Ended March 31, 2008	2007
Operating activities		
Net income	$ 11,233,782	$ 10,203,952
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	4,011,997	2,672,133
Straight-line rent revenue	(2,238,377)	(683,950)
Share-based compensation	1,872,911	795,247
Gain on sale of real estate	—	(4,061,626)
Other adjustments	(103,621)	1,193,375
Net cash provided by operating activities	14,776,692	10,119,131
Investing activities		
Real estate acquired	(124,059)	(7,740,920)
Principal received on loans receivable	454,811	7,730,359
Proceeds from sale of real estate	—	69,801,411
Investment in loans receivable	(1,880,103)	(94,563,502)
Escrow deposits paid for future acquisitions	(4,000,000)	—
Construction in progress and other	(23,253)	(9,579,186)
Net cash used for investing activities	(5,572,604)	(34,351,838)
Financing activities		
Additions to debt	78,875,000	77,700,000
Payments of debt	(144,204,757)	(151,862,009)
Distributions paid	(14,490,308)	(10,894,247)
Sale of common stock	128,601,756	136,101,634
Other financing activities	(5,199,161)	1,081,194
Net cash provided by financing activities	43,582,530	52,126,572
Increase in cash and cash equivalents for period	52,786,618	27,893,865
Cash and cash equivalents at beginning of period	94,215,134	4,102,873
Cash and cash equivalents at end of period	**$ 147,001,752**	**$ 31,996,738**
Interest paid, including capitalized interest of $0 in 2008 and $967,303 in 2007	$ 4,477,003	$ 5,351,450
Supplemental schedule of non-cash investing activities:		
Real estate converted to mortgage loan receivable	—	48,871,850
Construction in progress transferred to land and building	200,219	44,229,175
Interest and other receivables recorded as deferred revenue	12,366	—
Interest and other receivables transferred to loans receivable	90,952	—
Other non-cash investing activities	—	1,313,765
Supplemental schedule of non-cash financing activities:		
Distributions declared, unpaid	$ 14,597,997	$ 8,411,563
Other non-cash financing activities	—	212,935

See accompanying notes to condensed consolidated financial statements.

MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Organization

Medical Properties Trust, Inc., a Maryland corporation (the Company), was formed on August 27, 2003 under the General Corporation Law of Maryland for the purpose of engaging in the business of investing in and owning commercial real estate. The Company's operating partnership subsidiary, MPT Operating Partnership, L.P. (the Operating Partnership) through which it conducts all of its operations, was formed in September 2003. Through another wholly owned subsidiary, Medical Properties Trust, LLC, the Company is the sole general partner of the Operating Partnership. The Company presently owns directly substantially all of the limited partnership interests in the Operating Partnership.

The Company's 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, inpatient physical rehabilitation hospitals, long-term acute care hospitals, surgery centers, centers for treatment of specific conditions such as cardiac, pulmonary, cancer, and neurological hospitals, and other healthcare-oriented facilities. The Company manages its business as a single business segment as defined in Statement of Financial Accounting Standards (SFAS) No. 131, *Disclosures about Segments of an Enterprise and Related Information*.

2. Summary of Significant Accounting Policies

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results could differ from those estimates.

Principles of Consolidation: Property holding entities and other subsidiaries of which the Company owns 100% of the equity or has 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 the Company owns less than 100% of the equity interest, the Company consolidates the property if it has the direct or indirect ability to make decisions about the entities' activities based upon the terms of the respective entities' ownership agreements. For entities in which the Company owns less than 100% and does not have the direct or indirect ability to make decisions but does exert significant influence over the entities' activities, the Company records its ownership in the entity using the equity method of accounting.

The Company periodically evaluates all of its transactions and investments to determine if they represent variable interests in a variable interest entity as defined by Financial Accounting Standards Board (FASB) Interpretation No. 46 (revised December 2003) (FIN 46-R), *Consolidation of Variable Interest Entities*, an interpretation of Accounting Research Bulletin No. 51, *Consolidated Financial Statements*. If the Company determines that it has a variable interest in a variable interest entity, the Company determines if it is the primary beneficiary of the variable interest entity. The Company consolidates each variable interest entity in which the Company, by virtue of its transactions with or investments in the entity, is considered to be the primary beneficiary. The Company re-evaluates its status as primary beneficiary when a variable interest entity or potential variable interest entity has a material change in its variable interests.

Unaudited Interim Condensed Consolidated Financial Statements: The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information, including rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month ended March 31, 2008, are not necessarily indicative of the results that may be expected for the year ending December 31, 2008. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2007 Annual Report on Form 10-K (as amended) filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

New Accounting Pronouncements: The following is a summary of recently issued accounting pronouncements which have been issued but not adopted by the Company.

On July 25, 2007, the FASB authorized a FASB Staff Position (the "proposed FSP") that, if issued, would affect the accounting for our exchangeable notes. If issued in the form expected, the proposed FSP would require that the initial debt proceeds from the sale of our exchangeable notes be allocated between a liability component and an equity component. The resulting debt discount would be amortized over the period the debt is expected to be outstanding as additional interest expense. The proposed FSP would be effective for fiscal years beginning after December 15, 2008, and require retroactive application. Because the proposed FSP is currently being deliberated by the FASB and therefore subject to change, the Company has not determined the effect of the proposed FSP on its financial statements.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurement. SFAS No. 157 requires prospective application for fiscal years beginning after November 15, 2007. The Company evaluated the requirements of this statement and has determined its impact had no material effect on the Company's consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (Revised), Business Combinations ("SFAS No. 141R"). SFAS No. 141R establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed (including intangibles), and any noncontrolling interest in the acquiree. SFAS No. 141R also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS No. 141R is effective for fiscal years beginning after December 15, 2008. The Company is currently evaluating the requirements of this statement and has not yet determined its effect on the Company's future acquisitions or consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51 ("SFAS No. 160"). SFAS No. 160 establishes accounting and reporting standards for a parent company's noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008. The Company is currently evaluating the requirements of this statement and has not yet determined its effect on the Company's future consolidated financial statements.

Reclassifications: Certain reclassifications have been made to the condensed consolidated financial statements to conform to the 2007 consolidated financial statement presentation. These reclassifications have no impact on stockholders' equity or net income.

3. Real Estate and Lending Activities

For the three months ended March 31, 2008 and 2007, revenue from Vibra Healthcare, LLC accounted for 15.2% and 22.6%, respectively, of total revenue. For the three months ended March 31, 2008 and 2007, revenue from affiliates of Prime Healthcare Services, Inc. accounted for 37.2% and 24.0%, respectively, of total revenue.

In March, 2008, the Company entered into a purchase and sale agreement pursuant to which the Company agreed to acquire a portfolio of 20 healthcare facilities in 15 states, including six acute care hospitals, three long-term acute care hospitals, five inpatient rehabilitation hospitals and six wellness centers, for an aggregate purchase price of approximately $357.2 million. The Company intends to finance these acquisitions using proceeds from its March, 2008, issuance of debt and equity (see Note 4 — Debt and Note 5 — Common Stock), from its existing revolving credit facilities and from the planned sale of real estate (see Note 7 — Discontinued Operations).

4. Debt

The following is a summary of debt:

	As of March 31, 2008		As of December 31, 2007	
	Balance	Interest Rate	Balance	Interest Rate
Revolving credit facilities	$ 15,946,140	4.20%	$154,985,897	7.800%
Senior unsecured notes — fixed rate through July and October, 2011, due July and October, 2016	125,000,000	7.333% - - 7.871%	125,000,000	7.333% -7.871%
Exchangeable senior notes due November, 2011	134,878,008	6.125%	134,704,269	6.125%
Exchangeable senior notes due April, 2013	73,877,961	9.25%	—	—
Term loan	65,670,000	5.12%	65,835,000	6.830%
	$415,372,109		$480,525,166	

As of March 31, 2008, maturities are as follows:

2008	$ 660,000
2009	660,000
2010	660,000
2011	323,568,008
2012	15,946,140
Thereafter	73,877,961
Total	$415,372,109

In March 2008, the Company's Operating Partnership issued and sold, in a private offering, $75.0 million of Exchangeable Senior Notes (the "Exchangeable Notes") and received proceeds of $72.8 million. In April 2008, the Operating Partnership sold an additional $7.0 million of Exchangeable Notes (under the initial purchasers' overallotment option) and received proceeds of $6.8 million. The Exchangeable Notes will pay interest semi-annually at a rate of 9.25% per annum and mature on April 1, 2013. The notes have an initial exchange rate of 80.8898 shares of the Company's common stock per $1,000 principal amount of the notes, representing an exchange price of approximately $12.36 per common share. The notes are senior unsecured obligations of the Operating Partnership, guaranteed by the Company.

5. Common Stock

In March 2008, the Company sold 12,650,000 shares of common stock at a price of $10.75 per share. After deducting underwriters commissions and offering expenses, the Company realized proceeds of $128.7 million.

6. Stock Awards

The Company has adopted the Second Amended and Restated Medical Properties Trust, Inc. 2004 Equity Incentive Plan (the Equity Incentive Plan) which authorizes the issuance of options to purchase shares of common stock, restricted stock awards, restricted stock units, deferred stock units, stock appreciation rights, performance units and other stock-based awards, including profits interest in the Operating Partnership. The Equity Incentive Plan is administered by the Compensation Committee of the Board of Directors. At March 31, 2008, the Company has reserved 4,631,330 of common stock for awards under the Equity Incentive Plan.

In the first quarter of 2008, the Company awarded 401,762 shares of restricted stock to management and independent directors. The awards to management vest based on service over five years in equal annual amounts beginning in February, 2009. The awards to directors vest based on service over three years in equal annual amounts beginning in February, 2009.

7. Discontinued Operations

In the first quarter of 2008, the Company entered into a definitive agreement to sell the real estate assets of three inpatient rehabilitation facilities to Vibra Healthcare, LLC for total cash proceeds of $107.0 million. The sale was completed on May 7, 2008,

with the Company realizing a gain on the sale of approximately $9.4 million. In connection with the sale, the Company was paid $7.0 million as early lease termination fees. The Company also wrote off approximately $9.4 million in related straight-line rent upon completion of the sales. At March 31, 2008, the three Vibra properties are classified as held for sale and are reflected in the accompanying Condensed Consolidated Balance Sheets at $80.8 million and $81.4 million at March 31, 2008 and December 31, 2007, respectively.

The following table presents the results of discontinued operations for the three months ended March 31, 2008 and 2007:

	For the Three Months Ended March 31,	
	2008	**2007**
Revenues	$2,981,004	$3,579,013
Net profit	2,779,468	6,892,543
Earnings per share — basic and diluted	$ 0.05	$ 0.16

8. Earnings Per Share

The following is a reconciliation of the weighted average shares used in net income per common share to the weighted average shares used in net income per common share — assuming dilution for the three months ended March 31, 2008 and 2007, respectively:

	For the Three Months Ended March 31,	
	2008	2007
Weighted average number of shares issued and outstanding	52,887,314	42,781,098
Vested deferred stock units	46,302	42,521
Weighted average shares — basic	52,933,616	42,823,619
Common stock options and unvested restricted stock	112,174	246,684
Weighted average shares — diluted	53,045,790	43,070,303

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of the consolidated financial condition and consolidated results of operations should be read together with the consolidated financial statements of Medical Properties Trust, Inc. and notes thereto contained in this Form 10-Q and the financial statements and notes thereto contained in our Annual Report on Form 10-K (as amended) for the year ended December 31, 2007.

Forward-Looking Statements.

This report on Form 10-Q contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results or future performance, achievements or transactions or events to be materially different from those expressed or implied by such forward-looking statements, including, but not limited to, the risks described in our Annual Report on Form 10-K (as amended) for the year ended December 31, 2007, filed with the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934, as amended. Such factors include, among others, the following:

- National and local economic, business, real estate and other market conditions;
- The competitive environment in which the Company operates;
- The execution of the Company's business plan;
- Financing risks;
- Acquisition and development risks;
- Potential environmental and other liabilities;
- Other factors affecting real estate industry generally or the healthcare real estate industry in particular;
- Our ability to attain and maintain our status as a REIT for federal and state income tax purposes;
- Our ability to attract and retain qualified personnel; and,
- Federal and state healthcare regulatory requirements.

Overview

We were incorporated under Maryland law on August 27, 2003 primarily for the purpose of investing in and owning net-leased healthcare facilities across the United States. We have operated as a real estate investment trust ("REIT") since April 6, 2004, and accordingly, elected REIT status upon the filing in September 2005 of our calendar year 2004 federal income tax return. We acquire and develop healthcare facilities and lease the facilities to healthcare operating companies under long-term net leases. We also make mortgage loans to healthcare operators secured by their real estate assets. We also selectively make loans to certain of our operators through our taxable REIT subsidiary, the proceeds of which are used for acquisitions and working capital.

At March 31, 2008, our portfolio consisted of 28 properties: 25 facilities which we own are leased to eight tenants and the remaining assets are in the form of first mortgage loans to two operators. Our owned facilities consisted of 12 general acute care hospitals, 9 long-term acute care hospitals, and 4 inpatient rehabilitation hospitals. The non-owned facilities on which we have made mortgage loans consist of general acute care facilities. In March 2008, we agreed to purchase 20 properties from a single seller and completed the acquisition of 17 of these facilities in April 2008 and we expect to complete the acquisition of the remaining three facilities in May 2008. When completed, these 20 facilities will represent an investment of approximately $357.2 million. In May 2008, we also completed the sale of three rehabilitation facilities to Vibra Healthcare (Vibra) and realized total proceeds from the sale and related lease termination fees and loan pre-payment totaling $107.0 million. In March 2008, we entered into an agreement to purchase from an unrelated seller for approximately $12.0 million a long term acute care hospital and lease the hospital to Vibra pursuant to a long term net lease agreement.

We have 26 employees as of May 1, 2008. We believe that any adjustments to the number of our employees will have only immaterial effects on our operations and general and administrative expenses. We believe that our relations with our employees are good. None of our employees are members of any union.

Key Factors that May Affect Our Operations

Our revenues are derived from rents we earn pursuant to the lease agreements with our tenants and from interest income from loans to our tenants and other facility owners. Our tenants operate in the healthcare industry, generally providing medical, surgical and rehabilitative 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 and market conditions that may affect their profitability. Accordingly, we monitor certain key factors, changes to which we believe may provide early indications of conditions that may affect the level of risk in our lease and loan portfolio.

Key factors that we consider in underwriting prospective tenants and borrowers and in monitoring the performance of existing tenants and borrowers include the following:

• the historical and prospective operating margins (measured by a tenant's earnings before interest, taxes, depreciation, amortization and facility rent) of each tenant or borrower and at each facility;

• the ratio of our tenants' and borrowers' operating earnings both to facility rent and to facility rent plus other fixed costs, including debt costs;

• trends in the source of our tenants' or borrowers' revenue, including the relative mix of Medicare, Medicaid/MediCal, managed care, commercial insurance, and private pay patients; and

• the effect of evolving healthcare regulations on our tenants' and borrowers' profitability.

Certain business factors, in addition to those described above that directly affect our tenants and borrowers, will likely materially influence our future results of operations. These factors include:

• trends in the cost and availability of capital, including market interest rates, that our prospective tenants may use for their real estate assets instead of financing their real estate assets through lease structures;

• unforeseen changes in healthcare regulations that may limit the opportunities for physicians to participate in the ownership of healthcare providers and healthcare real estate;

• reductions in reimbursements from Medicare, state healthcare programs, and commercial insurance providers that may reduce our tenants' profitability and our lease rates;

• competition from other financing sources; and

• the ability of our tenants and borrowers to access funds in the credit markets.

CRITICAL ACCOUNTING POLICIES

In order to prepare financial statements in conformity with accounting principles generally accepted in the United States, we must make estimates about certain types of transactions and account balances. We believe that our estimates of the amount and timing of lease revenues, credit losses, fair values and periodic depreciation of our real estate assets, stock compensation expense, and the effects of any derivative and hedging activities will 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 data 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 accounting policies described below. In addition, application of these accounting policies involves the exercise of judgment on the use of assumptions as to future uncertainties and, as a result, actual results could materially differ from these estimates. Our accounting estimates include the following:

Revenue Recognition. Our revenues, which are comprised largely of rental income, include rents that each tenant pays in accordance with the terms of its respective lease reported on a straight-line basis over the initial term of the lease. Since some of our leases provide for rental increases at specified intervals, straight-line basis accounting requires us to record as an asset, and include in revenues, straight-line rent that we will only receive if the tenant makes all rent payments required through the expiration of the term of the lease.

Accordingly, our management determines, in its judgment, to what extent the straight-line rent receivable applicable to each specific tenant is collectible. We review each tenant's straight-line rent receivable on a quarterly basis and take into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates, and economic conditions in the area in which the facility is located. In the event that the collectibility of straight-line rent with respect to any given tenant is in doubt, we are required to record an increase in our allowance for uncollectible accounts or record a direct write-off of the specific rent receivable, which would have an adverse effect on our net income for the period in which the reserve is increased or the direct write-off is recorded and would decrease our total assets and stockholders' equity. At that time, we stop accruing additional straight-line rent income.

Our development projects normally allow for us to earn what we term "construction period rent". Construction period rent accrues to us during the construction period based on the funds which we invest in the facility. During the construction period, the unfinished facility does not generate any earnings for the lessee/operator which can be used to pay us for our funds used to build the facility. In such cases, the lessee/operator pays the accumulated construction period rent over the term of the lease beginning when the lessee/operator takes physical possession of the facility. We record the accrued construction period rent as deferred revenue during the construction period, and recognize earned revenue as the construction period rent is paid to us by the lessee/operator. We make loans to our tenants and from time to time may make construction or mortgage loans to facility owners or other parties. We recognize interest income on loans as earned based upon the principal amount outstanding. These loans are generally secured by interests in real estate, receivables, the equity interests of a tenant, or corporate and individual guarantees and are usually cross-defaulted with their leases and/or other loans. As with straight-line rent receivables, our management must also periodically evaluate loans to determine what amounts may not be collectible. Accordingly, a provision for losses on loans receivable is recorded when it becomes probable that the loan will not be collected in full. The provision is an amount which reduces the loan to its estimated net receivable value based on a determination of the eventual amounts to be collected either from the debtor or from the collateral, if any. At that time, we discontinue recording interest income on the loan to the tenant.

Investments in Real Estate. We record 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 estimated useful life of 40 years for buildings and improvements, three to seven years for equipment and fixtures, and the shorter of the useful life or the remaining lease term for tenant improvements and leasehold interests.

We are required to make subjective assessments as to the useful lives of our facilities for purposes of determining the amount of depreciation expense to record on an annual basis with respect to our investments in real estate improvements. These assessments have a direct impact on our net income because, if we were to shorten the expected useful lives of our investments in real estate improvements, we would depreciate these investments over fewer years, resulting in more depreciation expense and lower net income on an annual basis.

We have adopted Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which establishes a single accounting model for the impairment or disposal of long-lived assets, including discontinued operations. SFAS No. 144 requires that the operations related to facilities that have been sold, or that we intend to sell, be presented as discontinued operations in the statement of operations for all periods presented, and facilities we intend to sell be designated as "held for sale" on our balance sheet.

When circumstances such as adverse market conditions indicate a possible impairment of the value of a facility, we review the recoverability of the facility's carrying value. The review of recoverability is based on our estimate of the future undiscounted cash flows, excluding interest charges, 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, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the facility. We are required to make subjective assessments as to whether there are impairments in the values of our investments in real estate.

Purchase Price Allocation. 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 (using an interest rate which reflects the risks associated with the leases acquired) 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 remaining non-cancelable terms of the respective leases. We amortize any resulting capitalized below-market lease values as an increase to rental income over the initial term and any fixed-rate renewal periods in the respective leases. Because our strategy to a large degree involves the origination of long term lease arrangements at market rates at the same time we acquire the property, we do not expect the above-market and below-market in-place lease values to be significant for many of our anticipated transactions.

We measure the aggregate value of other intangible assets to be acquired based on the difference between (i) the property valued with existing 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 its 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 tangible and intangible assets acquired. In estimating carrying costs, management also 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 range primarily from three to 18 months, 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.

The total amount of other intangible assets to be acquired, if any, is further allocated to in-place lease values and customer relationship intangible values 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 in-place leases to expense over the initial term of the respective leases, which range primarily from 10 to 15 years. The value of customer relationship intangibles is amortized to expense over the initial term and any renewal periods in the respective leases, but in no event will the amortization period for intangible assets exceed the remaining depreciable life of the building. Should a tenant terminate its lease, the unamortized portion of the in-place lease value and customer relationship intangibles would be charged to expense.

Loans and Losses from Rent Receivables and Loans. We record provisions for losses on rent receivables and loans when it becomes probable that the receivable or loan will not be collected in full. The provision is an amount which reduces the rent or loan to its estimated net realizable value based on a determination of the eventual amounts to be collected either from the debtor or from the collateral, if any. The determination of when to record a provision for loss on loans and rent requires us to estimate amounts to be recovered from collateral, the ability of the tenant and/or borrower to repay, and the ability of the tenant and/or borrower to improve its operations.

Accounting for Derivative Financial Investments and Hedging Activities. We account for our derivative and hedging activities, if any, using SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 137 and SFAS No. 149, which requires all derivative instruments to be carried at fair value on the balance sheet.

Derivative instruments designated in a hedge relationship to mitigate exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. We formally document all relationships between hedging instruments and hedged items, as well as our risk-management objective and strategy for undertaking each hedge transaction. We review quarterly the effectiveness of each hedging transaction, which involves estimating future cash flows. Cash flow hedges, if any, will be accounted for by recording the fair value of the derivative instrument on the balance sheet as either an asset or liability, with a corresponding amount recorded in other comprehensive income within stockholders' equity. Amounts are reclassified from other comprehensive income to the income statement in the period or periods the hedged forecasted transaction affects earnings. Derivative instruments designated in a hedge relationship to mitigate exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, which affect the Company primarily in the form of interest rate risk or variability of interest rates, are considered fair value hedges under SFAS No. 133. We are not currently a party to any derivatives contracts designated as cash flow hedges.

In 2006, we entered into derivative contracts as part of our offering of Exchangeable Senior Notes (the "exchangeable notes"). The contracts are generally termed "capped call" or "call spread" contracts. These contracts are financial instruments which are separate from the exchangeable notes themselves, but affect the overall potential number of shares which will be issued by us to satisfy the conversion feature in the exchangeable notes. The exchangeable notes can be exchanged into shares of our common stock when our stock price exceeds $16.50 per share, which is the equivalent of 60.6080 shares per $1,000 note. The number of shares actually issued upon conversion will be equivalent to the amount by which our stock price exceeds $16.50 times the 60.4583 conversion rate. The "capped call" transaction allows us to effectively increase that exchange price from $16.50 to $18.94. Therefore, our shareholders will not experience dilution of their shares from any settlement or conversion of the exchangeable notes until the price of our stock exceeds $18.94 per share rather than $16.50 per share. When evaluating this transaction, we have followed the guidance in Emerging Issues Task Force (EITF) No. 00-19 *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock.* EITF No. 00-19 requires that contracts such as this "capped call" which meet certain conditions must be accounted for as permanent adjustments to equity rather than periodically adjusted to their fair value as assets or liabilities. We have evaluated the terms of these contracts and recorded this "capped call" as a permanent adjustment to stockholders' equity in 2006. When we sold $82.0 million face value of Exchangeable Senior Notes in March and April, 2008, we did not elect to purchase any similar call spread contracts.

The exchangeable notes which we sold in 2006 and 2008 themselves also contain the conversion feature described above. SFAS No. 133 also states that certain "embedded" derivative contracts must follow the guidance of EITF No. 00-19 and be evaluated as though they also were a "freestanding" derivative contract. Embedded derivative contracts such as the conversion feature in the notes should not be treated as a financial instrument separate from the note if it meets certain conditions in EITF No. 00-19. We have evaluated the conversion feature in the exchangeable notes and have determined that it should not be reported separately from the debt. However, the FASB is considering a new pronouncement which would require us to allocate some of the proceeds from the conversion feature to equity. While this new pronouncement would not require accounting for the embedded conversion feature as a derivative contract, it would require us to restate previously issued financial statements in future filings. The restatement would result in an increase to stockholders' equity, a decrease to debt, and a decrease to net income. We are currently evaluating this proposed FASB pronouncement to determine the amounts of any changes to our financial statements.

Variable Interest Entities. In January 2003, the FASB issued Interpretation No. 46 (FIN 46), *Consolidation of Variable Interest Entities*. In December 2003, the FASB issued a revision to FIN 46, which is termed FIN 46(R). FIN 46(R) clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, and provides guidance on the identification of entities for which control is achieved through means other than voting rights, guidance on how to determine which business enterprise should consolidate such an entity, and guidance on when it should do so. This model for consolidation applies to an entity in which either (1) the equity investors (if any) do not have a controlling financial interest or (2) the equity investment at risk is insufficient to finance that entity's activities without receiving additional subordinated financial support from other parties. An entity meeting either of these two criteria is a variable interest entity, or VIE. A VIE must be consolidated by any entity which is the primary beneficiary of the VIE. If an entity is not the primary beneficiary of the VIE, the VIE is not consolidated. We periodically evaluate the terms of our relationships with our tenants and borrowers to determine whether we are the primary beneficiary and would therefore be required to consolidate any tenants or borrowers that are VIEs.

Stock-Based Compensation. Prior to 2006, we used the intrinsic value method to account for the issuance of stock options under our equity incentive plan in accordance with APB Opinion No. 25, *Accounting for Stock Issued to Employees*. SFAS No. 123(R) became effective for our annual and interim periods beginning January 1, 2006, but had no material effect on the results of our

operations. During the three month period ended March 31, 2008, we recorded approximately $1.9 million of expense for share-based compensation related to grants of restricted common stock, deferred stock units and other stock-based awards. In 2006, we also granted performance-based restricted share awards. Because these awards will vest based on the Company's performance, we must evaluate and estimate the probability of achieving those performance targets. Any changes in these estimates and probabilities must be recorded in the period when they are changed. In 2007, the Compensation Committee made awards which are earned only if the Company achieves certain stock price levels, total shareholder return or other market conditions. Beginning in 2007, we began recording expense over the expected or derived vesting periods using the calculated value of the awards. We must record expense over these vesting periods even though the awards have not yet been earned and, in fact, may never be earned. In some cases, if the award is not earned, we will be required to reverse expenses recognized in earlier periods. As a result, future stock-based compensation expense may fluctuate based on the potential reversal of previously recorded expense.

LIQUIDITY AND CAPITAL RESOURCES

In the first quarter of 2008, we sold 12.65 million shares of common stock and $75 million face amount of exchangeable notes, realizing net proceeds of approximately $128.7 million and $72.8 million, respectively. In addition, we sold $7.0 million face amount of exchangeable notes in April 2008, realizing net proceeds of approximately $6.8 million. As of March 31, 2008, we had approximately $147.0 million in cash and cash equivalents and approximately $180.1 million available for borrowing under our credit facilities. During the second quarter of 2008, we expect to complete acquisitions pursuant to binding agreements outstanding as of March 31, 2008 aggregating approximately $370 million, using our cash and credit facility borrowings. In addition, in May 2008, we sold three hospital facilities to Vibra Healthcare and received sales and other proceeds of approximately $107 million in cash.

Short-term Liquidity Requirements: We believe that the liquidity available to us mentioned above is sufficient to provide the resources necessary for operations, distributions in compliance with REIT requirements and a limited amount of acquisitions in the near term. In the event that we elect to make more than a limited amount of acquisitions in the near term, we will need to access additional capital. Based on current conditions in the capital markets, we believe that while such capital may be available, there is no assurance that we could obtain acquisition capital at prices that we consider acceptable.

Long-term Liquidity Requirements: We believe that cash flow from operating activities subsequent to 2008 will be sufficient to provide adequate working capital and make required distributions to our stockholders in compliance with our requirements as a REIT. However, in order to continue acquisition and development of healthcare facilities after 2008, we will require access to more permanent external capital, including equity capital. If equity capital is not available at a price that we consider appropriate, we may increase our debt, selectively dispose of assets, utilize other forms of capital, if available, or reduce our acquisition activity.

Results of Operations

Three months Ended March 31, 2008 Compared to Three Months Ended March 31, 2007

Net income for the three months ended March 31, 2008 was $11,233,782 compared to net income of $10,203,952 for the three months ended March 31, 2007, a 10% increase. This difference, as more fully described below, is primarily the result of incremental rent and interest revenue with respect to investments we made since January 1, 2007, offset by depreciation of such investments, and interest on borrowings used to make such investments.

A comparison of revenues for the three month periods ended March 31, 2008 and 2007, is as follows, as adjusted in 2007 for discontinued operations:

	2008	% of Total	2007	% of Total	Year over Year Change
Base rents	$14,918,539	63.8%	$ 8,885,685	60.3%	67.9%
Straight-line rents	1,659,784	7.1%	352,677	2.4%	370.6%
Percentage rents	124,869	0.5%	74,167	0.5%	68.4%
Fee income	125,756	0.5%	69,099	0.5%	82.0%
Interest from loans	6,584,285	28.1%	5,351,824	36.3%	23.0%
Total revenue	$23,413,233	100.0%	$14,733,452	100.0%	58.9%

Revenue of $23,413,233 in the three months ended March 31, 2008, was comprised of rents (71.4%) and interest from loans and fee income (28.6%). At March 31, 2008, we owned 25 rent producing properties compared to 20 as of January 1, 2007, which accounted for the increase in revenues. Vibra accounted for 15.2% and 22.6% of total revenues during the three months ended March 31, 2008 and 2007, respectively, and affiliates of Prime accounted for 37.2% and 24.0% of total revenue, respectively.

Depreciation and amortization during the first quarter of 2008 was $3,527,595, compared to $1,972,905 during the first quarter of 2007, a 78.8% increase. All of this increase is related to an increase in the number of rent producing properties from January 1, 2007 to March 31, 2008. We expect to complete additional acquisitions of approximately $370 million during the second quarter of 2008, and accordingly, rental revenues and depreciation expense will increase commensurately.

General and administrative expenses were relatively flat compared to the same period in 2007, decreasing approximately $200,000, or 4.3%, from $4,614,119 to $4,414,136.

Interest expense for the quarters ended March 31, 2008 and 2007 totaled $7.1 million and $5.0 million, respectively. Capitalized interest for the respective quarters, totaled $0 and $967,303, respectively. The increase in interest expense was the result of higher debt balances and the absence of any capitalized interest in 2008, partially offset by lower borrowing rates.

Discontinued Operations

In the first quarter of 2008, the Company entered into a definitive agreement to sell the real estate assets of three inpatient rehabilitation facilities to Vibra Healthcare, LLC for total cash proceeds of $107 million. The sale was completed on May 7, 2008, with the Company realizing a gain on the sale of approximately $9.4 million. In connection with the sale, the Company was paid $7.0 million as early lease termination fees and a loan prepayment of $10.0 million. The Company also wrote off approximately $9.4 million in related straight-line rent upon completion of the sales. At March 31, 2008, the three Vibra properties are classified as as held for sale and are reflected in the accompanying Condensed Consolidated Balance Sheets at $80.8 million and $81.4 million at March 31, 2008 and December 31, 2007, respectively.

Reconciliation of Non-GAAP Financial Measures

Investors and analysts following the real estate industry utilize funds from operations, or FFO, as a supplemental performance measure. While we believe net income available to common stockholders, as defined by generally accepted accounting principles (GAAP), is the most appropriate measure, our management considers FFO an appropriate supplemental measure given its wide use by and relevance to investors and analysts. 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 assume that the value of real estate diminishes predictably over time.

As defined by the National Association of Real Estate Investment Trusts, or NAREIT, FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (losses) on sales of real estate, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. We compute FFO in accordance with the NAREIT definition. FFO should not be viewed as a substitute measure of the Company's operating performance since it does 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 are significant economic costs that could materially impact our results of operations.

The following table presents a reconciliation of FFO to net income for the three months ended March 31, 2008 and 2007:

	For the Three Months Ended March 31,	
	2008	2007
Net income	$ 11,233,782	$ 10,203,952
Depreciation and amortization		
Continuing operations	3,527,595	1,972,905
Discontinued operations	568,209	625,567
Gain on sale of real estate	—	(4,061,626)
Funds from operations	$ 15,329,586	$ 8,740,798

Per diluted share amounts:

	For the Three Months Ended March 31,	
	2008	2007
Net income	$ .21	$ .24
Depreciation and amortization		
Continuing operations	.07	.05
Discontinued operations	.01	.01
Gain on sale of real estate	—	(.10)
Funds from operations	$ .29	$ .20

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.

The table below is a summary of our distributions paid or declared during the two year period ended March 31, 2008:

Declaration Date	Record Date	Date of Distribution	Distribution per Share
February 28, 2008	March 13, 2008	April 11, 2008	$ .27
November 16, 2007	December 13, 2007	January 11, 2008	$ .27
August 16, 2007	September 14, 2007	October 19, 2007	$ .27
May 17, 2007	June 14, 2007	July 12, 2007	$ .27
February 15, 2007	March 29, 2007	April 12, 2007	$ .27
November 16, 2006	December 14, 2006	January 11, 2007	$ .27
August 18, 2006	September 14, 2006	October 12, 2006	$ .26
May 18, 2006	June 15, 2006	July 13, 2006	$ .25
February 16, 2006	March 15, 2006	April 12, 2006	$ .21

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 tax on undistributed income.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business plan, we expect that the primary market risk to which we will be exposed is interest rate risk.

In addition to changes in interest rates, 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, all of which may affect our ability to refinance our debt if necessary. The changes in the value of our facilities would be reflected also by changes in "cap" rates, which is measured by the current base rent divided by the current market value of a facility.

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 approximately $816,000 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 approximately $816,000 per year. This assumes that the amount outstanding under our variable rate debt remains approximately $81.6 million, the balance at April 1, 2008.

We currently have no assets denominated in a foreign currency, nor do we have any assets located outside of the United States. We also have no exposure to derivative financial instruments.

Our 2006 exchangeable notes were initially exchangeable into 60.3346 shares of our stock for each $1,000 note. This equates to a conversion price of $16.57 per share. This conversion price adjusts based on a formula which considers increases to our dividend subsequent to the issuance of the notes in November 2006. Our dividends declared since we sold the exchangeable notes have adjusted our conversion price as of March 31, 2008, to $16.50 per share which equates to 60.6080 shares per $1,000 note. Future changes to the conversion price will depend on our level of dividends which cannot be predicted at this time. Any adjustments for dividend increases until the notes are settled in 2011 will affect the price of the notes and the number of shares for which they will eventually be settled. Our 2008 exchangeable notes have a similar conversion adjustment feature which could effect its stated exchange ratio of 80.8898 common shares per $1,000 principal amount of notes, equating to an exchange price of approximately $12.36 per common share. However, no dividends have been declared since the date of the sale of those notes in March, 2008.

At the time we issued the 2006 exchangeable notes, we also entered into a capped call or call spread transaction. The effect of this transaction was to increase the conversion price from $16.57 to $18.94. As a result, our shareholders will not experience any dilution until our share price exceeds $18.94. If our share price exceeds that price, the result would be that we would issue additional shares of common stock upon exchange. At a price of $20 per share, we would be required to issue an additional 434,000 shares. At $25 per share, we would be required to issue an additional two million shares.

Item 4. Controls and Procedures

We have adopted and maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended, 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 our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b), under the Securities Exchange Act of 1934, as amended, we have carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information required to be disclosed by the Company in the reports that the Company files with the SEC.

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable.

Item 1.A. Risk Factors

Other than set forth below, there have been no material changes to the Risk Factors as presented in our Annual Report on Form 10-K (as amended) for the year ended December 31, 2007 as filed with the Commission on March 14, 2008.

RISKS RELATED TO OUR BUSINESS AND GROWTH STRATEGY

We incurred additional debt in order to consummate our recent acquisition of a healthcare property portfolio which will expose us to increased risk of property losses and may have adverse consequences on our business operations and our ability to make distributions to stockholders.

We incurred additional debt in order to consummate our recent acquisition of a healthcare property portfolio, including $82.0 million in aggregate principal amount of our Operating Partnership's exchangeable senior notes due 2013 and we borrowed under our credit facilities in order to fund a portion of the purchase price of the acquisition. As of March 31, 2008, we had total outstanding indebtedness of approximately $415.4 million and $180.1 million available to us for borrowing under our existing revolving credit facilities.

Our substantial indebtedness could have significant effects on our business. For example, it could:

- require us to use a substantial portion of our cash flow from operations to service our indebtedness, which would reduce the available cash flow to fund working capital, capital expenditures, development projects and other general corporate purposes and reduce cash for distributions;
- require payments of principal and interest that may be greater than our cash flow from operations;
- 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;
- make it more difficult for us to satisfy our obligations;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds or dispose of assets.

In addition, our borrowings under our loan facilities will bear interest at variable rates, in addition to the approximately $81.6 million in variable interest rate debt that we had outstanding as of March 31, 2008. If interest rates were to increase significantly, our ability to borrow additional funds may be reduced and the risk related to our substantial indebtedness would intensify.

We may not be able to refinance or extend our existing debt as our access to capital is affected by prevailing conditions in the financial and capital markets and other factors, many of which are beyond our control. If we cannot repay, refinance or extend our debt at maturity, in addition to our failure to repay our debt, we may be unable to make distributions to our stockholders at expected levels or at all.

In addition, if we are unable to restructure or refinance our obligations, we may default under our obligations. This could trigger cross-default and cross-acceleration rights under then-existing agreements. If we default on our debt obligations, the lenders may foreclose on our properties that secure those loans and any other loan that has cross-default provisions.

Even if we are able to refinance or extend our existing debt, the terms of any refinancing or extension may not be as favorable as the terms of our existing debt. If the refinancing involves a higher interest rate, it could adversely affect our cash flow and ability to make distributions to stockholders.

We may be subject to additional risks arising from our recent acquisition of a healthcare property portfolio.

In addition to the risks described in our Annual Report on Form 10-K (as amended) for the year ended December 31, 2007 relating to healthcare facilities that we may purchase from time to time, we are also subject to additional risks in connection with our recent acquisition of a healthcare property portfolio, including without limitation the following:

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

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

In addition, some of the properties may be acquired through our acquisition of all of the ownership interests of the entity that owns such property. Such an acquisition at the entity level rather than the asset level may expose us to any additional risks and liabilities associated with the acquired entity.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Previously included in our Current Report on Form 8-K filed with the Commission on March 27, 2008.

(b) Not applicable.

(c) Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits

The following exhibits are filed as a part of this report:

Exhibit Number	Description
10.1	First Amendment to Revolving Credit and Term Loan Agreement dated March 13, 2008
10.2	Purchase and Sale Agreement among MPT Operating Partnership, L.P., HCP, Inc., FAEC Holdings, LLC, HCPI Trust, HCP Das Petersburg VA, LP, and Texas HCP Holdings, L.P. dated as of March 13, 2008
10.3	First Amendment to Purchase and Sale Agreement among MPT Operating Partnership, L.P., HCP, Inc., FAEC Holdings (BC), LLC, HCPI Trust, HCP DAS Petersburg VA, LP, and Texas HCP Holding, L.P., dated March 28, 2008
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934
32	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
99.1	Consolidated Financial Statements of Prime Healthcare Services, Inc. as of September 30, 2007

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MEDICAL PROPERTIES TRUST, INC.

By: /s/ R. Steven Hamner
R. Steven Hamner
Executive Vice President and Chief Financial Officer
(On behalf of the Registrant and as the Registrant's Principal Financial and Accounting Officer)

Date: May 9, 2008

INDEX TO EXHIBITS

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32	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
99.1	Consolidated Financial Statements of Prime Healthcare Services, Inc. as of September 30, 2007

Exhibit 10.1

FIRST AMENDMENT TO REVOLVING CREDIT AND TERM LOAN AGREEMENT

This **FIRST AMENDMENT TO REVOLVING CREDIT AND TERM LOAN AGREEMENT**, dated as of March 13, 2008 (this "**Amendment**"), is by and among MEDICAL PROPERTIES TRUST, INC., a Maryland corporation ("**Holdings**"), MPT OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the "**Borrower**"), the financial institutions listed on the signature pages hereof (the "**Lenders**") and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (the "**Administrative Agent**"). Reference is made to that certain Revolving Credit and Term Loan Agreement, dated as of November 30, 2007 (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, the Borrower and the Lenders desire to amend the Credit Agreement to:

(i) permit the Borrower to enter into a bridge loan facility in an aggregate principal amount of up to $300.0 million minus the aggregate principal amount of the additional exchangeable senior notes described in clause (ii) below, the proceeds of which will be used to fund, in part, the acquisition (the "**Acquisition**") by Borrower of a portfolio of properties from HCP Inc., FAEC Holdings (BC), LLC, HCPI Trust, HCP Das Petersburg VA, LP and Texas HCP Holding, L.P. and to pay fees, commissions and expenses in connection with the Acquisition;

(ii) permit Borrower to issue additional exchangeable senior notes in an aggregate principal amount of up to $143.75 million, the proceeds of which will be used to fund, in part, the Acquisition and to pay fees, commissions and expenses in connection with the Acquisition; and

(iii) make certain other modifications as set forth below.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. AMENDMENTS TO CREDIT AGREEMENT

1.1 Amendments to Section 1.1: Defined Terms.

A. Section 1.1 of the Credit Agreement is hereby amended by adding thereto the following definitions, which shall be inserted in proper alphabetical order:

"2008 Exchangeable Senior Note Indenture": an Indenture which may be entered into by the Borrower and Holdings in connection with the issuance of the 2008 Exchangeable Senior Notes in the principal amount of up to $172.5 million and the issuance of any additional senior exchangeable notes issued thereunder in an amount equal to the then

outstanding principal amount of the Bridge Loans, the terms of which shall be as set forth on Exhibit B to the First Amendment and shall otherwise be substantially the same as the Senior Exchangeable Note Indenture, in each case with such changes as would be permitted for an amendment to the 2008 Senior Exchangeable Note Indenture pursuant to Section 7.9 hereof, together with all instruments and other agreements entered into by Borrower or Holdings in connection therewith.

"2008 Exchangeable Senior Notes": the exchangeable senior notes issued by Borrower pursuant to the 2008 Exchangeable Senior Note Indenture.

"Acquisition": the acquisition by Borrower of a portfolio of properties pursuant to the Purchase Agreement.

"Bridge Loan Credit Agreement": a Bridge Loan Credit Agreement, if entered into, providing for a bridge loan facility of up to $300.0 million minus the aggregate principal amount of the 2008 Exchangeable Senior Notes, the proceeds of which are used to fund, in part, the Acquisition and to pay fees, commissions and expenses in connection therewith, with a maturity of 9 months to 364 days from funding, secured by the same Collateral securing the Loans under this Agreement, subject to the Intercreditor Agreement, having the other terms as set forth on Exhibit C to the First Amendment and otherwise on terms acceptable to the Borrower.

"Bridge Loan Documents": the "Loan Documents" referred to in the Bridge Loan Credit Agreement.

"Bridge Loan Lenders": the Persons referred to as "Lenders" in the Bridge Loan Credit Agreement.

"Bridge Loans": the loans made by the Bridge Loan Lenders pursuant to the Bridge Loan Credit Agreement.

"Consolidated Tangible Net Worth": means the book value, without giving effect to depreciation of all assets or amortization of SFAS 141 Intangibles of Holdings and its consolidated Subsidiaries at such time; less (a) the amount, if any, of Holdings' investment in any unconsolidated subsidiary, joint venture or other similar entity, and (b) all amounts appearing on the assets side of its consolidated balance sheet representing intangible assets under GAAP (other than SFAS 141 Intangibles).

"First Amendment": that certain First Amendment to this Agreement, dated as of March 13, 2008.

"First Amendment Effective Date": the date the conditions to the effectiveness of the First Amendment, set forth in Section 4 thereof, are satisfied.

"Intercreditor Agreement": an Intercreditor Agreement, substantially in the form of Exhibit F (with such modifications thereto as may be agreed by the parties thereto), among the Administrative Agent, UBS Loan Finance LLC, as administrative agent under the Bridge Loan Documents.

"Purchase Agreement": the Purchase and Sale Agreement and Escrow Instructions made effective as of March 13, 2008, among Borrower and HCP Inc., FAEC Holdings (BC), LLC, HCPI Trust, HCP Das Petersburg VA, LP and Texas HCP Holding, L.P., as amended or waived from time to time so long as such amendment or waiver is not adverse to the Lenders, unless consented to by the Administrative Agent (such consent not to be unreasonably withheld).

"Vibra Acquisition": the acquisition by Borrower or any of its Subsidiaries of two inpatient rehab hospitals known as Continental Rehab Hospital of San Diego and Robert H. Ballard Rehabilitation Hospital and one long-term acute care hospital known as Kindred Hospital Detroit from Vibra Healthcare, L.L.C. for an aggregate purchase price of approximately $55.0 million.

"Vibra Sale": the sale by Borrower of one or more Subsidiaries owning three inpatient rehab hospitals known as Southern Kentucky Rehabilitation, Marlton Rehabilitation Hospital, and San Joaquin Valley Rehabilitation to Vibra Healthcare, L.L.C. for an aggregate price of approximately $90.0 million, a prepayment penalty of $7.0 million, and a repayment of $10.0 on an existing promissory note.

B. Subsection 1.1 of the Credit Agreement is hereby further amended by deleting the definition of the term set forth in quotation marks below and substituting therefor the following definition:

"Excluded Subsidiaries": the Subsidiaries of the Borrower listed on Schedule ES attached hereto, as such Schedule ES may be updated by a Responsible Officer of the Borrower to include (a) any Subsidiary acquired pursuant to an acquisition permitted hereunder which is financed with secured Indebtedness incurred pursuant to Section 7.2(f) and each Subsidiary thereof that guarantees such Indebtedness (in each case to the extent that guaranteeing the Obligations or granting a security interest in support thereof is prohibited by such Indebtedness) and (b) any Subsidiary that is not wholly-owned by the Borrower, is acquired pursuant to the Acquisition, and is prohibited by its organizational documents from giving a guaranty of the Obligations; *provided* that each such Subsidiary shall cease to be an Excluded Subsidiary hereunder if such secured Indebtedness is repaid or becomes unsecured or if such Subsidiary ceases to guarantee such secured Indebtedness or if such Subsidiary ceases to be prohibited from giving a guaranty, as applicable.

"Lease Coverage Ratio": (i) for any Person or property, the ratio of EBITDAR for such Person or property to the aggregate rent payable under leases with respect to such Person or property for any quarter and (ii) for any Person or property acquired as part of the Acquisition, the ratio of EBITDAR for such Person or property to the aggregate rent payable under leases with respect to such Person or property for the fiscal period for which financial information is available.

"Loan Documents": this Agreement, the Security Documents, the Intercreditor Agreement, the Notes and any amendment, waiver, supplement or other modification to any of the foregoing.

"Net Cash Proceeds": (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received), net of attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document or a Bridge Loan Document) and other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and (b) in connection with any issuance or sale of Capital Stock or any incurrence of Indebtedness, 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.

"Reinvestment Prepayment Date": with respect to any Reinvestment Event, the earlier of (a) the date occurring 120 days (or 180 days, in the case of the Vibra Sale) after such Reinvestment Event and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire new Borrowing Base Properties or Mortgage Notes to be included in the computation of Borrowing Base Value or repair or replace assets damaged by a Recovery Event, as applicable, in each case with all or any portion of the relevant Reinvestment Deferred Amount.

"Security Documents": the collective reference to the Guarantee and Collateral Agreement and all other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document, which shall be subject to the terms of the Intercreditor Agreement.

"Specified Change of Control": a "Change of Control" or "Designated Event" (or any other defined term having a similar purpose) as defined in the Senior Note Indenture, the Senior Exchangeable Note Indenture or the 2008 Senior Exchangeable Note Indenture.

"Total Asset Value": an amount equal to the sum, without duplication, of (i) the lower of the undepreciated cost or market value of all Real Properties that are 100% fee owned or ground-leased by the Group Members, plus (ii) the pro-rata share of the lower of the undepreciated cost or market value of all Real Properties that are less than 100% fee owned or ground-leased by the Group Members, plus (iii) unrestricted cash and Cash Equivalents of the Group Members in excess of $10,000,000; provided that to the extent the 2008 Exchangeable Senior Notes are issued by the Borrower prior to the closing of the Acquisition, all of the escrowed proceeds of the 2008 Exchangeable Senior Notes shall be deemed "unrestricted cash and Cash Equivalents" for purposes of Section 7.1, plus (iv) the book value of (A) notes receivable of the Group Members which are secured by mortgage Liens on real estate and which are not more than 60 days past due or otherwise in default after giving effect to applicable cure periods ("Mortgage Notes") and

(B) notes receivable of Group Members (1) under which the obligor (or the guarantor thereof) is the operator of a medical property for which a Group Member is the lessor or mortgagee, (2) which are cross-defaulted to the lease or Mortgage Note held by such Group Member, (3) which are not more than 60 days past due or otherwise in default after giving effect to applicable cure periods, and (4) which are set forth in a schedule provided to the Administrative Agent and have been approved by the Required Lenders (provided that not more than $50,000,000 of Total Asset Value may be attributable to notes receivable described in this clause (B)), all as determined on a consolidated basis in accordance with GAAP.

1.2 Amendment to Section 2.11: Mandatory Prepayments and Commitment Reductions.

A. Section 2.11(a) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(a) If any Indebtedness shall be incurred by any Group Member (excluding (i) any Indebtedness incurred in accordance with Sections 7.2(a) through (e), (ii) any purchase money Indebtedness incurred under Section 7.2(f) in connection with an acquisition permitted by Section 7.8(g) and (iii) the proceeds of the 2008 Exchangeable Senior Notes which are used either to pay the Acquisition consideration or to repay the Bridge Loans, but including all other Indebtedness incurred in accordance with Section 7.2(f)), an amount equal to 50% of the Net Cash Proceeds thereof shall be applied on the date of such incurrence toward the prepayment of the Term Loans and Revolving Loans as set forth in Section 2.11(d)."

B. Section 2.11(b) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(b) (i) If on any date any Group Member shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall have been delivered in respect thereof, 50% of such Net Cash Proceeds shall be applied within five (5) Business Days of such date toward the prepayment of the Term Loans and Revolving Loans as set forth in Section 2.11(d); provided, that, notwithstanding the foregoing, (i) the aggregate Net Cash Proceeds of Asset Sales that may be excluded from the foregoing requirement pursuant to a Reinvestment Notice (other than Net Cash Proceeds received from the Vibra Sale to the extent (A) reinvested in the Acquisition or the Vibra Acquisition or (B) used to repay the Bridge Loans in an amount not to exceed the difference between the proceeds of the Vibra Sale and the purchase price of the Vibra Acquisition) shall not exceed $25,000,000 in any fiscal year of the Borrower, (ii) if such Net Cash Proceeds are not reinvested within five (5) Business Days of the date such Net Cash Proceeds are received (other than Net Cash Proceeds received from the Vibra Sale to the extent (A) reinvested in the Acquisition or the Vibra Acquisition or (B) used to repay the Bridge Loans in an amount not to exceed the difference between the proceeds of the Vibra Sale and the purchase price of the Vibra Acquisition), the Borrower shall apply such Net Cash Proceeds within five (5) Business Days of the date of receipt to the

repayment of the Revolving Credit Loans (without any corresponding reduction of the Revolving Commitments), (iii) on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the prepayment of the Term Loans and the Revolving Loans as set forth in Section 2.11(d), and to the extent that the Borrower has applied Net Cash Proceeds to the repayment of Revolving Loans pursuant to clause (ii) above, the Borrower shall reborrow Revolving Loans in the amount of the Reinvestment Prepayment Amount and apply such proceeds to the prepayment of Term Loans and Revolving Loans as set forth in Section 2.11(d).

(ii) If on any date while any Bridge Loans are outstanding any Group Member shall receive Net Cash Proceeds from any Acquisition Asset Sale or Acquisition Recovery Event then, 25% of such Net Cash Proceeds shall be applied within five (5) Business Days of such date toward the prepayment of the Term Loans and Revolving Loans as set forth in Section 2.11(d). For purposes of this Section 2.11(b)(ii), "Acquisition Asset Sale" means any Disposition of property or series of related Dispositions of any property acquired in the Acquisition other than a Borrowing Base Property (excluding any such Disposition permitted by clause (a), (b), (c) or (d) of Section 7.5) that yields gross proceeds to any Group Member (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of $500,000; and "Acquisition Recovery Event" means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any property acquired in the Acquisition other than a Borrowing Base Property."

1.3 Amendments to Section 4

A. Section 4.5 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"4.5 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 (other than the Liens created by the Security Documents and the Bridge Loan Documents). 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."

B. Section 4.15 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"4.15 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 and the Bridge Loan Documents."

1.4 Amendments to Section 6.2: Certificates; Other Information.

A. Section 6.2(d) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(d) no later than 5 Business Days prior to the effectiveness thereof, copies of substantially final drafts of any proposed amendment, supplement, waiver or other modification with respect to the Senior Note Indenture, the Senior Exchangeable Note Indenture or the 2008 Senior Exchangeable Note Indenture;"

B. Section 6.2(f) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(f) promptly, (i) updates to Schedules 4.19(a), 4.23(a) and 4.23(b) and (ii) such additional financial and other information as any Lender may from time to time reasonably request."

1.5 Amendment to Section 6.10(a): Additional Collateral, etc.

Section 6.10(a) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(a) With respect to any new Subsidiary (other than an Excluded Foreign Subsidiary or an Excluded Subsidiary) created or acquired after the Closing Date by any Group Member (which, for the purposes of this paragraph (a), shall include any existing Subsidiary that ceases to be an Excluded Foreign Subsidiary or an Excluded Subsidiary), promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a perfected first priority security interest in the Capital Stock of such new Subsidiary that is owned by any Group Member, subject to the terms of the Intercreditor Agreement, (ii) deliver to the Administrative Agent any certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Group Member, (iii) cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement, (B) to take such actions necessary or advisable to grant to the Administrative Agent for the benefit of the Lenders a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary, subject to the terms of the Intercreditor Agreement, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent and (C) to deliver to the Administrative Agent a certificate of such Subsidiary, substantially in the form of Exhibit C, with

appropriate insertions and attachments, and (iv) 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."

1.6 Amendments to Section 7.1: Financial Condition Covenants.

A. Section 7.1(a) of the Credit Agreement is hereby amended by deleting such subsection in its entirety and substituting the following therefor:

"(a) Total Leverage Ratio. Permit the ratio of Total Indebtedness to 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 to exceed 55%, provided that (A) such ratio may exceed 55% as of the end of or during the fiscal quarters ending March 31, 2008, June 30, 2008 and September 30, 2008 upon or following initial consummation of the Acquisition or incurrence of Indebtedness to finance the Acquisition so long as such ratio does not exceed 65%, and (B) such ratio may exceed 55% as of the end of up to 2 consecutive fiscal quarters in any other one fiscal year so long as such ratio does not exceed 60%.

B. Section 7.1(f) of the Credit Agreement is hereby amended by deleting such subsection in its entirety and substituting the following therefor:

"(f) Floating Rate Debt. Permit the ratio of Total Indebtedness that bears interest at a floating rate of interest to Total Asset Value 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 to exceed 30%, provided that such ratio may exceed 30% as of the end of or during the fiscal quarters ending March 31, 2008, June 30, 2008 and September 30, 2008 upon or following initial consummation of the Acquisition or incurrence of Indebtedness to finance the Acquisition so long as such ratio does not exceed 42.5%."

1.7 Amendments to Subsection 7.2: Indebtedness.

A. Section 7.2(a) of the Credit Agreement is hereby amended by deleting such subsection in its entirety and substituting the following therefor:

"(a) (i) Indebtedness of any Loan Party pursuant to any Loan Document, (ii) Indebtedness of the Borrower and Guarantee Obligations of the Borrower and the Guarantors in respect of the Bridge Loan Documents in an aggregate principal amount not to exceed $300,000,000 minus the aggregate principal amount of the 2008 Exchangeable Senior Notes and (iii) any refinancings, renewals or extensions of any Indebtedness described in the foregoing clause (ii) (a "Refinancing") or any Indebtedness incurred to refund, replace or repay any Indebtedness described in the foregoing clause (ii) (a "Replacement"); provided that (A) the principal amount thereof (excluding accrued interest and the amount of fees and expenses incurred and premiums paid in connection therewith) is not increased, (B) the weighted average life to maturity of the principal amount thereof has not decreased, nor the final maturity thereof shortened, in either case,

with respect to a period when Loans are outstanding, and (C) any Liens securing any such Indebtedness which is a Refinancing are junior to or pari passu in priority with the Liens securing the Obligations, subject to the Intercreditor Agreement, and in any case are limited to Collateral that secures the Loans, and (D) any such Indebtedness which is a Replacement shall be unsecured or shall be secured by Liens on properties which are not Borrowing Base Properties or Collateral hereunder;"

B. Section 7.2(e) of the Credit Agreement is hereby amended by deleting such subsection in its entirety and substituting the following therefor:

"(e) (i) Indebtedness of the Borrower in respect of the Senior Notes, the Senior Exchangeable Notes and the 2008 Senior Exchangeable Notes and (ii) Guarantee Obligations of Holdings in respect of such Indebtedness;"

C. Section 7.2 of the Credit Agreement is hereby further amended by deleting the last proviso thereof and substituting the following therefor:

"; provided that the Borrower shall not permit any Subsidiary Guarantor that is the owner (or ground-lessee) of a Borrowing Base Property or a Mortgage Note included in the computation of Borrowing Base Value to create, incur, assume, become liable in respect of or suffer to exist any Indebtedness (other than with respect to guarantees of the Loan Documents and the Bridge Loan Documents) that is recourse to such Subsidiary Guarantor."

1.8 Amendments to Section 7.3: Liens.

A. Section 7.3(e) of the Credit Agreement is hereby amended by deleting such subsection in its entirety and substituting the following therefor:

"(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; and any Permitted Exceptions as set forth and defined in the Purchase Agreement and its exhibits and schedules;"

B. Section 7.3(g) of the Credit Agreement is hereby amended by deleting such subsection in its entirety and substituting the following therefor:

"(g) Liens created pursuant to the Security Documents and Liens on the same Collateral created pursuant to the Bridge Loan Documents or any Refinancing under Section 7.2(a), subject to the Intercreditor Agreement;"

C. Section 7.3(i) of the Credit Agreement is hereby amended by deleting such subsection in its entirety and substituting the following therefor:

"(i) Liens (not affecting the Collateral) securing Indebtedness constituting a Replacement under Section 7.2(a) or Indebtedness permitted by Section 7.2(f);"

D. Section 7.3 of the Credit Agreement is hereby further amended by deleting the last proviso thereof and substituting the following therefor:

"provided that notwithstanding the foregoing, the Borrower shall not, and shall not permit any of its Subsidiaries to, grant a Lien on its Capital Stock as collateral for Indebtedness to any Person other than the Administrative Agent or the "Administrative Agent" under the Bridge Loan Documents."

1.9 Amendment to Section 7.5: Disposition of Property.

A. Section 7.5 of the Credit Agreement is hereby amended by renumbering subsection 7.5(e) as subsection 7.5(f), and by adding a new subsection 7.5(e) following the current subsection 7.5(d) as follows:

"(e) Dispositions of property pursuant to the Vibra Sale, so long as no Default or Event of Default has occurred and is continuing, or would occur after giving effect thereto, and the Borrower complies with Section 2.11 and Section 6.11;"

B. Section 7.5(f) of the Credit Agreement (formerly Section 7.5(e)) is hereby amended by deleting such section in its entirety and substituting the following therefor:

"(f) the Disposition of other property having a fair market value not to exceed $50,000,000 in the aggregate for any fiscal year of the Borrower so long as no Default or Event of Default has occurred and is continuing, or would occur after giving effect thereto, and the Borrower complies with Section 2.11 and Section 6.11; *provided* that if the Bridge Loans are outstanding, the foregoing $50,000,000 limit shall be increased to the extent necessary to permit Dispositions for the purpose of repaying the Bridge Loans."

1.10 Amendment to Section 7.9: Optional Payments and Modifications of Certain Debt Instruments.

Section 7.9 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"7.9 Optional Payments and Modifications of Certain Debt Instruments. (a) Make or offer to make any optional or voluntary payment, prepayment, repurchase or redemption of or otherwise optionally or voluntarily defease or segregate funds with respect to the Senior Notes, the Senior Exchangeable Notes or the 2008 Senior Exchangeable Notes; or (b) amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of the Senior Notes, the Senior Exchangeable Notes or the 2008 Senior Exchangeable Notes (other than any such amendment, modification, waiver or other change that would extend the maturity or reduce the amount of any payment of principal thereof or reduce the rate or extend any date for payment of interest thereon)."

1.11 Amendment to Section 7.12: Swap Agreements.

Section 7.12 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"7.12 Swap Agreements. Enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any Subsidiary has actual exposure (other than those in respect of Capital Stock or the Senior Notes, the Senior Exchangeable Notes or the 2008 Senior Exchangeable 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."

1.12 Amendment to Section 7.14: Negative Pledge Clauses.

Section 7.14 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"7.14 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 or revenues, whether now owned or hereafter acquired, other than (a) this Agreement and the other Loan Documents and the Bridge 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) and (c) any restrictions set forth in the organizational documents of the Subsidiaries of the Borrower listed on Schedule ES."

1.13 Amendment to Section 7.15: Clauses Restricting Subsidiary Distributions.

Section 7.15 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"7.15 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 Bridge Loan Documents, the 2008 Senior Exchangeable Note Indenture, the Senior Exchangeable Note Indenture or the Senior Indenture, (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, and (iii) any restrictions set forth in the organizational documents of the Subsidiaries of the Borrower listed on Schedule ES."

1.14 Amendment to Section 7A.

The Credit Agreement is hereby amended by adding the following new Section 7A:

"**SECTION 7A: ADDITIONAL COVENANTS AND DEFAULTS**.

Notwithstanding anything to the contrary in this Agreement, to the extent that the Borrower enters into the Bridge Loan Documents and such Bridge Loan Documents contain any affirmative or negative covenants (other than those regarding payment terms) or events of default that are more restrictive on the Borrower or the other Loan Parties than the covenants and events of default set forth in this Agreement, then such more restrictive covenants and events of default in the Bridge Loan Documents shall automatically be incorporated herein by reference, *mutatis mutandis*, as if fully set forth herein for so long as the Bridge Loan Documents (and any Refinancing thereof) remain in effect, and the Loan Parties shall be bound by such covenants and events of default during such time (it being understood that after such time, without any action by the Borrower, any other Loan Party or any Lender, such covenants and events of default shall cease to be applicable hereunder). If requested by the Administrative Agent, the Borrower shall enter into an amendment to this Agreement to formally incorporate such covenants and events of default into this Agreement."

1.15 Amendment to Section 8: Events of Default.

Section 8(l) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(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 those incidental to its ownership of the Capital Stock of the Borrower, (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 the Senior Notes, the Senior Exchangeable Notes, the 2008 Senior Exchangeable Notes or the Indebtedness set forth on Schedule 7.2(d), (x) nonconsensual obligations imposed by operation of law, (y) obligations pursuant to the Loan Documents and the Bridge 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; or"

1.16 Amendment to Section 9.1: Appointment.

Subsection 9.1 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"9.1 Appointment. Each 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 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. In addition, each of the Lenders irrevocably appoints the Administrative Agent to act as "Credit Facility Collateral Agent" under the Intercreditor Agreement and authorizes the Administrative Agent, acting as "Credit Facility Collateral Agent", to execute the Intercreditor Agreement and each of the Lenders agree to be bound by the terms thereof. 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, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent."

1.17 Amendment to Section 9.6: Non-Reliance on Agents and Other Lenders.

Subsection 9.6 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"9.6 Non-Reliance on Agents and Other Lenders; Intercreditor Agreement. 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 represents to the Agents that it has, independently and without reliance upon any Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent 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. Notwithstanding anything herein to the contrary, each Lender and the Agents acknowledge that the Lien and security interest granted to the Administrative Agent pursuant to the Security Documents and the exercise of any right or remedy by the

Administrative Agent thereunder, are subject to the provisions of the Intercreditor Agreement. In the event of a conflict or any inconsistency between the terms of the Intercreditor Agreement and the Security Documents, the terms of the Intercreditor Agreement shall prevail."

1.18 Amendment to Section 10.1: Amendment and Waivers.

Section 10.1 of the Credit Agreement is hereby amended by inserting the following sentence at the end of such Section 10.1:

"Notwithstanding anything to the contrary set forth herein, (i) the Borrower shall have no right to consent to any amendment, supplement, modification or waiver to the Intercreditor Agreement and (ii) the Administrative Agent and the Borrower may enter into an amendment contemplated by Section 7A without the consent or approval of any Lender."

1.19 Addition of Exhibit.

The Credit Agreement is hereby amended by adding thereto a new Exhibit F in the form of Exhibit A to this Amendment.

1.20 Amendment to Exhibit.

Exhibit B to the Credit Agreement is hereby deleted in its entirety and replaced by Exhibit D attached hereto.

1.21 Vibra Sale .

The Borrower and the Lenders agree that the Borrower shall deliver the notice of the Vibra Sale required by Section 6.11 of the Credit Agreement and Section 8.15(b) of the Guarantee and Collateral Agreement not less than two (2) Business Days prior to such Disposition (instead of not less than five (5) Business Days prior to such Disposition as would otherwise be required by Section 6.11 of the Credit Agreement or not less than ten (10) Business Days prior to the proposed release of Collateral as would otherwise be required by Section 8.15(b) of the Guarantee and Collateral Agreement).

1.22 Guarantee and Collateral Agreement .

The Borrowers and the Lenders agree that any provision in Section 3.1, Section 4.3(a) or elsewhere in the Guarantee and Collateral Agreement that requires the Administrative Agent, for the benefit of the Secured Parties, to have a first priority lien (or words of similar import) on the Collateral shall be deemed to be qualified as subject to the terms of the Intercreditor Agreement.

SECTION 2. REPRESENTATIONS AND WARRANTIES

In order to induce Lenders and Administrative Agent to enter into this Amendment, 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 all requisite corporate power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Credit Agreement as amended by this Amendment (the "**Amended Agreement**");

(ii) the execution and delivery of this Amendment and the performance of the Amended Agreement have been duly authorized by all necessary corporate action on the part of Borrower and Holdings;

(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, 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 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 (other than the Liens created by the Security Documents or the Bridge Loan Documents).

(v) this Amendment and the Amended Agreement have been duly executed and delivered by Borrower and Holdings and are the legally valid and binding obligations of Borrower and Holdings, enforceable against Borrower and Holdings in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability;

(vi) the representations and warranties contained in Section 4 of the Credit Agreement are and will be true, correct and complete in all material respects on and as of the date hereof and the First 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, correct and complete 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 that would constitute a Default or Event of Default.

SECTION 3. ACKNOWLEDGEMENT AND CONSENT

Each Guarantor has read this Amendment and consents to the terms hereof and further hereby confirms and agrees that, notwithstanding the effectiveness of this Amendment, the obligations of such Guarantor under, and the Liens granted by such Guarantor as collateral security for the indebtedness, obligations and liabilities evidenced by the Credit Agreement and the other Loan Documents pursuant to, each of the Loan Documents to which such Guarantor is a party shall not be impaired and each of the Loan Documents to which such 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, Borrower and the Subsidiary Guarantors hereby acknowledges and agrees that the Secured Obligations under, and as defined in, the Guarantee and Collateral Agreement dated as of November 30, 2007, by and among Holdings, Borrower, the Subsidiary Guarantors and Administrative Agent (the "**Guarantee and Collateral Agreement**") will include all Obligations under, and as defined in, the Credit Agreement (as amended hereby).

Each Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Guarantor is not required by the terms of the Credit Agreement or any other Loan Document to consent to the amendments to the Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Guarantor to any future amendments to the Credit Agreement.

SECTION 4. CONDITIONS TO EFFECTIVENESS

Except as set forth below, Section 1 of this Amendment shall become effective only upon the satisfaction of the following conditions precedent (the date of satisfaction of such conditions being referred to as the "**First Amendment Effective Date**"):

A. The Borrower, Holdings, the other Guarantors and the Required Lenders shall have indicated their consent hereto by the execution and delivery of the signature pages hereof to the Administrative Agent.

B. The Administrative Agent shall have received a secretary's certificate of Holdings and the Borrower (i) either confirming that there have been no changes to its organizational documents since November 30, 2007, or if there have been changes to Holdings' or the Borrower's organizational documents since such date, certifying as to such changes, and (ii) certifying as to resolutions and incumbency of officers with respect to this Amendment and the transactions contemplated hereby.

C. The Administrative Agent shall have received the legal opinion of Goodwin Procter LLP, counsel to the Borrower and its Subsidiaries, in form and substance reasonably satisfactory to the Administrative Agent, with respect to this Amendment.

D. 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 for which the Borrower agrees it is responsible pursuant to Section 10.5 of the Credit Agreement, the fees described in Section 5 below, and the fees set forth in the fee letter of even date herewith), in connection with this Amendment.

E. 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 First Amendment Effective Date after giving effect to the occurrence of the Acquisition and the related incurrence of Indebtedness, which certificate shall include

calculations in reasonable detail demonstrating such compliance, including as to the calculation of Borrowing Base Value.

SECTION 5. AMENDMENT FEE

As consideration for the Lenders' agreement to amend the Credit Agreement by this Amendment, the Borrower agrees to pay, on the First Amendment Effective Date, to each Lender which has duly executed and delivered this Amendment on or before 9:00 a.m. (New York City time) on March 14, 2008, an amendment fee equal to 0.15% of the sum of (a) such Lender's Revolving Commitment and (b) the outstanding principal amount of such Lender's Term Loans under the Credit Agreement.

SECTION 6. 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, 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, 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 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 Administrative Agent or any Lender under the Credit Agreement or any of the other Loan Documents.

B. Headings. Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

D. Intercreditor Agreement. The Lenders hereby authorize the Administrative Agent to enter into the Intercreditor Agreement.

E. Counterparts; Effectiveness. This Amendment 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. This Amendment (other than the provisions of Section 1 hereof, the effectiveness of which is governed by Section 4 hereof) shall become effective upon the execution of a counterpart hereof by Holdings, Borrower and the Requisite Lenders and receipt by Borrower and Administrative Agent of written or telephonic notification of such execution and authorization of delivery thereof.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

HOLDINGS:

MEDICAL PROPERTIES TRUST, INC.

By: /s/ R. Steven Hamner
Name: R. Steven Hamner
Title: Chief Financial Officer

BORROWER:

MPT OPERATING PARTNERSHIP, L.P.,

By: /s/ R. Steven Hamner
Name: R. Steven Hamner
Title: Chief Financial Officer

SUBSIDIARY GUARANTORS
(FOR PURPOSES OF SECTION 3): **MPT OF REDDING, LLC**
MPT OF CHINO, LLC
MPT OF SHERMAN OAKS, LLC
MPT OF BUCKS COUNTY, LLC
MPT OF VICTORVILLE, LLC
MPT OF BLOOMINGTON, LLC
MPT OF COVINGTON, LLC
MPT OF DENHAM SPRINGS, LLC
MPT OF DALLAS LTACH, LLC
MPT OF CENTINELA, LLC
MPT OF MONTCLAIR, LLC
MPT OF PORTLAND, LLC
MPT OF WARM SPRINGS, LLC
MPT OF VICTORIA, LLC
MPT OF LULING, LLC
MPT OF HUNTINGTON BEACH, LLC
MPT OF WEST ANAHEIM, LLC
MPT OF LA PALMA, LLC
MPT OF TWELVE OAKS, LLC
MPT OF SHASTA, LLC
MPT OF PARADISE VALLEY, LLC
MPT OF SOUTHERN CALIFORNIA, LLC
MPT OF INGLEWOOD, LLC
8451 PEARL STREET, LLC
4499 ACUSHNET AVENUE, LLC
MPT OF CALIFORNIA, LLC
92 BRICK ROAD, LLC
1300 CAMPBELL LANE, LLC
7173 NORTH SHARON AVENUE, LLC

By: MPT OPERATING PARTNERSHIP, L.P.,
sole member of each of the above entities

By: /s/ R. Steven Hamner
Name: R. Steven Hamner
Title: Chief Financial Officer

MPT OF BUCKS COUNTY, L.P.

By: MPT OF BUCKS COUNTY, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF DALLAS LTACH, L.P.

By: MPT OF DALLAS LTACH, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF CENTINELA, L.P.

By: MPT OF CENTINELA, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF MONTCLAIR, L.P.

By: MPT OF MONTCLAIR, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF WARM SPRINGS, L.P.

By: MPT OF WARM SPRINGS, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF VICTORIA, L.P.

By: MPT OF VICTORIA, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF LULING, L.P.

By: MPT OF LULING, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF HUNTINGTON BEACH, L.P.

By: MPT OF HUNTINGTON BEACH, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF WEST ANAHEIM, L.P.

By: MPT OF WEST ANAHEIM, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF LA PALMA, L.P.

By: MPT OF LA PALMA, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF TWELVE OAKS, L.P.

By: MPT OF TWELVE OAKS, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF SHASTA, L.P.

By: MPT OF SHASTA, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF PARADISE VALLEY, L.P.

By: MPT OF PARADISE VALLEY, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF SOUTHERN CALIFORNIA, L.P.

By: MPT OF SOUTHERN CALIFORNIA, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

MPT OF INGLEWOOD, L.P.

By: MPT OF INGLEWOOD, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

SAN JOAQUIN HEALTH CARE ASSOCIATES, LIMITED PARTNERSHIP

By: MPT OF CALIFORNIA, LLC,
its general partner

By: MPT OPERATING PARTNERSHIP, L.P.,
its sole member

By: /s/ R. Steven Hamner
Name: R. Steven Hamner
Title: Executive Vice President
and CFO of MPT
Operating Partnership, L.P.

LENDERS:

J.P. MORGAN CHASE BANK, N.A.,
as Lender and as Administrative Agent

By: /s/ Vanessa Chiu
Name: Vanessa Chiu
Title: Vice President

KEYBANK NATIONAL ASSOCIATION,
as Syndication Agent and as a Lender

By: /s/ Laura Conway
Name: Laura Conway
Title: Vice President

RAYMOND JAMES BANK, FSB,
as a Lender

By: /s/ Thomas G. Scott
Name: Thomas G. Scott
Title: Senior Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as a Lender

By: /s/ Erin Morrissey
Name: Erin Morrissey
Title: Vice President

By: /s/ Omayra Laucella
Name: Omayra Laucella
Title: Vice President

UBS LOAN FINANCE LLC,
as a Lender

By: /s/ David B. Julie
Name: David B. Julie
Title: Associate Director

By: /s/ Irja R. Otsa
Name: Irja R. Otsa
Title: Associate Director

ROYAL BANK OF CANADA,
as a Lender

By: /s/ Dan LePage
Name: Dan LePage
Title: Authorized Signatory

EXECUTION COPY

Exhibit 10.2

PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS

BY AND BETWEEN

THE SELLER PARTIES IDENTIFIED HEREIN
("Seller")

and

MPT OPERATING PARTNERSHIP, L.P.,

a Delaware limited partnership

("Buyer")

Dated effective as of March 13, 2008

TABLE OF CONTENTS

PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is made effective as of March 13, 2008 (the "Effective Date"), by and between HCP, INC. (formerly known as Health Care Property Investors, Inc.), a Maryland corporation ("HCP"), FAEC HOLDINGS (BC), LLC, a Delaware limited liability company ("FAEC"), HCPI TRUST, a Maryland real estate trust ("HCPIT"), HCP DAS PETERSBURG VA, LP, a Delaware limited partnership ("HCPDAS"), and TEXAS HCP HOLDING, L.P., a Delaware limited partnership ("THH", and together with HCP, HCPIT, HCPDAS and FAEC collectively, "Seller"), and MPT OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("Buyer").

ARTICLE I
PURCHASE AND SALE

Section 1.1. Agreement of Purchase and Sale. Subject to the terms and conditions hereinafter set forth, Seller agrees to sell and convey or cause to be sold and conveyed to Buyer, and Buyer agrees to purchase from Seller, all of Seller's right, title and interest in and to the following:

(a) (i) the fee interest in and to those certain tracts or parcels of land situated in the States of Connecticut, Massachusetts, Louisiana, Missouri, Utah, Rhode Island, Arizona, South Carolina, Texas, Arkansas, Kansas, Virginia, Florida and Idaho (subject, in the case of the Idaho Property (as such term is defined in Section 11.1 hereof), the Arkansas Property and the Kansas Property (as such terms are defined in Section 12.1 hereof), to the provisions of Article XI and Article XII hereof, as applicable) and more particularly described on Exhibit A-l attached hereto and made a part hereof, (ii) the sub-subleasehold interest in and to that certain tract or parcel of land situated in the State of West Virginia and more particularly described on Exhibit A-2 attached hereto and made a part hereof pursuant to that certain Rehab Sublease described on Exhibit A-3 attached hereto, and (iii) the leasehold interest in and to that certain tract or parcel of land situated in the State of Connecticut and more particularly described on Exhibit A-2 attached hereto and made a part hereof pursuant to that certain lease described on Exhibit A-3 attached hereto (the properties described on Exhibit A-2 being herein referred to collectively as the "Ground Lease Properties"; and the leases described on Exhibit A-3 being referred to collectively as the "Ground Leases"), in each case together with all easements, rights and appurtenances pertaining to such property, including any water rights and right, title and interest of Seller in and to adjacent streets, alleys, and rights-of-way (the property described in clause (a) of this Section 1.1 being herein referred to as the "Land"). The addresses for the parcels of Land are also set forth on Exhibit A-l and Exhibit A-2;

(b) the commercial buildings located on the Land, and any and all other buildings, structures, fixtures and other improvements affixed to or located on the Land, excluding trade fixtures owned by tenants (but including any rights of Seller to retain such trade fixtures pursuant to the terms of the applicable Leases) (the property described in clause (b) of this Section 1.1 being herein referred to collectively as the "Improvements");

(c) all tangible personal property which is owned by Seller, located upon the Land or within the Improvements and used exclusively in connection with the operation of the Land and the Improvements, including, without limitation, any appliances, furniture, carpeting, draperies and curtains, tools and supplies, and other items of personal property (the "Personal Property"); provided, however, that Personal Property shall specifically exclude (i) any tangible personal property owned by tenants or other occupants of the Properties (as such term is defined in Section 1.2 hereof), and (ii) those specific items of tangible personal property listed on Exhibit B as "Excluded Personal Property";

(d) to the extent they are in effect on the date of the Closing (as such term is defined in Section 4.1 hereof), any and all of Seller's right, title and interest (i) as landlord/lessor under those certain leases described on Schedule 1.1 (d) attached hereto (the "Leases"), and (ii) in and to any other leases, licenses, occupancy agreements, commitment letters, letters of intent and other rental agreements, whether written or oral, if any, including all amendments or modifications thereto or supplements thereof, that grant or will grant a possessory interest in and to any space in the Real Property (as such term is defined in Section 1.2 hereof), or that otherwise assign or convey rights with regard to all or any portion of the Real Property or the Improvements, together with all rents, fees, and other sums due or payable thereunder (the "Rents") and any and all unapplied security and other deposits (including, without limitation, deposits for taxes, insurance, maintenance or improvements) in Seller's possession in connection therewith (collectively, the "Security Deposits");

(e) to the extent they are in effect on the date of the Closing, any and all of Seller's right, title and interest in and to any subleases, sublicenses and other rental or occupancy agreements between any tenants of the Real Properties (as such term is defined in Section 1.2 hereof), and any subtenants, sublicensees or other occupants of the Real Properties, whether written or oral, if any, including all amendments or modifications thereto or supplements thereof (the property described in clause (e) of this Section 1.1 being referred to collectively as the "Subleases");

(f) to the extent they are in effect on the date of the Closing, any and all of Seller's assignable right, title and interest in and to any security agreements, guaranty agreements, indemnification agreements, assignments of rents and leases, collateral assignments, letters of credit (and any cash deposits made by tenants under Leases in lieu thereof) and such other similar agreements or instruments, including all amendments or modifications thereto or reaffirmations or supplements thereof, pursuant to which the Seller is or has been granted any security interest, lien, encumbrance or other rights to collateral, payment or performance of any kind whatsoever, which provide credit enhancements, or which otherwise secure the obligations of tenants under the Leases (the property described in clause (f) of this Section 1.1 being referred to collectively as the "Security Documents") (provided, however, that Buyer shall pay any and all costs associated with the conveyance of Seller's interest in the Security Documents);

(g) to the extent they are in effect on the date of the Closing, any and all of Seller's assignable right, title and interest in and to any asset purchase agreements, merger agreements, stock purchase agreements, development agreements, bills of sale, assignments, instruments of transfer and other similar agreements or instruments, including all amendments or modifications thereto or supplements thereof, in each case relating to the Seller's acquisition and development

of the Properties prior to the date hereof (the property described in clause (g) of this Section 1.1 being referred to collectively as the "Acquisition Documents");

(h) to the extent they are in effect on the date of the Closing, any and all of Seller's assignable right, title and interest in and to any intercreditor agreements, forbearance agreements, landlord waivers, subordination agreements and other similar agreements of Seller with creditors of the tenants and subtenants of the Real Properties or otherwise with respect to the Properties (but solely to the extent that the foregoing pertains exclusively to the Real Properties) (the property described in clause (h) of this Section 1.1 being referred to collectively as the "Intercreditor Documents"); and

(i) all assignable existing warranties and guaranties (express or implied) issued to Seller in connection with the Improvements or the Personal Property, all assignable existing permits, licenses, approvals and authorizations issued to Seller by any governmental authority in connection with the Properties, and, subject to Section 3.1(b) hereof, all assignable right, title and interest of Seller in and to site plans, surveys, architectural drawings, plans and specifications, engineering and environmental plans, floor plans, landscape plans and other plans relating to the Properties (the property described in clause (i) of this Section 1.1. together with the Security Documents, Acquisition Documents, and Intercreditor Documents, being sometimes herein referred to collectively as the "Intangibles").

Notwithstanding the foregoing or any other provision of this Agreement to the contrary, Seller shall retain and reserve any and all indemnification rights that may currently exist for the benefit of Seller under the Leases, Subleases, Intangibles or other documents or agreements to the extent that the same pertain to any claims, liabilities or actions arising in connection with acts, omissions or conditions that occurred or existed prior to Closing; provided, however, that such retention and reservation shall be limited to the extent necessary to also provide Buyer with the benefit of such indemnification rights if any claim is made against Buyer arising out of or relating to those same acts, omissions or conditions.

Section 1.2. Property Defined. The Land and the Improvements are hereinafter sometimes referred to individually as a "Real Property," and collectively as the "Real Properties." The Real Property, the Personal Property, the Leases, the Subleases and the Intangibles are hereinafter sometimes referred to individually as a "Property", and collectively as the "Properties." The term "Real Properties" and "Properties" shall be amended to reflect any Partial Termination (as defined below) with respect to any Property as provided herein.

Section 1.3. Purchase Price. Subject to the terms and conditions hereof, Seller shall sell and Buyer shall purchase the Properties for the amount of Three Hundred Seventy Million Nine Hundred Thirty Six Thousand Seven Hundred Eighty Seven Dollars ($370,936,787) (as increased or decreased by prorations and adjustments as herein provided or as a result of any Partial Termination of this Agreement with respect to one or more Properties hereunder in accordance with the terms of this Agreement) (the "Purchase Price"). The parties hereby agree that the Purchase Price shall be allocated among each Property as set forth on Schedule 1.3 attached hereto (the "Allocated Purchase Price"). The parties agree that the Allocated Purchase Price has been arrived at by a process of arm's-length negotiations, including, without limitation, the parties' best judgment as to the fair market value of each respective asset, and the parties

specifically agree to the Allocated Purchase Price as final and binding, and will consistently reflect those allocations on their respective federal, state and local tax returns, including any state, county and other local transfer or sales tax declarations or forms to be filed in connection with this transaction, which obligations shall survive the Closing.

Section 1.4. Payment of Purchase Price.

The Purchase Price, as increased or decreased by prorations and adjustments as herein provided and less the Deposit (as hereinafter defined) previously deposited by Buyer into Escrow (as hereinafter defined), shall be payable in full at the Closing in cash by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer prior to the Closing.

Section 1.5. Opening of Escrow; Deposit.

Buyer previously opened escrow (the "Escrow") with First American Title Insurance Company, a California corporation (the "Title Company"), having its office at 5775 Glenridge Drive Suite A-240, Atlanta Georgia 30328, pursuant to that certain Escrow Agreement, dated as of February 15, 2008, by and between Buyer and Title Company (the "Escrow Agreement"). Pursuant to the Escrow Agreement, Buyer previously deposited with Title Company a sum equal to Two Million Dollars ($2,000,000) (the "First Deposit") in good funds either by certified bank or cashier's check or by federal wire transfer. Concurrently with the execution and delivery of this Agreement, (i) the parties hereby agree that the Escrow Agreement shall be of no further force and effect and that Escrow, the First Deposit and (if applicable) the Second Deposit described below shall be held and disbursed by Title Company in accordance with the terms and conditions set forth in this Agreement and (ii) the parties shall deposit with Title Company a fully executed original or original counterpart(s) of this Agreement. If this Agreement is not terminated or deemed terminated by Buyer prior to the expiration of the Contingency Period pursuant to Section 3.5 hereof, then within two (2) Business Days after the expiration of the Contingency Period, Buyer shall deposit with Title Company an additional sum equal to Two Million Dollars ($2,000,000) (the "Second Deposit") in good funds either by certified bank or cashier's check or by federal wire transfer. The First Deposit and the Second Deposit (i.e., collectively, Four Million Dollars ($4,000,000)), but excluding interest and earnings thereon, shall hereinafter be referred to collectively as the "Deposit". The parties hereby direct Title Company to immediately invest the Deposit and the income generated thereby following Title Company's receipt of the same, in a money market account that provides daily liquidity, or a similar interest bearing money market or bank account as shall be approved by Buyer, in its sole discretion. Title Company shall otherwise handle the Deposit and all earnings thereon in accordance with the terms and conditions of this Agreement. All interest accrued on the Deposit shall belong solely and exclusively to Buyer, and shall not be deemed part of the Deposit. Subject to Section 4.1(c) hereof, the entire Deposit (exclusive of interest or earnings accrued thereon) shall be credited to the Purchase Price upon the close of Escrow and, unless otherwise expressly instructed by Buyer, all such interest and earnings shall be paid to Buyer upon the close of Escrow. All costs and fees imposed on the Deposit account (including, without limitation, Title Company's fees) shall be paid equally by Buyer and Seller. The failure of Buyer to timely deliver any portion of the Deposit hereunder shall constitute a material default by Buyer hereunder (unless such failure is in connection with Buyer exercising its termination rights

hereunder), and shall entitle Seller, at Seller's sole option, to terminate this Agreement immediately, retain any portion of the Deposit previously delivered by Buyer to Escrow, and recover from Buyer the full amount of any remaining portion of the Deposit that should have been deposited into Escrow by Buyer hereunder. Except as otherwise specifically provided in this Agreement, the Deposit (excluding the accrued interest thereon) shall be nonrefundable upon expiration of the Contingency Period.

Section 1.6. Liquidated Damages.

(a) AFTER EXPIRATION OF THE CONTINGENCY PERIOD, IN THE EVENT THE SALE OF THE PROPERTIES AS CONTEMPLATED HEREUNDER IS NOT CONSUMMATED IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT FOR ANY REASON OTHER THAN BUYER'S MATERIAL BREACH OF THIS AGREEMENT OR FAILURE OF THE CONDITION SET FORTH IN SECTION 4.8(c) TO BE SATISFIED, TITLE COMPANY SHALL DELIVER TO BUYER THE DEPOSIT AND ALL INTEREST AND OTHER AMOUNTS EARNED FROM THE INVESTMENT THEREOF WITHIN THREE (3) BUSINESS DAYS AFTER TITLE COMPANY'S RECEIPT OF BUYER'S WRITTEN REQUEST.

(b) AFTER EXPIRATION OF THE CONTINGENCY PERIOD, IN THE EVENT THE SALE OF THE PROPERTIES AS CONTEMPLATED HEREUNDER IS NOT CONSUMMATED IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT AS A RESULT OF BUYER'S MATERIAL BREACH OF THIS AGREEMENT OR FAILURE OF THE CONDITION SET FORTH IN SECTION 4.8(c) TO BE SATISFIED, TITLE COMPANY SHALL (i) DELIVER TO SELLER THE DEPOSIT AS LIQUIDATED DAMAGES AND (ii) DELIVER TO BUYER ALL INTEREST AND OTHER AMOUNTS EARNED FROM THE INVESTMENT OF THE DEPOSIT WITHIN THREE (3) BUSINESS DAYS AFTER TITLE COMPANY'S RECEIPT OF SELLER'S WRITTEN REQUEST.

(c) THE BUYER AND SELLER RECOGNIZE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT THE SALE IS NOT CONSUMMATED AS A RESULT OF BUYER'S DEFAULT OR FAILURE OF THE CONDITION SET FORTH IN SECTION 4.8(c) TO BE SATISFIED ARE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE AT THE EFFECTIVE DATE. THEREFORE, BY SEPARATELY EXECUTING THIS SECTION 1.6 BELOW, THE PARTIES ACKNOWLEDGE THAT THE AMOUNT OF THE DEPOSIT HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLER'S DAMAGES AND NOT A PENALTY, AND SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER ARISING FROM A FAILURE OF THE SALE TO CLOSE AS A RESULT OF BUYER'S BREACH OF THIS AGREEMENT OR FAILURE OF THE CONDITION SET FORTH IN SECTION 4.8(c) TO BE SATISFIED.

(d) NOTWITHSTANDING THE FOREGOING, IN NO EVENT SHALL THIS SECTION 1.6 LIMIT THE DAMAGES RECOVERABLE BY EITHER PARTY AGAINST THE OTHER PARTY DUE TO THE OTHER PARTY'S OBLIGATION TO INDEMNIFY SUCH PARTY IN ACCORDANCE WITH THIS AGREEMENT OR BY REASON OF THE OTHER PARTY'S OBLIGATION TO PAY THE PREVAILING PARTY'S ATTORNEYS'

FEES AND COSTS PURSUANT TO SECTION 10.16 HEREOF. BY SEPARATELY EXECUTING THIS SECTION 1.6. BELOW, BUYER AND SELLER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTOOD THE ABOVE PROVISION COVERING LIQUIDATED DAMAGES, AND THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION AT THE TIME THIS AGREEMENT WAS EXECUTED.

(e) The provisions of this Section 1.6 shall survive the termination of this Agreement.

[Signature Page Follows]

SELLER:

HCP, INC., a Maryland corporation

By: /s/ Brian J. Maas
Name: Brian J. Maas
Its: SVP

FAEC HOLDINGS (BC), LLC,
Delaware limited liability company

By: HCP, INC., a Maryland corporation,
its Sole Member

By: /s/ Brian J. Maas
Name: Brian J. Maas
Its: SVP

TEXAS HCP HOLDING, L.P.,
a Delaware limited partnership

By: TEXAS HCP G.P., INC., a Delaware
corporation, its General Partner

By: /s/ Brian J. Maas
Name: Brian J. Maas
Its: SVP

BUYER:

MPT OPERATING PARTNERSHIP, a
Delaware limited partnership

By: MEDICAL PROPERTIES TRUST, LLC,
a Delaware limited liability company,
its General Partner

By: MEDICAL PROPERTIES TRUST,
INC., a Maryland corporation,
Its Sole Member

By: /s/ Michael G. Stewart
Name: MICHAEL G. STEWART
Its: EXECUTIVE VP AND GENERAL
COUNSEL

HCPI TRUST, a Maryland real estate trust

By: /s/ Brian J.Maas
Name: Brian J.Maas
Its: SVP

HCP DAS PETERSBURG VA, LP,
Delaware limited partnership

By: HCP DAS PETERSBURG VA GP, LLC,
a Delaware limited liability company, its
General Partner

By: /s/ Brian J.Maas
Name: Brian J.Maas
Its: SVP

Section 1.7. Title Company.

By its execution and delivery of this Agreement, Title Company agrees to be bound by the terms and conditions of this Agreement to the extent applicable to its duties, liabilities and obligations as "Title Company." Title Company shall hold and dispose of the Deposit in accordance with the terms of this Agreement. Title Company shall incur no liability in connection with the safekeeping or disposition of the Deposit for any reason other than Title Company's breach of contract, willful misconduct or negligence. If Title Company is in doubt as to its duties or obligations with regard to the Deposit, or if Title Company receives conflicting instructions from Buyer and Seller with respect to the Deposit, Title Company shall not be required to disburse the Deposit and may, at its option, continue to hold the Deposit until both Buyer and Seller agree as to its disposition, or until a final judgment is entered by a court of competent jurisdiction directing its disposition, or Title Company may interplead the Deposit in accordance with the laws of the State of New York. Title Company shall not be responsible for any interest on the Deposit except as is actually earned, or for the loss of any interest or other earnings resulting from the withdrawal of the Deposit prior to the date interest is posted thereon. All such interest and earnings shall belong solely to Buyer. The Escrow General Provisions are attached hereto as Exhibit C and made a part hereof. In the event of any conflict between the terms and provisions of this Agreement and the Escrow General Provisions, the terms and provisions of this Agreement shall control.

Section 1.8. Independent Contract Consideration.

Notwithstanding anything in this Agreement to the contrary, One Hundred and No/100 Dollars ($100.00) of the Deposit is delivered to the Title Company for delivery to Seller as "Independent Contract Consideration", and the Deposit is reduced by the amount of the Independent Contract Consideration so delivered to Seller, which amount has been bargained for and agreed to as consideration for Seller's execution and delivery of this Agreement.

ARTICLE II
TITLE AND SURVEY

Section 2.1. Title Contingency Period. During the period beginning on the Effective Date and ending (subject to the provisions of Section 3.7) at 5:00 p.m. Los Angeles, California time on March 14, 2008 (such period, as may be extended as permitted herein, the "Title Contingency Period"), Buyer shall have the right to review and investigate any and all conditions and aspects of title to the Real Properties. Without limiting the foregoing, Buyer shall have the right to review: (a) a current preliminary title report or title commitment prepared by the Title Company covering each of the Real Properties and all underlying exceptions, which shall be obtained by Buyer from the Title Company (the "Title Commitments"), and (b) a copy of the most current ALTA survey of each of the Real Properties in Seller's actual possession and control, if any (the "Existing Surveys") (the items referred to in clauses (a) and (b) of this Section 2.1 are hereinafter referred to as the "Title Contingency Items"); provided, however, in no event shall the Title Contingency Period be extended or delayed if Seller does not possess or is unable to locate an Existing Survey of any of the Real Properties. During the Title Contingency Period, Buyer shall also have the right to obtain and review additional documentation relating to the Real Properties including, without limitation, a new or updated

ALTA survey of each of the Real Properties prepared by a licensed surveyor or engineer, obtained by Buyer at Buyer's sole cost (the "New Surveys"); provided, however, that in no event shall the Title Contingency Period be extended or delayed in order to permit Seller to obtain or review any New Surveys. For purposes of the preceding sentence only, a "new or updated ALTA Survey" shall mean an ALTA survey with the 2005 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys jointly established and adopted by ALTA and ACSM in 2005 that meets the Accuracy Standards, as adopted by ALTA and National Society of Professional Surveyors (a member organization of the ACSM), to include items 1 (except for states that require record monument platting), 2, 3, 4, 6, 7(a), 7(b)(l), 7(c), 8, 9, 10, 11(a), 13, 14, 16, 17, 18, and 19 (to the extent possible, graphically depicting on the survey drawing the zoning setback lines) of Table A thereof.

Section 2.2. Title Examination. Buyer shall notify Seller in a reasonably detailed writing (the "Title Objection Notice") prior to the expiration of the Title Contingency Period which exceptions to title (including survey matters), if any, will not be accepted by Buyer and the specific reasonable grounds for disapproval thereof. Any exception to title, encumbrance or other matter which is disclosed in the Title Contingency Items, any New Survey, or any other materials delivered or made available to, or otherwise obtained by, Buyer prior to the expiration of the Title Contingency Period, and which Buyer fails to disapprove prior to the expiration of the Title Contingency Period shall be deemed conclusively to have been approved by Buyer; provided, however, that notwithstanding the foregoing, Buyer shall have until the earlier to occur of seven (7) days after (i) receipt of any New Survey, or (ii) the expiration of the Title Contingency Period (the "Updated Survey Contingency Deadline") to object to any matter that is disclosed on such New Survey that (x) was not disclosed by the Existing Survey or any other materials obtained by or made available to Buyer prior to the expiration of the Title Contingency Period, (y) was not known to Buyer prior to the expiration of the Title Contingency Period and (z) would have a material adverse effect on the value or utility of the Property to which it pertains. If Buyer delivers any Title Objection Notice to Seller, then Seller shall have five (5) Business Days after receipt of the Title Objection Notice to notify Buyer in writing that Seller either (i) will remove such objectionable exception or matter from title or survey on or before the Closing (provided that Seller may, at the time of Seller's notice of its election to Buyer, request to extend the Closing for such period as shall be reasonably required to effect such cure, but not beyond thirty (30) days, in which case Buyer shall be required to either extend the Closing as so requested or revoke Buyer's notice with respect to such exception from title, and upon any such revocation the parties hereto shall thereafter proceed to Closing without any extension therefor), or (ii) elects not to cause such objection to be removed (a "Non-Removal Notice"). If Seller fails to notify Buyer of its election within said five (5) Business Day period, then Seller shall be deemed to have delivered a Non-Removal Notice as to that exception. The procurement by Seller, at no additional cost to Buyer, of a commitment for the issuance of the Title Policy (as defined below) or an endorsement thereto reasonably satisfactory to Buyer and insuring Buyer against any title exception which was disapproved pursuant to this Section 2.2 shall be deemed a cure by Seller of such disapproval. Any updates to any Existing Surveys or New Surveys necessitated by Seller's cure of any title objection shall be Buyer's sole responsibility, both as to performance and payment of costs therefor. If Seller gives (or is deemed to have given) Buyer a Non-Removal Notice, then Buyer shall have until the date that is five (5) Business Days after the date that Seller shall have given (or be deemed to have given) the Non-Removal Notice to notify Seller in writing that Buyer elects to either (A) nevertheless proceed with the purchase and take

title to the Properties subject to such exceptions, or (B) terminate this Agreement with respect to all, but not less than all, of the Properties, in which event the provisions of Section 3.6 below shall apply. If Buyer fails to notify Seller in writing, of its election on or prior to the expiration of such five (5) Business Day period, then Buyer shall be deemed to have elected to proceed with the purchase and take title to the Properties subject to such exceptions without any reduction in the Purchase Price. The operation of the notice and approval provisions of this Section 2.2 shall extend the Title Contingency Period only as to those matters which Buyer has disapproved as of the original expiration of the Title Contingency Period and only until such time as Buyer has either approved (or is deemed to have approved) the condition of title to the Real Properties, or elected to terminate this Agreement in accordance with the provisions hereof.

(b) Buyer may, at or prior to Closing, notify Seller in writing (the "Gap Notice") of any objection to any liens, encumbrances, easements, restrictions, conditions, covenants, rights, rights-of-way, or other matters affecting title to the Properties (each, an "Intervening Lien") (i) raised by the Title Company after the expiration of the Title Contingency Period and prior to the Closing or otherwise disclosed on any update or revision to any New Survey received by Buyer after the Updated Survey Contingency Deadline and prior to the Closing, and (ii) which (A) was not disclosed by the Title Company or by any Existing Survey, New Survey or other materials made available to Buyer prior to the expiration of the Title Contingency Period or the Updated Survey Contingency Deadline, as applicable, (B) was not known to Buyer prior to the expiration of the Title Contingency Period, or (C) would not have been disclosed by a reasonable physical inspection of the Properties prior to the expiration of the Title Contingency Period. Buyer must notify Seller of such objection to any such Intervening Liens within three (3) Business Days of receiving written notice of, or materials disclosing, the existence of such Intervening Liens (provided, however, if receipt of written notice of, or materials disclosing, such additional matters is less than three (3) Business Days prior to the Closing Date, then the Closing Date shall be extended as necessary to permit the procedures in this section to be implemented). Failure to timely deliver a Gap Notice to Seller shall be deemed to be Buyer's approval of any such Intervening Lien. If Buyer sends a Gap Notice to Seller, then Buyer and Seller shall have the same rights and obligations with respect to such Gap Notice as apply to a Title Objection Notice under Section 2.2(a).

Section 2.3. Permitted Exceptions. The Properties shall be conveyed subject to the following matters, which are hereinafter referred to as the "Permitted Exceptions":

(a) those matters that are either approved or deemed approved by Buyer in accordance with Section 2.2 and Section 2.3 hereof;

(b) the rights of tenants or other occupants under the Leases, any subleases and any other occupancy agreements, including any Pre-Emptive Rights (as such term is defined in Section 4.9 hereof) thereunder;

(c) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the date of Closing, subject to proration as herein provided;

(d) local, state and federal laws, ordinances or governmental regulations, including but not limited to building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Properties; and

(e) items shown on the Title Commitments, Existing Surveys or New Surveys and not objected to by Buyer, or waived or deemed waived by Buyer in accordance with Section 2.2 hereof and if Buyer does not obtain New Surveys, those matters which would be disclosed by an accurate survey or inspection of the Properties.

Section 2.4. Conveyance of Title. At Closing, Seller shall convey and transfer, or cause to be conveyed or transferred, to Buyer (a) with respect to each Real Property other than the Ground Lease Properties, fee simple title to such Real Property by execution and delivery of the Deeds (as defined in Section 4.2(a) hereof) and (b) with respect to the Ground Lease Properties, the leasehold and sub-subleasehold interests, as applicable, in and to such Ground Lease Properties by execution and delivery of an Assignment of Ground Lease (as defined in Section 4.2(b) hereof). Evidence of delivery of such fee title and leasehold and sub-subleasehold interests shall be the issuance by the Title Company of current ALTA Standard Coverage Owner's Policies of Title Insurance and ALTA Leasehold Policies of Title Insurance (or their equivalent in the applicable jurisdictions), as applicable (each a "Title Policy", and collectively, the "Title Policies") covering each Real Property, in the full amount of the Allocated Purchase Price for such Real Property, showing fee title, leasehold interest or sub-subleasehold interest, as applicable, to such Real Property vested exclusively in Buyer, subject only to the Permitted Exceptions (or the Title Company's written commitment to issue such Title Policies). Except as provided below and in Section 4.6 hereof, the cost of the Title Policies shall be paid by Seller. If prior to the Closing, Buyer shall deliver to Title Company New Surveys meeting the minimum standards as required by the Title Company for issuance of ALTA Extended Owner's Policies of Title Insurance or Leasehold Policies of Title Insurance (or their equivalent in the applicable jurisdictions), then Buyer shall be entitled to obtain ALTA Extended Coverage Owner's Policies or Leasehold Policies of Title Insurance (or their equivalent in the applicable jurisdictions) in lieu of ALTA Standard Coverage Owner's Policies or Leasehold Policies (or their equivalent in the applicable jurisdictions) so long as the Closing is not thereby delayed. Buyer shall pay the additional premium for such policies, including any endorsements thereto, and the cost of such New Surveys.

ARTICLE III
REVIEW OF PROPERTY

Section 3.1. Right of Inspection. During the period from the Effective Date and ending (subject to the provisions of Section 3.7) at 5:00 p.m. Los Angeles, California time on March 14, 2008 (hereinafter referred to as the "Contingency Period"), Buyer and its authorized representatives (including its designated engineers, architects, surveyors and/or consultants) shall have the right (i) to review and investigate any and all conditions and aspects of the Properties in Buyer's sole discretion (except as expressly provided below and except for title and survey matters, which shall be governed by Article II hereof), (ii) to receive and review copies of those items listed in Exhibit D attached hereto (the "Property Documents") to the extent in Seller's possession or control, and (iii) at Buyer's sole cost and expense, to make physical inspections of and conduct tests and reviews upon the Real Properties, including, but not limited to, an

inspection of the environmental condition thereof pursuant to the terms and conditions of this Agreement and to examine such other documents and files (i.e., in addition to the Property Documents) concerning the leasing, maintenance and operation of the Properties that are within Seller's actual possession or control and which have been made available to Buyer through the secure website (the "E-Room") to which Buyer has previously been granted access. If required by law, Seller shall provide at Closing a Natural Hazards Disclosure Report or similar disclosure report prior to the expiration of the Contingency Period.

(b) Notwithstanding anything to the contrary contained in Section 3.1(a) above, Buyer acknowledges that it shall have no right to examine any of the following documents in connection with its review of the Properties: (i) partnership, limited liability company or corporate records of Seller, (ii) internal memoranda of Seller, (iii) financial projections or budgets prepared by or for Seller, (iv) appraisals prepared by or for Seller, (v) accounting or tax records of Seller, (vi) similar proprietary, confidential or privileged information, and (vii) any internal memoranda relating to the foregoing (collectively, the "Confidential Documents").

(c) All on-site inspections of the Properties shall be undertaken in accordance with the terms and conditions of that certain Due Diligence License and Access Agreement, dated as of February 15, 2008, by and between Seller and Buyer (as may be amended, modified, supplemented and amended and restated from time to time, the "Access Agreement"). Upon request by Seller, Buyer will furnish to Seller copies of any reports received by Buyer relating to any inspection of the Properties, without representation or warranty of any kind (express, implied or otherwise) as to the content and accuracy thereof, and at no charge to Seller, but such reports shall at all times be and remain the property of Buyer. Buyer agrees to protect, indemnify, defend (with counsel reasonably satisfactory to Seller) and hold Seller and Seller's employees, officers, directors, representatives, invitees, tenants, agents, contractors, servants, attorneys, shareholders, participants, affiliates, partners, members, parents, subsidiaries, successors and assignees, free and harmless from and against any claim for liabilities, losses, costs, expenses (including reasonable attorneys' fees), damages or injuries arising out of, or resulting from the inspection of the Properties by Buyer or its agents or consultants; provided, however, that Buyer shall not be responsible for any liability, damage, loss, cost or expense arising out of Buyer's discovery of a pre-existing condition at any of the Properties, including reporting any such condition to the appropriate authorities if required to do so by law and Seller shall be solely responsible for any liability, damage, loss, cost or expense arising out of Buyer's discovery of such pre-existing condition at any of the Properties, and for compliance with any reporting obligation that arises from such discovery. Notwithstanding anything to the contrary in this Agreement, (1) Buyer shall not be relieved of its obligation to indemnify, defend and hold harmless Seller in the event that any pre-existing condition is aggravated by Buyer and/or Buyer's representatives in connection with any inspection of the Properties, and (2) Buyer's obligation to indemnify, defend and hold harmless Seller pursuant to this Section 3.1(c) shall survive Closing or any termination of this Agreement.

(d) Buyer's right of access to the Properties shall also include the right during the Contingency Period to meet and confer with tenants of the Properties in accordance with the terms and conditions of the Access Agreement.

Section 3.2. Environmental Reports. SELLER SHALL PROMPTLY PROVIDE BUYER COPIES OF THE ENVIRONMENTAL REPORTS LISTED ON EXHIBIT E (THE "ENVIRONMENTAL REPORTS"), WHICH SHALL BE MADE AVAILABLE ON THE E-ROOM AS PART OF THE PROPERTY DOCUMENTS WITHOUT REPRESENTATION AND WARRANTY. SELLER SHALL HAVE NO LIABILITY OR OBLIGATION WHATSOEVER FOR ANY INACCURACY IN OR OMISSION FROM ANY ENVIRONMENTAL REPORT. BUYER SHALL HAVE NO CLAIMS AGAINST THE PREPARER OF ANY ENVIRONMENTAL REPORT PROVIDED BY SELLER IN CONNECTION WITH ANY SUCH REPORT. BUYER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO THE EXPIRATION OF THE CONTINGENCY PERIOD, ITS OWN INVESTIGATION OF THE ENVIRONMENTAL CONDITION OF THE PROPERTIES TO THE EXTENT BUYER DEEMS SUCH AN INVESTIGATION TO BE NECESSARY OR APPROPRIATE.

Section 3.3. No Financing Contingency. It is expressly agreed that there shall not be any conditions making Buyer's obligations under this Agreement contingent upon the obtaining of any financing by Buyer. The purchase of the Properties under this Agreement shall be on an "ALL CASH" basis, to be paid in accordance with Section 4.3 of this Agreement.

Section 3.4. Review of Estoppel Certificates.

(a) Seller shall prepare for each tenant under a Lease an estoppel certificate in substantially the form attached hereto as Exhibit F-l (with such modifications thereto as are necessary to conform it to the applicable provisions of the subject lease), or in the form or containing such information as is required by any Lease (the "Tenant Estoppels"), and shall deliver drafts of the same to Buyer for Buyer's approval. Buyer shall have two (2) Business Days from its receipt of any draft estoppel certificate to provide comments thereto or approve the same. Failure of Buyer to so respond within such two (2) Business Day period shall be deemed to constitute Buyer's approval of said draft. Once draft estoppel certificates have been approved or deemed approved by Buyer (a "Pre-Approved Form Estoppel") Seller shall deliver the same to the applicable tenants under the Leases and request that the tenants complete and sign the Tenant Estoppels and return them to Seller within ten (10) days after each tenant's receipt of the same or such time period required by the terms of the applicable Lease. Seller shall use commercially reasonable efforts to obtain an executed Tenant Estoppel from each tenant under a Lease at least three (3) Business Days prior to Closing; provided, however, that in no event shall Seller be required to declare an event of default under any Lease for a tenant's failure to deliver a Tenant Estoppel or otherwise be required to institute legal proceedings against any tenant in connection therewith. Seller shall (i) use commercially reasonable efforts to obtain and deliver to Buyer, at least three (3) Business Days prior to the Closing Date, Tenant Estoppels from tenants which collectively occupy no less than eighty percent (80%) of the Allocated Purchase Price of those Properties to be conveyed on the Closing Date, and (ii) deliver estoppel certificates executed by Seller ("Seller Estoppels"), in the form of Exhibit F-2 attached hereto (with such modifications thereto as are necessary to conform it to the applicable provisions of the subject Lease), or in the form or containing such information as is required by such Lease (the "Pre-Approved Form Seller Estoppel"), for those Tenant Estoppels of the tenants occupying the Properties to be conveyed on the Closing Date which were not obtained, provided that in no event shall such Seller Estoppels collectively pertain to Properties representing in excess of twenty percent (20%)

of the Allocated Purchase Price of the Properties to be conveyed on the Closing Date. Seller's failure to deliver Tenant Estoppels (or Seller Estoppels, as applicable) shall not constitute a default by Seller hereunder. Buyer shall have two (2) Business Days after receipt of each executed Tenant Estoppel and Seller Estoppel to review and approve such Tenant Estoppel and Seller Estoppel; provided, however, that Buyer shall be required to approve any Tenant Estoppel or Seller Estoppel which is (i) substantially in the form of the Pre-Approved Form Estoppel or Pre-Approved Form Seller Estoppel, as applicable, or (ii) in the form or contains such information as is required by the applicable Lease (each such estoppel not substantially in such form being referred herein as an "Unacceptable Estoppel"). Notwithstanding any provision to the contrary herein, neither references in any Tenant Estoppel or Seller Estoppel to any of the matters described on Schedule 3.4(a), nor deviations from the Pre-Approved Form Estoppel or Pre-Approved Form Seller Estoppel with regard to such matters, shall in any way constitute a basis for Buyer to deem any estoppel certificate an Unacceptable Estoppel. Seller shall be released from liability under a Seller Estoppel upon delivery to Buyer of a Tenant Estoppel from the corresponding tenant to the extent such Tenant Estoppel is substantially in the form of the Pre-Approved Form Estoppel.

(b) Seller shall prepare for each lessor under a Ground Lease an estoppel certificate in substantially the form attached hereto as Exhibit F-3 (with such modifications thereto as are necessary to conform it to the applicable provisions of the subject ground lease), or in the form or containing such information as is required by any Ground Lease (the "Lessor Estoppels"), and shall deliver drafts of the same to Buyer for Buyer's approval. Buyer shall have two (2) Business Days from its receipt of any draft lessor estoppel certificate to provide comments thereto or approve the same. Failure of Buyer to so respond within such two (2) Business Day period shall be deemed to constitute Buyer's approval of said draft. Once draft lessor estoppel certificates have been approved or deemed approved by Buyer (a "Pre-Approved Form Lessor Estoppel") Buyer shall deliver the same to the applicable lessors under the Ground Leases and request that the lessors complete and sign the Lessor Estoppels and return them to Seller within ten (10) days after each lessor's receipt of the same or such time period required by the terms of the applicable Ground Lease. Seller shall use commercially reasonable efforts to obtain an executed Lessor Estoppel from each lessor under a Ground Lease at least three (3) Business Days prior to Closing; provided, however, that in no event shall Seller be required to declare an event of default under a Ground Lease for a lessor's failure to deliver a Lessor Estoppel or otherwise be required to institute legal proceedings against a lessor in connection therewith. In the event that Seller is unable to deliver to Buyer, at least three (3) Business Days prior to Closing, a Lessor Estoppel from a lessor under a Ground Lease, then Seller shall deliver an estoppel certificate executed by Seller (the "Seller Ground Lease Estoppel"), in the form of Exhibit F-4 attached hereto (with such modifications thereto as are necessary to conform it to the applicable provisions of the subject Ground Lease), or in the form or containing such information as is required by such Ground Lease (the "Pre-Approved Form Seller Ground Lease Estoppel"), for those Lessor Estoppels of the lessors which were not obtained. Seller's failure to deliver a Lessor Estoppel (or a Seller Ground Lease Estoppel, as applicable) shall not constitute a default by Seller hereunder. Buyer shall have two (2) Business Days after receipt of each executed Lessor Estoppel and Seller Ground Lease Estoppel, as applicable, to review and approve such Lessor Estoppel and Seller Ground Lease Estoppel; provided, however, that Buyer shall be required to approve any Lessor Estoppel or Seller Ground Lease Estoppel substantially in the form of the Pre-Approved Form Lessor Estoppel or Pre-Approved Form Seller Ground

Lease Estoppel, as applicable (each such estoppel not substantially in such form being referred herein as an "Unacceptable Ground Lease Estoppel"). Seller shall be released from liability under a Seller Ground Lease Estoppel upon delivery to Buyer of a Lessor Estoppel from the corresponding lessor to the extent such Lessor Estoppel is substantially in the form of the Pre-Approved Form Lessor Estoppel.

(c) In the event Seller fails to deliver the required number of Tenant Estoppels pursuant to Section 3.4(a) hereof or if the Allocated Purchase Price of all Properties to be conveyed on the Closing Date as to which there shall be Unacceptable Estoppels and Unacceptable Ground Lease Estoppels exceeds ten percent (10%) of the Purchase Price of the Properties to be conveyed on the Closing Date, then Buyer's sole remedy shall be to either (i) waive the estoppel requirement and proceed to Closing without any abatement in the Purchase Price, or (ii) terminate this Agreement in its entirety and receive a return of the entire Deposit.

(d) With regard to any Properties for which the Closing has been postponed beyond the initial Closing Date pursuant to Section 4.1, the same requirements concerning the delivery of estoppel certificates as are set forth in Section 3.4(a) and Section 3.4(b) shall be applicable to such Properties, provided that:

(i) the delivery date for such estoppel certificates shall be the date which is three (3) Business Days prior to the Tranche 2 Closing Date (as defined in Section 4.1); and

(ii) in calculating compliance with the requirements for delivery of at least 80% Tenant Estoppels and no more than 20% of Seller Estoppels or 10% Unacceptable Estoppels and Unacceptable Ground Lease Estoppels, such calculations shall be performed by taking into account all of the Properties (including those previously conveyed on the initial Closing Date) and all Tenant Estoppels, Seller Estoppels, Unacceptable Estoppels and Unacceptable Ground Lease Estoppels delivered in connection therewith.

In the event of a failure of the estoppel requirements described in this Section 3.4(d) to be satisfied, Buyer's sole remedy shall be to either (x) waive such estoppel requirements and proceed with the Closing of the Tranche 2 Properties without any abatement in the Purchase Price, or (y) deem all (but not less than all) of the Tranche 2 Properties and the Tranche 3 Properties (as defined in Section 4.1) to be Deleted Properties (as defined in Section 4.10), in which case a Partial Termination (as defined in Section 4.10) shall be deemed to have occurred with respect to all of the Tranche 2 Properties and the Tranche 3 Properties, and the parties shall abide by the provisions of Section 4.10 with regard thereto.

Section 3.5. Due Diligence; Right of Termination. Subject to the provisions of Section 3.7 hereof, if for any reason whatsoever, Buyer determines that any of the Properties or any aspect thereof is unsuitable for Buyer's acquisition, Buyer shall have the right to terminate this Agreement with respect to all, but not less than all (except as otherwise expressly provided in this Agreement), of the Properties by giving written notice thereof to Seller prior to the expiration of the Contingency Period, and if Buyer gives such notice of termination within the Contingency Period, then this Agreement shall terminate in accordance with the provisions of Section 3.6 below. If, prior to the expiration of the Contingency Period, Buyer fails to give Seller written notice of Buyer's election to proceed with the purchase of the Properties pursuant

to the terms of this Agreement, then Buyer shall be deemed to have terminated this Agreement and the provisions of Section 3.6 shall control; provided, however, Buyer's approval (or deemed approval of title and survey matters shall at all times be governed by Article II hereof).

Section 3.6. Rights Upon Termination. If this Agreement is terminated or deemed terminated by Buyer (other than in connection with a Partial Termination) in the manner and within the applicable time period(s) provided pursuant to the provisions of this Agreement, or because of a failure of a condition precedent to the parties' obligations hereunder as set forth in Section 4.7 and Section 4.8 below (other than the condition set forth in Section 4.8(c)), then (i) each party shall promptly execute and deliver to Title Company such documents as Title Company may reasonably require to evidence such termination, (ii) the Deposit plus all accrued interest thereon shall be returned to Buyer, (iii) all instruments in Escrow shall be returned to the party depositing the same, (iv) at the request of Seller, Buyer shall return or destroy all items previously delivered or made available by Seller to Buyer and/or copies of any reports, surveys or other studies or investigations prepared or received by Buyer relating to the Properties, (v) Buyer and Seller shall each pay one-half (1/2) of all Escrow and title cancellation charges, and (vi) neither party shall have any further rights, obligations or liabilities whatsoever to the other party concerning the Properties by reason of this Agreement, except for any indemnity obligations of either party pursuant to the provisions of this Agreement or otherwise expressly stated in this Agreement to survive termination. The provisions of this Section 3.6 shall survive the Closing or earlier termination of this Agreement, but shall not limit the rights of (x) any party under Section 6.1 and Section 6.2 in the event of a default under this Agreement by the other party, or (y) Seller under Section 1.6 in the event of the failure of the condition in Section 4.8(c) to be satisfied.

Section 3.7. Shiloh Facility and HS Properties.

(a) Notwithstanding any provision to the contrary herein, from the date hereof up to the Closing Date, Buyer shall have the right to continue to review and evaluate the Property leased to River West, L.P., a Delaware limited partnership (the "Shiloh Tenant"), and the Shiloh Tenant's ability to perform its obligations under the Lease relating to that certain facility located in Plaquemine, Louisiana and commonly referred to as the "River West Medical Center" (the "Shiloh Facility"), in each case in accordance with the terms and provisions of Article III. Seller shall cooperate with Buyer in such evaluation process, including, without limitation, continuing to comply with the provisions of Article III with respect thereto. Notwithstanding any provision in this Agreement to the contrary, if for any reason whatsoever Buyer determines at any time prior to Closing that the Property constituting or relating to the Shiloh Facility is unsuitable for Buyer's acquisition, then Buyer shall have the right to designate such Property as a Deleted Property (as defined in Section 4.10 hereof) and to effect a Partial Termination (as defined in Section 4.10 hereof) with respect to such Property, and, in such event, the parties shall treat such Property in accordance with Section 4.10 hereof.

(b) Notwithstanding any provision to the contrary herein, from the date hereof up to 5:00 p.m. Los Angeles, California time on March 28, 2008, Buyer shall have the right to continue to review and evaluate the Properties located in the States of Florida, Virginia, Arkansas and Kansas (the "HS Properties"), in each case in accordance with the terms and provisions of Article II and Article III, and Seller shall cooperate with Buyer in such evaluation

process, including, without limitation, continuing to comply with the provisions of Article II and Article III with respect thereto. Notwithstanding any provision in this Agreement to the contrary herein, if for any reason whatsoever Buyer determines at any time prior to 5:00 p.m. Los Angeles, California time on March 28, 2008 that any of the HS Properties are unsuitable for Buyer's acquisition, then Buyer shall have the right to designate all (but not less than all) of such HS Properties as Deleted Properties (as defined in Section 4.10) and to effect a Partial Termination (as defined in Section 4.10) with respect to all (but not less than all) of such HS Properties, and, in such event, the parties shall treat such HS Properties in accordance with Section 4.10.

ARTICLE IV
CLOSING

Section 4.1. Time and Place.

(a) Subject to any rights of Seller to extend the Closing Date as hereinafter provided, the consummation of the transaction contemplated hereby ("Closing") shall occur on March 28, 2008 (the "Closing Date"). The term "Closing" is used in this Agreement to mean the time and date the transactions hereby are closed with respect to the Properties (or, to the extent applicable, the Tranche 2 Properties and the Tranche 3 Properties) and the Title Policies are issued (or the Title Company has provided its written commitment to issue such Title Policies), regardless of whether the Deeds are actually recorded in the land records in which the Properties are situated; provided, however, that in the event that (i) a Pre-Emptive Right Holder has not exercised or waived its Pre-Emptive Rights prior to the Closing Date, or (ii) the parties from which consent is required (the "Consent Parties") pursuant to Section 4.8(f), Section 11.5(c) and Section 12.5(c) have not provided such consent (the "Consent Requirements"), then the Closing with regard to the Property or Properties to which such Pre-Emptive Rights and/or Consent Requirements, as applicable, pertain shall be postponed in accordance with the provisions of Section 4.1(b) and Section 4.1(c) below.

(b) With regard to any Property or Properties for which the Closing has been postponed beyond the initial Closing Date of March 28, 2008 pursuant to Section 4.1(a), if, as applicable (i) the Pre-Emptive Right Holder has waived, or is deemed to have waived, its Pre-Emptive Right and/or (ii) the Consent Parties have provided the required consent, in each case on or before April 18, 2008, then the Closing for such Properties (collectively, the "Tranche 2 Properties") shall occur on April 22, 2008 (the "Tranche 2 Closing Date"). Upon the Closing of the Tranche 2 Properties, Buyer shall be deemed to have waived all closing contingencies with respect to the remaining Properties and Buyer shall in no event be entitled to terminate this Agreement with regard to such Properties or to receive a return of the Deposit, except in connection with any of the following: (a) the occurrence of a material default by Seller pursuant to Section 6.2; (b) the occurrence of a casualty or condemnation event giving rise to Buyer's right to terminate this Agreement in accordance with Article VII; or (c) the failure of any of the conditions set forth in Section 4.7(h), Section 4.7(i) or Section 4.7(j) to be satisfied.

(c) With regard to any Properties for which the Closing has been postponed beyond the Tranche 2 Closing Date pursuant to Section 4.1(a), if, as applicable, the conditions set forth in clauses (i) and/or (ii) of Section 4.1(b) above shall occur on or before May 15, 2008, then the

Closing for such Properties (the "Tranche 3 Properties") shall occur on May 15, 2008 or such other date that is mutually acceptable to the parties (the "Tranche 3 Closing Date"). Notwithstanding any provision to the contrary herein, in the event the Closing for any Property is postponed beyond the initial Closing Date of March 28, 2008, then the Deposit shall only be credited against the Purchase Price with respect to the Closing of the final Property under this Agreement.

(d) Closing shall be consummated through the Escrow administered by Title Company. At Closing, Seller and Buyer shall perform the obligations set forth in, respectively, Section 4.2 and Section 4.3 hereof, the performance of which obligations shall be covenants to the parties to perform and shall be concurrent conditions.

Section 4.2. Seller's Obligations at Closing. At, or prior to Closing, Seller shall:

(a) with respect to each Real Property other than the Ground Lease Properties, deliver or cause to be delivered to Buyer through Escrow a duly executed and acknowledged special warranty deed or limited warranty deed (or their equivalent in applicable jurisdictions) in substantially the form attached hereto as Exhibit G-l, but with such changes thereto as are required by any applicable laws in the jurisdiction where such Real Property is located (the "Deeds");

(b) with respect to each Ground Lease Property, assign or cause to be assigned to Buyer, and Buyer shall assume, Seller's interest under the Ground Lease, by a duly executed assignment and assumption of the ground lease in substantially the form attached hereto as Exhibit G-2 delivered through Escrow, but with such changes thereto as are required by any applicable laws in the jurisdiction where such Ground Lease Property is located or to conform such form to apply to the leasehold or sub-subleasehold interest being assigned thereby (the "Assignment of Ground Lease");

(c) with respect to each Property, deliver or cause to be delivered to Buyer through Escrow a duly executed bill of sale in the form attached hereto as Exhibit H (the "Bill of Sale") conveying to Buyer without warranty (except for such warranties as are specifically set forth in Section 5.1 of this Agreement, subject in each case to the limitations on liability and survival set forth in Section 5.2 hereof) all right, title and interest of Seller in and to the Personal Property;

(d) with respect to each Property, assign or cause to be assigned to Buyer without warranty (except for such warranties as are specifically set forth in Section 5.1 of this Agreement, subject in each case to the limitations on liability and survival set forth in Section 5.2 hereof), and Buyer shall assume, Seller's interest in and to the Leases, Subleases, if any, Rents, and Security Deposits by a duly executed assignment and assumption agreement (the "Assignment of Leases") in the form attached hereto as Exhibit I delivered through Escrow;

(e) with respect to each Property, execute notices in the form attached hereto as Exhibit J (the "Tenant Notices"), which Buyer shall send to each tenant under each of the Leases promptly after the Closing, informing such tenant of the sale of such Property and of the assignment to Buyer of Seller's interest in, and obligations under, the Leases (including, if

applicable, any Security Deposits), and directing that all Rent and other sums payable after the Closing under such Lease be paid as set forth in the notice;

(f) with respect to each Property, to the extent assignable without charge or consent, assign or cause to be assigned to Buyer without warranty (except for such warranties as are specifically set forth in Section 5.1 of this Agreement, subject in each case to the limitations on liability and survival set forth in Section 5.2 hereof), and Buyer shall assume, Seller's interest in and to the Security Documents, the Acquisition Documents and the Intercreditor Documents by a duly executed assignment and assumption agreement (the "Assignment of Ancillary Documents") in the form attached hereto as Exhibit K delivered through Escrow;

(g) if prior to Closing Seller becomes aware of any fact or circumstance which makes any representation or warranty of Seller in this Agreement untrue, then (i) Seller shall promptly disclose such fact in writing to Buyer, and (ii) at Closing, Seller shall deliver to Buyer a duly executed original certificate of Seller ("Seller's Closing Certificate"), dated as of the Closing Date and executed on behalf of Seller by a duly authorized officer thereof, updating the representations and warranties contained in Section 5.1, Section 11.3 and Section 12.3 below to the Closing Date and identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. Notwithstanding any provision in this Agreement to the contrary, in no event shall Seller be liable to Buyer for, or be deemed to be in default under this Agreement by reason of, any such change to a representation or warranty (or the fact any such representation or warranty was incorrect prior to such change). The occurrence of a change in a representation and warranty shall, if materially adverse to Buyer and if not cured by Seller prior to Closing, constitute the non-fulfillment of the condition set forth in Section 4.7(b) hereof. If, despite changes or other matters described in Seller's Closing Certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(h) deliver to Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;

(i) deliver to Buyer through Escrow a certificate in the form attached hereto as Exhibit L duly executed by Seller, stating that Seller is not a "foreign person", a "foreign corporation", a "foreign partnership", a "foreign trust", a "foreign estate", or a "disregarded entity" as defined in the Federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, along with any applicable State or local law equivalent;

(j) deliver to Buyer outside of Escrow or at the Properties the Leases together with all leasing and property files and records which are material in connection with the continued operation, leasing and maintenance of the Properties, but excluding any Confidential Documents. Prior to the Closing, Seller may, at its sole cost, make a copy of all files, records and documents which Seller has delivered to Buyer. In addition, for a period of three (3) years after the Closing, Buyer shall allow Seller and its representatives access without charge to all files, records and documents delivered to Buyer at or in connection with the Closing, upon reasonable advance notice and at reasonable times, to make copies of any and all such files, records and documents, which right shall survive the Closing;

(k) deliver to Buyer possession and occupancy of the Properties, subject to the Permitted Exceptions

(1) execute and deliver a closing statement mutually acceptable to Seller and Buyer through Escrow;

(m) perform and satisfy all agreements and covenants required hereby to be performed by Seller prior to or at the Closing; and

(n) deliver such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement.

Section 4.3. Buyer's Obligations at Closing. At, or prior to Closing, Buyer shall:

(a) pay to Seller through Escrow the full amount of the Purchase Price (due credit shall be given for the Deposit as provided herein), as increased or decreased by prorations and adjustments as herein provided and as adjusted as a result of any Partial Termination of this Agreement in accordance with the terms herein provided in immediately available wire transferred funds pursuant to Section 1.5 hereof;

(b) join Seller in execution and delivery through Escrow of the Assignment of Leases, Assignment of Ground Lease and the Assignment of Ancillary Documents;

(c) if prior to Closing Buyer becomes aware of any fact or circumstance which makes any representation or warranty of Buyer in this Agreement untrue, then (i) Buyer shall promptly disclose such fact in writing to Seller, and (ii) at Closing, Buyer shall deliver to Seller a duly executed original certificate of Buyer ("Buyer's Closing Certificate"), dated as of the Closing Date and executed on behalf of Buyer by a duly authorized officer thereof, updating the representations and warranties contained in Section 5.3, Section 11.4 and Section 12.4 below to the Closing Date and identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. Notwithstanding any provision in this Agreement to the contrary, in no event shall Buyer be liable to Seller for, or be deemed to be in default hereunder by reason of, any such change to a representation or warranty (or the fact any such representation or warranty was incorrect prior to such change); provided, however, that the occurrence of a change in a representation or warranty shall, if materially adverse to Seller and if not cured by Buyer prior to Closing, constitute the non-fulfillment of the conditions set forth in Section 4.8(c) hereof, and entitle Seller to (among other things) execute its right under Section 1.6(b). If, despite changes or other matters described in Buyer's Closing Certificate, the Closing occurs, Buyer's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(d) deliver to Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Buyer;

(e) execute and deliver a closing statement mutually acceptable to Seller and Buyer through Escrow;

(f) perform and satisfy all agreements and covenants required hereby to be performed by Buyer prior to or at the Closing; and

(g) execute and deliver to Seller a release of claims (the "Release") in the form attached hereto as Exhibit N;

(h) execute and deliver a legally binding addendum to each LP Agreement (as such term is defined in Section 12.1 hereof) in accordance with Section 10.8(a) thereof; and

(i) deliver such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement.

Section 4.4. Title Company's Obligations at Closing. Title Company shall undertake the following at or promptly after Closing:

(a) If necessary, Title Company is authorized and instructed to insert the date Escrow closes as the effective date of any documents conveying interests herein or which are to become operative as of the Closing Date;

(b) Cause the Deeds and any other recordable instruments which the parties so direct to be recorded in the Official Records of the Recorder of the County in which the Properties are located. If permitted by applicable law, Title Company is hereby instructed not to affix the amount of the documentary transfer tax on the face of the Deeds, but to pay on the basis of a separate affidavit of Seller not made a part of the public record;

(c) Cause each non-recorded document to be delivered to the party acquiring rights thereunder, or for whose benefit such document was obtained;

(d) Deliver to Buyer the Title Policies; and

(e) Deliver to Seller the Purchase Price and such other funds, if any, as may be due to Seller by reason of credits under this Agreement, less all items chargeable to Seller under this Agreement.

Section 4.5. Credits and Prorations.

(a) All Rent and other income and expenses, if any (pursuant to the express terms of any of the Leases and the Ground Leases), of the Properties shall be apportioned as of 12:01 a.m. on the day of Closing as if Buyer were vested with title to the Properties during the entire day upon which Closing occurs. Such prorations, if and to the extent known and agreed upon as of the Closing, shall be paid by Buyer to Seller (if the prorations result in a net credit to Seller) or by Seller to Buyer (if the prorations result in a net credit to Buyer) by increasing or reducing the cash to be paid by Buyer at the Closing. Any such prorations not determined or not agreed upon as of the Closing shall be paid by Buyer to Seller, or by Seller to Buyer, as the case may be, in cash as soon as practicable following the Closing.

(b) Notwithstanding anything contained in Section 4.5(a) hereof:

(i) Seller shall be entitled to a credit equal to one hundred percent (100%) of the amount of all accounts receivable existing as of the Closing Date. A post-Closing true-up shall be performed ninety (90) days after the Closing Date, at which time Seller shall pay to Buyer an amount equal to any accounts receivable for which Seller received such a credit at Closing and which were not received by Buyer from the applicable tenant(s) prior to such true-up. If, subsequent to any such true-up, Buyer or Seller receives any funds from the tenant(s) from which such accounts receivable were due, then such funds shall be disbursed (i) first to Seller up to the amount of any such true-up payment previously made, and (ii) the remainder to Buyer. Subject to its rights under the preceding sentence to retain funds in repayment of any such true-up payment, Seller shall promptly deliver to Buyer any payments of Rent which Seller may receive subsequent to the Closing;

(ii) At Closing, Seller shall, at Seller's option, either (A) deliver to Buyer any Security Deposits actually held by Seller pursuant to the Leases (to the extent such Security Deposits have not been applied against delinquent Rents), or (B) credit to the account of Buyer the amount of such Security Deposits held by Seller pursuant to the Leases (to the extent such Security Deposits have not been applied against delinquent Rents);

(iii) Charges referred to in Section 4.5(a) hereof which are payable by any tenant directly to a third party shall not be apportioned hereunder, and Buyer shall accept title subject to any of such charges unpaid and Buyer shall look solely to the tenant responsible therefor for the payment of such charges. If Seller shall have paid any of such charges on behalf of any tenant, and shall not have been reimbursed therefor by the time of Closing, Buyer shall credit to Seller an amount equal to all such charges so paid by Seller; and

(iv) Seller shall receive a credit equal to the amount of any rent or other expense that has been paid by Seller pursuant to the Ground Leases prior to Closing and which pertains to any period after Closing.

(c) Any additional rent or other expenses due under the Leases or the Ground Leases (collectively, the "Additional Rents") shall be prorated on the Closing Date between Buyer and Seller based on the best estimate of Buyer and Seller (and taking into account the prior year adjustments). Within three (3) Business Days prior to Closing, Seller shall deliver to Buyer for its review and approval a statement setting forth its estimate of the proration of such Additional Rents. Buyer and Seller shall complete a final proration of Additional Rents within ninety (90) days after Closing. Prior to Closing, Seller shall provide Buyer with information regarding Additional Rents which were received by Seller prior to closing and the amount of reimbursable expenses paid by Seller prior to closing. On or before the date which is sixty (60) days after Closing, Buyer shall deliver to Seller a reconciliation of all expenses reimbursable by tenants under the Leases, and the amount of Additional Rents received by Seller and Buyer relating thereto (the "Reconciliation"). Upon reasonable notice and during normal business hours, each party shall make available to the other all information reasonably required to confirm the Reconciliation. In the event of any overpayment of Additional Rents by the tenants to Seller, Seller shall promptly, but in no event later than fifteen (15) days after receipt of the Reconciliation, pay to Buyer the amount of such overpayment and Buyer, as the landlord under the particular Leases, shall pay or credit to each applicable tenant the amount of such overpayment. In the event of an underpayment of Additional Rents by the tenants to Seller,

Buyer shall pay to Seller the amount of such underpayment within fifteen (15) days following Buyer's receipt of any such amounts from the tenants. Notwithstanding anything to the contrary herein, Seller shall deliver to Buyer or credit against the Purchase Price at Closing any amounts collected by Seller on account of Additional Rents from tenants, which based upon Seller's estimates, exceeds the actual Additional Rent owing from such tenants through the Closing (i.e., amounts collected from such tenants on account of Additional Rent in excess of such tenants' actual year-to-date share of expenses for which the same have been collected).

(d) Except as otherwise provided herein, any revenue or expense amount which cannot be ascertained with certainty as of Closing shall be prorated on the basis of the parties' reasonable estimates of such amount, and shall be the subject of a final proration sixty (60) days after Closing, or as soon thereafter as the precise amounts can be ascertained. Buyer shall promptly notify Seller when it becomes aware that any such estimated amount has been ascertained. Once all revenue and expense amounts have been ascertained, Buyer shall prepare, and certify as correct, a final proration statement which shall be subject to Seller's approval. Upon Seller's acceptance and approval of any final proration statement submitted by Buyer, such statement shall be conclusively deemed to be accurate and final. Any such revenue or expense amount shall be paid by Buyer to Seller, or Seller to Buyer, as the case may be, in cash as soon as practicable following Closing.

(e) Notwithstanding any provision to the contrary herein or in any other document delivered in connection with the transactions contemplated hereby, Buyer and Seller hereby agree that in no event shall Seller have any liability or responsibility for any reimbursement or other obligations related to any improvements pertaining to the Properties, whether constructed prior to or after the Closing, and whether arising under the Leases or otherwise. Upon the Closing, Buyer shall accept the Properties subject to any reimbursement or other obligations or responsibilities that may now or hereafter exist with regard to any improvements relating to the Properties.

(f) The provisions of this Section 4.5 shall survive Closing.

Section 4.6. Transaction Taxes and Closing Costs.

(a) Seller and Buyer shall execute such returns, questionnaires and other documents as shall be required with regard to all applicable real property transaction taxes imposed by applicable federal, state or local law or ordinance.

(b) Seller shall pay the fees of any counsel representing Seller in connection with this transaction. Seller shall also pay the following costs and expenses:

(i) one-half (1/2) of the escrow fee, if any, which is charged by the Title Company;

(ii) the premium for the ALTA Standard Coverage Owner's Policies of Title Insurance and ALTA Standard Coverage Leasehold Policy of Title Insurance (or their equivalent in applicable jurisdictions), as applicable, relating to the Properties to be issued to Buyer by the Title Company at Closing (provided that in no event shall Seller be required to pay more than

$423,503 for the foregoing, as such amount may be reduced to account for any Properties which become Deleted Properties or for which a Closing otherwise does not occur) (the "Base Policy Premium");

(iii) the fees for recording the Deeds and any additional recording fees incurred in connection with the satisfaction of Seller's obligations hereunder (if any); and

(iv) such portion, if any, of any documentary transfer tax or similar tax (including, without limitation, City, County and State documentary transfer taxes, as applicable) which becomes payable by reason of the transfer of the Properties (collectively, "Transfer Taxes"), and which is customarily paid by sellers in comparable transactions in the jurisdiction in which each component of the Property is located.

(c) Buyer shall pay the fees of any counsel representing Buyer in connection with this transaction. Buyer shall also pay the following costs and expenses:

(i) one-half (1/2) of the escrow fee, if any, which is charged by the Title Company;

(ii) any recording fees incurred in connection with the satisfaction of Buyer's obligations hereunder (if any);

(iii) the premium for the Owner's Policies of Title Insurance and Leasehold Policy of Title Insurance to be issued to Buyer by the Title Company at Closing, and the entire cost of all endorsements thereto, but only to the extent that those costs exceed the cost of the Base Policy Premium which Seller is required to pay pursuant to Section 4.6(b)(ii);

(iv) the cost of any New Surveys and Buyer's own due diligence expenses; and

(v) such portion, if any, of the Transfer Taxes as is customarily paid by buyers in comparable transactions in the jurisdiction in which each component of the Property is located.

(d) The Personal Property is included in this sale without charge and without any allocation of Purchase Price thereto, however, Buyer shall be responsible for the amount of any and all sales or similar taxes payable in connection with the transfer of the Personal Property.

(e) All costs and expenses incident to this transaction and the Closing thereof, and not specifically described above shall be paid by the party incurring same.

(f) The provisions of this Section 4.6 shall survive the Closing.

Section 4.7. Conditions Precedent to Obligation of Buyer. The obligation of Buyer to consummate the transaction contemplated hereunder shall be subject to the fulfillment on or before the date of Closing of all of the conditions set forth in this Section 4.7, any or all of which may be waived by Buyer in its sole and absolute discretion. In the event Buyer terminates this Agreement, which termination shall apply to all, but not less than all, of the Properties, due to the

nonsatisfaction of any such conditions, then the termination provisions set forth in Section 3.6 above shall apply.

(a) Seller shall have delivered to Buyer (or to Buyer through the Title Company) all of the items required to be delivered to Buyer pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.2 hereof;

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date as if made at and as of such time (with appropriate modification as permitted under this Agreement);

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the date of Closing;

(d) The Title Company shall have issued or is irrevocably committed to issue the Title Policies;

(e) This Agreement and the transactions contemplated hereby shall have been approved by the Board of Directors of Medical Properties Trust, Inc., which approval Buyer shall seek to obtain on or prior to March 19, 2008;

(f) Except with respect to any condemnation or eminent domain matters, which shall be governed by Article VII hereof, there shall not have been instituted by any creditor of Seller, any governmental or quasi-government authority or any other third party, any suit, action or proceeding which would materially and adversely affect the Properties or which would prevent Seller from consummating the transactions contemplated by this Agreement;

(g) The Board of Directors of Seller shall have approved the transactions contemplated by this Agreement on or before the date that is the later of (i) seven (7) days after the expiration of the Contingency Period, and (ii) March 26, 2008, the failure of which shall give rise to Buyer's right to terminate this Agreement;

(h) Seller shall have obtained all approvals and consents necessary for Seller's transfer or sale of the Properties as contemplated by this Agreement, and such estoppel certificates as are required to be obtained under this Agreement; provided, however, that failure to obtain any consent described in Section 11.5(c) or Section 12.5(c) hereof (i) shall result only in Buyer's right to refrain from consummating the acquisition of the specific Property for which such consent is not obtained until such time as such consent is obtained, and (ii) shall not affect or delay the Closing of the other Properties;

(i) All Pre-Emptive Rights Holders (as defined below) shall have either waived or exercised their Pre-Emptive Rights (as defined below); provided, however, that failure of this condition to be satisfied (i) shall result only in Buyer's right to refrain from consummating the acquisition of the specific Pre-Emptive Right Property or Pre-Emptive Right Properties for which the applicable Pre-Emptive Rights have not been waived or exercised, and (ii) shall not affect or delay the Closing of the other Properties; and

(j) With respect to the Ground Lease Properties, Seller shall have obtained all consents required in connection with the assignment of Seller's right, title and interest under the Ground Leases.

Section 4.8. Conditions Precedent to Obligation of Seller. The obligation of Seller to consummate the transactions contemplated hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by Seller in its sole and absolute discretion:

(a) Seller shall have received the Purchase Price as adjusted as provided herein, and payable in the manner provided for in this Agreement;

(b) Buyer shall have delivered to Seller (or to Seller through the Title Company) all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 4.3 hereof;

(c) All of the representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with appropriate modification as permitted under this Agreement);

(d) Buyer shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Buyer as of the date of Closing;

(e) Seller shall have obtained all approvals and third party consents necessary for the transfer or sale of the Properties as contemplated by this Agreement; provided, however, that failure to obtain any consent described in Section 11.5(c) or Section 12.5(c) hereof (i) shall result only in Seller's right to refrain from consummating the acquisition of the specific Property for which such consent is not obtained until such time as such consent is obtained, and (ii) shall not affect or delay the Closing of the other Properties;

(f) With respect to the Ground Lease Properties, Seller shall have obtained all consents required in connection with the assignment of Seller's right, title and interest under the Ground Leases, and a release of Seller and its affiliates from their obligations under or with respect to such Ground Leases and/or the Ground Lease Properties;

(g) This Agreement and the transactions contemplated hereby shall have been ratified by the Board of Directors of Seller, which ratification Seller shall seek to obtain on or prior to the date that is the later of (i) seven (7) days after the expiration of the Contingency Period, and (ii) March 26, 2008;

(h) The Board of Directors of Medical Properties Trust, Inc. shall have approved the transactions contemplated by this Agreement on or prior to March 19, 2008, the failure of which shall give rise to Seller's right to terminate this Agreement; and

(i) All Pre-Emptive Right Holders (as defined below) shall have either waived or exercised their Pre-Emptive Rights (as defined below); provided, however, that failure of this condition to be satisfied (i) shall result only in Seller's right to refrain from consummating the

acquisition of the specific Pre-Emptive Right Property or Pre-Emptive Right Properties for which the applicable Pre-Emptive Rights have not been waived or exercised, and (ii) shall not affect or delay the Closing of the other Properties.

Section 4.9. Pre-Emptive Rights. Buyer acknowledges and agrees that certain tenants (or their affiliates) or other third parties have or may have certain rights of first refusal, rights of first offer or other similar rights (any such right being referred to herein as a "Pre-Emptive Right") affecting the Properties (each individually a "Pre-Emptive Right Property"). Seller shall promptly deliver to the current holder of each Pre-Emptive Right (each, a "Pre-Emptive Right Holder"), such notice as is necessary to validly comply with Seller's obligations with respect to the applicable Pre-Emptive Right. Seller shall keep Buyer apprised of the status of any Pre-Emptive Right request. If any Pre-Emptive Right is properly exercised by the Pre-Emptive Right Holder, then Seller shall give Buyer prompt written notice thereof and this Agreement shall be Partially Terminated with respect to such Pre-Emptive Right Property.

Section 4.10. Termination of Agreement With Respect to Certain Properties. The termination of this Agreement as to any particular Property pursuant to Section 4.9 or Section 3.7 is referred to herein as a "Partial Termination" and any such Property is referred to herein as a "Deleted Property." In the event of any Partial Termination, (i) Buyer and Seller shall remain obligated to effectuate the transactions contemplated hereunder with respect to all other Properties upon the terms and conditions set forth in this Agreement, (ii) the Purchase Price payable on the Closing Date for all the other Properties shall be reduced by the Allocated Purchase Price of the Deleted Property(ies), (iii) each party shall promptly execute and deliver to Title Company such documents as Title Company may reasonably require to evidence the withdrawal of such Deleted Property(ies), (iv) all instruments in escrow with respect to such Deleted Property shall be returned to the party depositing the same, (v) at the request of Seller, Buyer shall return all items relating to such Deleted Property(ies) previously delivered to Buyer and copies of any reports, surveys or other studies or investigations prepared or received by Buyer solely relating to such Deleted Property(ies), and (vi) no party shall have any further rights, obligations or liabilities whatsoever to the other parties concerning such Deleted Property(ies) by reason of this Agreement, except for any indemnity obligations of any party with respect to such Deleted Property(ies) pursuant to the provisions of this Agreement or otherwise expressly stated in this Agreement to survive termination with respect to the Properties. The Deposit shall not be reduced as a result of any withdrawal of one or more Deleted Properties. The provisions of this Section 4.10 shall survive the Closing or any earlier termination of this Agreement.

Section 4.11. UCC Financing Statements. Buyer hereby acknowledges that Uniform Commercial Code financing statements and/or fixture filings have or may have been filed in order to perfect or continue the perfection of Seller's security interest in the personal property and other intangible property of the tenants under the Leases. Upon the Closing, Buyer shall file such Uniform Commercial Code termination statements or amendments with the appropriate filing offices as are necessary to either substitute Buyer as the secured party thereunder in lieu of the applicable Seller entity or release Seller's security interests with respect to the personal property and other intangible property of the tenant's under the Leases; provided, however, that any and all such Uniform Commercial Code termination statements or amendments shall be prepared and recorded at Buyer's sole cost and expense.

ARTICLE V
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 5.1. Representations and Warranties of Seller. The term "Knowledge" as used herein with respect to Seller, shall mean the current actual and not implied or constructive knowledge, without the duty of investigation or independent inquiry, of Thomas Kirby, Susan Tate and Darrin Smith. Seller hereby represents and warrants to Buyer as of the Effective Date and as of the Closing Date that:

(a) Organization and Qualification.

(i) HCP has been duly organized, is validly existing under the laws of the State of Maryland, and (either itself or through a name under which HCP is doing business in certain jurisdictions as set forth in Schedule 5.1 (a)) is qualified to do business and is in good standing (or is in existence with respect to the Property located in West Virginia) in the States in which its Properties are located.

(ii) FAEC has been duly organized, is validly existing under the laws of the State of Delaware, and is qualified to do business and is in good standing in the State in which its Properties are located.

(iii) HCPIT has been duly organized, is validly existing under the laws of the State of Maryland, and is qualified to do business and is in good standing in the States in which its Properties are located.

(iv) THH has been duly organized, is validly existing under the laws of the State of Delaware, and is qualified to do business and is in good standing in the States in which its Properties are located.

(b) Authority. Subject to the satisfaction or, if applicable, waiver of the conditions set forth in Section 4.8 and Section 4.9 above (i) Seller has, or will have prior to Closing, the requisite power and authority to execute, deliver and carry out the terms of this Agreement, together with all documents and agreements necessary to give effect to the provisions of this Agreement, and to consummate the transactions contemplated hereby and thereby; and (ii) all corporate or company actions required to be taken by Seller (including, without limitation, all necessary actions by the shareholders, directors, managers, members and partners of Seller) to authorize the execution, delivery and performance of this Agreement and all other documents, agreements and instruments executed by Seller which are necessary to give effect thereto (collectively, the "Seller Instruments") and all transactions contemplated hereby and thereby, have been duly and properly taken or obtained (or will be taken or obtained prior to Closing) in accordance and compliance with Seller's charter, articles or certificate of incorporation, formation or organization, bylaws or other documents or instruments which establish and/or set forth the rules, procedures and rights with respect to Seller's governance, including, without limitation, any stockholders, limited liability company, operating or partnership agreement related to Seller, in each case as amended, restated, supplemented and/or modified and in effect as of the date hereof (collectively, "Governing Documents"). Except for the action of Seller's Board of Directors or other governing body, no other action on the part of Seller, or Seller's

shareholders, directors, managers, members or partners, is necessary to authorize the execution, delivery and performance of this Agreement, the Seller Instruments, or the transactions contemplated hereby or thereby. Subject to the satisfaction of the condition set forth in Section 4.8(g) hereof, this Agreement, the Seller Instruments, and all agreements to which Seller will become a party hereunder are and will constitute the valid and legally binding obligations of Seller, and are and will be enforceable against Seller in accordance with the respective terms hereof or thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy, insolvency or other similar laws affecting creditors' rights generally and except as enforceability may be subject to and limited by general principles of equity (regardless of whether considered in a proceeding in equity or at law) and by agreement of the parties and set forth in this Agreement.

(c) Absence of Conflicts. Seller's execution, delivery and performance of this Agreement and the Seller Instruments, and the consummation of the transactions contemplated hereby and thereby, will not, with or without the giving of notice and/or the passage of time: (i) violate or conflict with any provision of any of Seller's Governing Documents; (ii) to Seller's Knowledge, violate any provision of any applicable law, rule or regulation to which Seller or any of its shareholders, members, managers or partners is subject; (iii) violate or conflict with any judgment, order, writ or decree of any court applicable to Seller; or (iv) to Seller's Knowledge, result in or cause the creation of a lien or other encumbrance on the Properties.

(d) Consents and Approvals. To Seller's Knowledge, no license, permit, qualification, order, consent, authorization, approval or waiver of, or registration, declaration or filing with, or notification to, any Governmental Entity (as hereinafter defined) or other third party is required to be made or obtained by or with respect to Seller in connection with the execution, delivery and performance of this Agreement or the Seller Instruments by Seller or the consummation of the transactions contemplated hereby or thereby, except for such filing statements as may be required in connection with the recordation of the Deeds and the Assignment of Ground Leases. As used herein, the term "Governmental Entity" means any national, federal, regional, state, local, provincial, municipal, foreign or multinational court or other governmental or regulatory authority, administrative body or government, department, board, body, tribunal, instrumentality or commission.

(e) Seller Not a Foreign Person; Patriot Act Compliance.

(i) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended.

(ii) To the extent applicable to Seller, Seller has complied in all material respects with the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, which comprises Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") and the regulations promulgated thereunder, and the rules and regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), to the extent such Laws are applicable to Seller. Seller is not included on the List of Specially Designated Nationals and Blocked Persons maintained by the OFAC, or is a resident in, or organized or chartered under the laws of, (A) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under

Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns or (B) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

(f) Litigation. To Seller's Knowledge, except as disclosed on Schedule 5.1(f) attached hereto, Seller has not received written notice of any action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Seller which, if adversely determined, could individually or in the aggregate materially and adversely affect the Properties or otherwise materially interfere with the consummation of the transaction contemplated by this Agreement.

(g) Leases, Guarantees and Letters of Credit. Schedule 1.1 (d) attached hereto contains a true and correct list of the Leases. Schedule 5.1 (g) contains a true and correct list of the guarantees and the letters of credit (and, in the case of any Leases that provide for cash deposits in lieu of letters of credit, such cash deposits) which have been provided to Seller in connection with the Leases, and all amendments thereto. Seller has not made any pledges or assignments of Seller's interest in the Leases, such guarantees, such letters of credit or cash deposits, or any of the Security Documents, Acquisition Documents or Intercreditor Documents, for the benefit of third parties which shall remain in effect after the Closing.

(h) Compliance with Environmental Laws. Except as disclosed in any of the Environmental Reports, or any of the Property Documents or other materials provided or made available by Seller or its agents to Buyer, or in any matter disclosed in any written reports, surveys or other studies or investigations commissioned by Buyer or its agents, attorneys or representatives:

(i) to Seller's Knowledge, no Governmental Entity nor any nongovernmental third party has delivered written notice to Seller of any alleged violation or investigation of any suspected violation under the Environmental Laws (as hereinafter defined) in connection with the Real Property or the Improvements;

(ii) to Seller's Knowledge, there has been no release of any Hazardous Materials (as hereinafter defined) by or at the direction of Seller at, on, under or from any of the Properties which would constitute a violation of applicable law and which has not been remedied prior to the date hereof;

(iii) to Seller's Knowledge, there are no conditions presently existing on, at or emanating from the Real Property or the operation of the Improvements, that may result in any liability, investigation or clean-up cost under any Environmental Law;

(iv) to Seller's Knowledge, no administrative order, litigation or settlement with respect to any Hazardous Material is in existence, nor threatened, with respect to the Real Property; and

(v) to Seller's Knowledge, no written notice has been served on Seller from any Governmental Entity claiming any violation of any Environmental Law, or requiring compliance with any Environmental Law, or demanding payment or contribution for environmental damage or injury to natural resources.

As used herein, the term "Environmental Law" means each federal, state, local and foreign law and regulation relating to pollution, protection or preservation of human health or the environment, including ambient air, surface water, ground water, land surface or subsurface strata, and natural resources, and including each law and regulation relating to emissions, discharges, releases or threatened releases of Hazardous Materials, or otherwise relating to the manufacturing, processing, distribution, use, treatment, generation, storage, containment (whether above ground or underground), disposal, transport or handling of Hazardous Materials, or the preservation of the environment or mitigation of adverse effects thereon and each law and regulation with regard to record keeping, notification, disclosure and reporting requirements respecting Hazardous Materials, including, without limitation, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Hazardous Materials Transportation Act, the Federal Water Pollution Control Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Safe Drinking Water Act, and all similar federal, state and local environmental statutes, ordinances and the regulations, orders, or decrees now or hereafter promulgated thereunder, in each case as amended from time to time.

As used herein, the term "Hazardous Materials" means any substance deemed hazardous under any Environmental Law, including, without limitation, asbestos or any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, infectious wastes, biomedical and medical wastes, chemicals known to cause cancer or reproductive toxicity, lead and lead-based paints, radon, pollutants, effluents, contaminants, emissions or related materials and any items included in the definition of hazardous or toxic wastes, materials or substances under any Environmental Law.

Section 5.2. Survival of Seller's Representations and Warranties. The representations and warranties of Seller set forth in this Section 5.1, Section 11.3 and Section 12.3, as updated in accordance with the terms of this Agreement, and/or set forth in any estoppel certificate or other document or agreement delivered by Seller pursuant to this Agreement or in connection with the consummation of the transactions contemplated hereby (all such representations and warranties of Seller, collectively, the "Seller's Representations"), shall survive Closing for a period of twelve (12) months. No claim for a breach of any Seller's Representation shall be actionable or payable unless each of the following conditions is satisfied: (a) the valid claims for all such breaches, if any, collectively aggregate more than Five Hundred Thousand Dollars ($500,000), (b) written notice containing a description of the nature of such breach shall have been given by Buyer to Seller prior to the expiration of said twelve (12) month period and an action shall have been commenced by Buyer against Seller within sixty (60) days after the termination of the survival period provided for above in this Section 5, and (c) the Closing has occurred and Buyer did not have knowledge that the applicable Seller's Representation was incorrect prior to Closing. Buyer agrees to first seek recovery under any insurance policies, the Title Policies and other applicable agreements prior to seeking recovery from Seller, and Seller shall not be liable

to Buyer to the extent Buyer's claim is actually satisfied from such insurance policies, Title Policies or other applicable agreements. Upon delivery of the Tenant Estoppels or Lessor Estoppel, Seller shall be entirely released from any liability under Seller's Representations concerning the information contained in such Tenant Estoppels or Lessor Estoppel, as applicable, to the extent the same is consistent with, or more favorable than, the information contained in Seller's Representations. Notwithstanding any provision of this Agreement to the contrary, in no event shall (i) Seller's aggregate liability to Buyer for breach of any Seller's Representations exceed an amount equal to one percent (1%) of the Purchase Price, or (ii) Seller be liable for any consequential damages of Buyer or any punitive damages.

Section 5.3. Representations and Warranties of Buyer. The term "Knowledge" as used herein with respect to Buyer, shall mean the current actual and not implied or constructive knowledge, and without the duty of investigation or independent inquiry, of R. Steven Hamner. Buyer hereby represents and warrants to Seller as of the Effective Date and as of the Closing Date that:

(a) Organization. Buyer has been duly organized and is validly existing and in good standing under the laws of its State of incorporation/formation and is, or will be prior to Closing, in good standing in the States in which the Properties are located.

(b) Authority. Subject to the satisfaction or, if applicable, waiver of the conditions set forth in Section 4.7 above (i) Buyer has, or will have prior to Closing, the requisite power and authority to execute, deliver and carry out the terms of this Agreement, together with all documents and agreements necessary to give effect to the provisions of this Agreement, and to consummate the transactions contemplated hereby and thereby; and (ii) all corporate or company actions required to be taken by Buyer (including, without limitation, all necessary actions by the shareholders, directors, managers, members and partners of Buyer) to authorize the execution, delivery and performance of this Agreement and all other documents, agreements and instruments executed by Buyer which are necessary to give effect thereto (collectively, the "Buyer Instruments") and all transactions contemplated hereby and thereby, have been duly and properly taken or obtained (or will be taken or obtained prior to Closing) in accordance and compliance with Buyer's Governing Documents. Except for the action of Buyer's Board of Directors or other governing body, no other action on the part of Buyer, or Buyer's shareholders, directors, managers, members or partners, is necessary to authorize the execution, delivery and performance of this Agreement, the Buyer Instruments, or the transactions contemplated hereby or thereby. Subject to the satisfaction of the condition set forth in Section 4.8(h) hereof, this Agreement, the Buyer Instruments, and all agreements to which Buyer will become a party hereunder are and will constitute the valid and legally binding obligations of Buyer, and are and will be enforceable against Buyer in accordance with the respective terms hereof or thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy, insolvency or other similar laws affecting creditors' rights generally and except as enforceability may be subject to and limited by general principles of equity (regardless of whether considered in a proceeding in equity or at law) and by agreement of the parties and set forth in this Agreement.

(c) Absence of Conflicts. Buyer's execution, delivery and performance of this Agreement and the Buyer Instruments, and the consummation of the transactions contemplated

hereby and thereby, will not, with or without the giving of notice and/or the passage of time: (i) violate or conflict with any provision of any of Buyer's Governing Documents; (ii) to Buyer's Knowledge, violate any provision of any applicable law, rule or regulation to which Buyer or any of its shareholders, members, managers or partners is subject; or (iii) violate or conflict with any judgment, order, writ or decree of any court applicable to Buyer.

(d) Consents and Approvals. To Buyer's Knowledge, no license, permit, qualification, order, consent, authorization, approval or waiver of, or registration, declaration or filing with, or notification to, any Governmental Entity (as hereinafter defined) or other third party is required to be made or obtained by or with respect to Buyer in connection with the execution, delivery and performance of this Agreement or the Buyer Instruments by Buyer or the consummation of the transactions contemplated hereby or thereby.

(e) Absence of Litigation. There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Buyer which, if adversely determined, could individually or in the aggregate materially interfere with the consummation of the transaction contemplated by this Agreement.

(f) No Bankruptcy. Buyer has not made a general assignment for the benefit of creditors or filed a petition for voluntary bankruptcy or filed a petition or answer seeking reorganization or an arrangement or composition, extension or readjustment of its indebtedness, and to Buyer's Knowledge no involuntary bankruptcy action has been filed or threatened against Buyer.

(g) ERISA Compliance. Buyer is not acquiring the Property with the assets of an "employee benefit plan" under, and as such term is defined in, the Employee Retirement Income Security Act of 1974.

(h) Patriot Act Compliance. To the extent applicable to Buyer, Buyer has complied in all material respects with the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, which comprises Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") and the regulations promulgated thereunder, and the rules and regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), to the extent such Laws are applicable to Buyer. Buyer is not included on the List of Specially Designated Nationals and Blocked Persons maintained by the OFAC, or is a resident in, or organized or chartered under the laws of, (A) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns or (B) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

(i) Compliance at Closing. The representations and warranties contained in this Section 5.3, Section 11.4 and Section 12.4 shall be deemed to have been made again as of the Closing, subject to Section 4.3(c) hereof.

Section 5.4. Survival of Buyer's Representations and Warranties. The representations and warranties of Buyer set forth in Section 5.3, Section 11.4 and Section 12.4 hereof as updated as of the Closing in accordance with the terms of this Agreement, shall survive Closing for a period of twelve (12) months. No claim for a breach of any representation or warranty of Buyer shall be actionable or payable unless each of the following conditions is satisfied: (a) the valid claims for all such breaches, if any, collectively aggregate more than Five Hundred Thousand Dollars ($500,000), and (b) written notice containing a description of the nature of such breach shall have been given by Seller to Buyer prior to the expiration of said twelve (12) month period. Notwithstanding any provision of this Agreement to the contrary, in no event shall (i) Buyer's liability to Seller for breaches of any representations or warranties of Buyer in this Agreement or the Buyer's Closing Certificate exceed an amount equal to one percent (1%) of the Purchase Price, or (ii) Buyer be liable for any consequential damages of Seller or any punitive damages. The provisions of this Section 5.4 shall be subject to the provisions of Section 1.6(b), and nothing in this Section 5.4 shall limit or restrict in any way Seller's right to receive the Deposit as liquidated damages in accordance with Section 1.6(b).

Section 5.5. Covenants of Seller. From the date hereof until the Closing Date or the sooner termination of this Agreement:

(a) Maintenance/Operation. Seller shall conduct its business with respect to the Properties in a reasonable and prudent manner in the ordinary course of its business consistent with past practice.

(b) Leases. After the date that is three (3) Business Days prior to the expiration of the Contingency Period, Seller shall not enter into a new lease; modify or amend any Lease (except pursuant to the exercise by a tenant thereunder of a renewal, extension or expansion option or other right expressly contained in such tenant's Lease); consent to any assignment or sublease in connection with any Lease; or remove any tenant under any Lease, whether by summary proceedings or otherwise. Seller shall furnish Buyer with a written notice of any of the foregoing proposed actions which shall contain detailed information regarding the proposed action, reasonably necessary to enable Buyer to make informed decisions with respect to the advisability of the proposed action. If Buyer fails to object in writing to any such proposed action within five (5) Business Days after receipt of the aforementioned information, Buyer shall be deemed to have approved the proposed action (with the understanding that Buyer's reasonable request for additional information shall not be deemed to constitute Buyer's failure to object or respond within such five (5) Business Day period). Except as otherwise set forth herein, on or before the Closing Date, Seller shall pay any and all brokerage fees and commissions associated with the leasing of any space within the Properties to tenants under Leases existing as of the Closing Date.

(c) Representations and Warranties. Seller shall not take any action that would cause any of the representation or warranties of Seller contained herein (with appropriate modifications permitted under this Agreement), to become inaccurate in any material respect or any of the covenants of Seller to be breached in any material respect. If at any time after execution of this Agreement and prior to Closing, Seller becomes aware of any fact or information which makes a representation or warranty of Buyer contained in this Agreement untrue in any material respect, Seller shall promptly disclose such fact in writing to Buyer.

(d) No Shop. Neither Seller, nor any investment banker, attorney, accountant, representative or other person or entity retained by or on behalf of Seller, shall directly or indirectly, enter into any binding agreement with any other person or entity (other than Buyer or its designees) regarding the sale, lease, transfer or other disposition of any of the Properties. Nothing herein is intended to prevent Seller or its representatives from initiating contact with, responding to, soliciting or encouraging any inquiries, proposals or offers by, or participating in any discussions or negotiations with respect to a sale, lease, transfer, or other disposition relating to the Properties. The provisions of this Section 5.5(d) shall not survive the termination of this Agreement in the event the Closing does not occur.

Section 5.6. Covenants of Buyer. Until the Closing Date or the sooner termination of this Agreement:

(a) 1031 Exchange. Seller may be selling the Properties (or portions thereof) as part of a multi-property transaction to qualify as a tax-free exchange, including potentially a so-called reverse Starker exchange ("1031 Exchange") under Section 1031 of the Internal Revenue Code of 1986, as amended. Buyer shall, to the extent provided below, cooperate with Seller's request to allow Seller to attempt to qualify for the 1031 Exchange, including, without limitation: (i) executing and delivering amendments to this Agreement and/or amendments to and restatements of this Agreement so that the transactions contemplated hereby are incorporated into one or more cross-contingent agreements; (ii) executing and delivering one or more assignments of this Agreement or any of the agreements described in the preceding clause (i) from Buyer to an affiliate of Buyer or by any Seller to an affiliate of Seller or to a qualified exchange accommodator of Seller or such affiliate; and (iii) executing and delivering such other documents; provided, however, in each case that Buyer's obligation to cooperate with Seller shall be limited and conditioned as follows: (w) Buyer shall receive written notice from Seller prior to the scheduled Closing Date, which shall identify the parties involved in such 1031 Exchange and enclose all documents for which Buyer's signature shall be required, (x) in no event shall Buyer be required to execute any document or instrument which may (A) subject Buyer to any additional liability or obligation to Seller or any other individual, entity or governmental agency, or (B) diminish or impair Buyer's rights under this Agreement, (y) Seller shall not be relieved of any of its obligations under this Agreement by reason of the 1031 Exchange, and (z) Buyer shall not be required to incur any material costs or expenses in connection with the 1031 Exchange. Seller's failure to effectuate any intended 1031 Exchange shall not relieve Seller from its obligations to consummate the purchase and sale transaction contemplated by this Agreement and the consummation of such 1031 Exchange shall not be a condition precedent to Seller's obligations under this Agreement.

(b) Representations and Warranties. Buyer shall not take any action that would cause any of the representation or warranties of Buyer contained herein (with appropriate modifications permitted under this Agreement) to become inaccurate in any material respect or any of the covenants of Buyer to be breached in any material respect. If at any time after execution of this Agreement and prior to Closing, Buyer becomes aware of any fact or information which makes a representation or warranty of Seller contained in this Agreement untrue in any material respect, Buyer shall promptly disclose such fact in writing to Seller.

(c) Ground Leases. Buyer shall cooperate with Seller's efforts to obtain the consent of the lessors under the Ground Leases to the proposed assignment of Seller's right, title and

interest as tenant/lessee under the Ground Leases and the release of Seller and its affiliates from all obligations pertaining to the Ground Leases and/or the Ground Lease Properties. Such cooperation shall include, but not be limited to, the submission to such lessors of any information reasonably requested by such lessors.

ARTICLE VI
DEFAULT

Section 6.1. Default by Buyer. If the sale of the Properties as contemplated hereunder is not consummated due to Buyer's material default hereunder, then Seller shall be entitled, as its sole and exclusive remedy, to terminate this Agreement and retain the Deposit as liquidated damages as more particularly set forth in Section 1.6 above.

Section 6.2. Default by Seller.

(a) If the sale of the Properties as contemplated hereunder is not consummated due to Seller's material default hereunder or failure of the condition set forth in Section 4.7(b) to be satisfied (provided Buyer has promptly notified Seller when it becomes aware that such condition has not been satisfied) then Buyer shall be entitled, as its sole and exclusive remedy, to (i) receive (x) the return of the Deposit which return shall operate to terminate this Agreement and release Seller from any and all liability hereunder (other than those obligations that expressly survive a termination of this Agreement), and (y) in connection with any such termination, and solely with regard to any such material Seller default of which Buyer does not have knowledge prior to the expiration of the Contingency Period, Buyer shall be entitled to receive the actual documented out-of-pocket costs that it has theretofore incurred for third party consultants and attorneys' fees in connection with its diligence reviews and investigations of the Properties, not to exceed the aggregate amount of One Million Dollars ($1,000,000), or (ii) solely in the case of the failure of the sale to be consummated due to Seller's material default hereunder, to enforce specific performance of Seller's obligation to consummate this transaction as contemplated by this Agreement. Buyer shall be deemed to have elected to terminate this Agreement and receive back the Deposit if Buyer fails to file suit for specific performance against Seller in a court having jurisdiction in the county and state in which the Property is located, on or before thirty (30) days following the date upon which Closing was to have occurred.

(b) AS A MATERIAL CONSIDERATION FOR SELLER ENTERING INTO THIS AGREEMENT, BUYER EXPRESSLY WAIVES FOR ANY DEFAULT BY SELLER (A) ANY RIGHT UNDER ANY STATE OR FEDERAL STATUTE, OR AT COMMON LAW OR OTHERWISE TO RECORD OR FILE A LIS PENDENS OR A NOTICE OF PENDENCY OF ACTION OR SIMILAR NOTICE AGAINST ALL OR ANY PORTION OF THE PROPERTIES, (B) ANY RIGHT TO SEEK DAMAGES IN THE EVENT OF SELLER'S DEFAULT HEREUNDER, AND (C) ITS RIGHT TO BRING ANY ACTION THAT WOULD IN ANY WAY AFFECT TITLE TO OR RIGHT OF POSSESSION OF ALL OR ANY PORTION OF THE PROPERTIES. BUYER ACKNOWLEDGES AND AGREES THAT PRIOR TO THE CLOSING, BUYER SHALL NOT HAVE ANY RIGHT, TITLE OR INTEREST IN AND TO THE PROPERTIES OR ANY PORTION THEREOF. BUYER HEREBY EVIDENCES ITS SPECIFIC AGREEMENT TO THE TERMS OF THIS WAIVER BY PLACING ITS SIGNATURE OR INITIALS IN THE SPACE PROVIDED HEREINAFTER.

[Buyer's and Seller's initials on following page]

/s/ MGS	/s/ BJM
Buyer’s Initials	Seller’s Initials on behalf of HCP, FAEC, HCPIT, HCPDAS and THH

Section 6.3. Recoverable Damages. Notwithstanding Section 6.1 and Section 6.2 hereof, in no event shall the provisions of Section 6.1 and Section 6.2 limit the damages recoverable by either party against the other party due to the other party's obligation to indemnify such party in accordance with this Agreement or the non-prevailing party's obligation to pay the prevailing party's attorneys' fees and costs pursuant to Section 10.16 hereof.

ARTICLE VII
RISK OF LOSS

Section 7.1. Risk of Loss. In the event of loss or damage to the Properties or any portion thereof due to casualty or condemnation, this Agreement shall remain in full force and effect without any reduction in the Purchase Price, provided that at Closing Seller shall assign to Buyer all of Seller's right, title and interest in and to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the Properties; provided, however, that if any such loss or damage to the Properties exceeds Twenty Million Dollars ($20,000,000) in the aggregate (as determined by an architect or other qualified expert selected by Seller and reasonably approved by Buyer), then Buyer shall have the right, exercisable by giving written notice to Seller within at least ten (10) Business Days after Buyer's receipt of Seller's written notice informing Buyer of such loss or damage, to terminate this Agreement with respect to all, but not less than all, of the Properties, in which event Section 3.6 shall apply. If Buyer does not elect to terminate this Agreement within said ten (10) Business Day period, then Buyer shall be deemed to have elected to proceed with Closing without any reduction in the Purchase Price. Upon Closing, full risk of loss with respect to the Properties shall pass to Buyer.

ARTICLE VIII
COMMISSIONS

Section 8.1. Brokerage Commissions. With respect to the transaction contemplated by this Agreement, Seller and Buyer each represents to the other that no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity. Each party hereby agrees that if any person or entity makes a claim for brokerage commissions or finder's fees related to the sale of the Properties by Seller or the acquisition of the Properties by Buyer, and such claim is made by, through or on account of any acts or alleged acts of said party or its representatives, then said party will protect, indemnify, defend and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense (including reasonable attorneys' fees) in connection therewith. The provisions of this paragraph shall survive Closing or any termination of this Agreement.

ARTICLE IX
DISCLAIMERS AND WAIVERS

Section 9.1. AS IS SALE: DISCLAIMERS. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT:

(a) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(b) UPON CLOSING SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTIES "AS IS, WHERE IS CONDITION, WITH ALL FAULTS," EXCEPT TO THE EXTENT OF THE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF SELLER EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTIES OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, OFFERING PACKAGES DISTRIBUTED WITH RESPECT TO THE PROPERTIES) MADE OR FURNISHED BY SELLER OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING. ALL MATERIALS, DATA AND INFORMATION DELIVERED BY SELLER TO BUYER IN CONNECTION WITH THE TRANSACTION CONTEMPLATED HEREBY ARE PROVIDED TO BUYER AS A CONVENIENCE ONLY AND ANY RELIANCE ON OR USE OF SUCH MATERIALS, DATA OR INFORMATION BY BUYER SHALL BE AT THE SOLE RISK OF BUYER, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN. NEITHER SELLER, NOR ANY, AFFILIATE OF SELLER, NOR THE PERSON OR ENTITY WHICH PREPARED ANY REPORT OR REPORTS DELIVERED BY SELLER TO BUYER SHALL HAVE ANY LIABILITY TO BUYER FOR ANY INACCURACY IN OR OMISSION FROM ANY SUCH REPORTS. BUYER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PROPERTIES ARE BEING SOLD "AS IS," SUBJECT ONLY TO THE EXPRESS REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH HEREIN.

(c) BUYER REPRESENTS AND COVENANTS TO SELLER THAT BUYER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTIES, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS BUYER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTIES AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTIES, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO.

(d) UPON CLOSING, BUYER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INVESTIGATIONS. EXCEPT TO THE EXTENT EXPRESSLY SET FORTH HEREIN, BUYER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER (AND SELLER'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH BUYER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER (AND SELLER'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTIES (OTHER THAN WITH RESPECT TO SELLER'S BREACH OF ANY REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH HEREIN).

Section 9.2. Survival of Disclaimers. The provisions of this Article IX shall survive Closing or any termination of this Agreement.

ARTICLE X
MISCELLANEOUS

Section 10.1. Confidentiality. Seller and Buyer each agree to maintain the confidentiality of the terms and provisions of this Agreement; provided, however, that Seller may disclose such terms and provisions to Pre-Emptive Right Holders. Prior to Closing, Buyer and its representatives shall hold in confidence all data and information obtained from Seller or its agents with respect to Seller or its business (other than data and information which is publicly available), whether obtained before or after the execution and delivery of this Agreement, and shall not disclose the same to others; provided, however, that Buyer may disclose such data and information to such of its employees, officers, directors, lenders, consultants, accountants and attorneys who have agreed in writing to treat such data and information confidentially, and except as may be required by law or in connection with any legal proceeding concerning the Property or this Agreement. If this Agreement is terminated or Buyer fails to perform hereunder, Buyer shall promptly return to Seller any statements, documents, schedules, exhibits or other written information obtained from Seller in connection with this Agreement or the transaction contemplated herein. In the event of a breach or threatened breach by either party hereto (or its respective agents or representatives) of this Section 10.1, the other party shall be entitled to an injunction restraining the party breaching or threatening to breach this Section 10.1 (or its respective agents or representatives) from disclosing, in whole or in part, such confidential information. Nothing herein shall be construed as prohibiting either party hereto from pursuing any other available remedy at law or in equity for such breach or threatened breach. The provisions of this Section 10.1 shall survive Closing or any termination of this Agreement.

Section 10.2. Public Disclosure. Prior to and after the Closing, any press release or other written release to the public of information with respect to the sale contemplated herein or any matters set forth in this Agreement will be made only in the form approved in writing by Buyer and Seller; provided, however, that any release of information required to be made pursuant to applicable law, including, without limitation, federal and state securities laws and the rules and regulations of the NYSE or NASDAQ, or the inclusion of any information in a prospectus, prospectus supplement or other offering circular or memorandum in connection with public or private capital raising activities undertaken by Buyer, Seller or their respective Affiliates, shall not require approval from the other party; provided further, however, that, for the avoidance of doubt, any press release or similar voluntary written communication to the general public shall require the other party's written consent. The provisions of this Section 10.2 shall survive the Closing or any termination of this Agreement.

Section 10.3. Assignment. Subject to the provisions of this Section 10.3, the terms and provisions of this Agreement are to apply to and bind the permitted successors and assigns of the parties hereto. Buyer may not otherwise assign its rights under this Agreement without first obtaining Seller's written approval, which approval may be given or withheld in Seller's sole discretion; provided, however, that Buyer intends, and shall be permitted without the prior consent of Seller, to assign this Agreement to one or more entities controlling, controlled by, or under common control with Buyer, provided that (a) Buyer shall send Seller written notice of its request at least five (5) Business Days prior to Closing, which written request shall include the legal name of the proposed assignee, and provide Seller any information that Seller may reasonably request with respect to such entities, (b) Buyer and the proposed assignee shall execute an assignment and assumption or joinder of this Agreement in form and substance reasonably satisfactory to Seller, and (c) in no event shall any assignment of this Agreement release or discharge Buyer from any liability or obligation hereunder unless expressly agreed otherwise by Seller in writing. Any transfer, directly or indirectly (whether by merger, consolidation or otherwise) of any stock, partnership interest or other ownership interest in Buyer, or any other transaction which results (whether directly or indirectly) in a change in control of Buyer, shall constitute an assignment of this Agreement. Seller may assign its rights under this Agreement to one or more affiliates of Seller without the consent of Buyer. Any other assignment of Seller's rights under this Agreement shall require the consent of Buyer. In no event shall any assignment of this Agreement release or discharge Seller from any liability or obligation hereunder unless expressly agreed otherwise by Buyer in writing. Notwithstanding any provision herein to the contrary, Seller shall be permitted, prior to Closing and without the consent of Buyer, to transfer one or more Properties to one or more affiliates of Seller, provided that in no event shall any such transfers release or discharge Seller from any liability or obligation hereunder unless expressly agreed otherwise by Buyer in writing.

Section 10.4. Notices. Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, (b) reputable overnight delivery service with proof of delivery, (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (d) legible facsimile transmission with a confirmation sheet, sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith. Any notice so given shall be deemed to have been given upon receipt or refusal to accept delivery, or, in the case of facsimile transmission, as of the date of the facsimile transmission provided that an

original of such facsimile is also sent to the intended addressee by means described in clauses (a), (b) or (c) above. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Seller:	HCP, Inc. 3760 Kilroy Airport Way, Suite 300 Long Beach, CA 90806 Attention: Legal Department Telephone No.: (562) 733-5100 Facsimile No.: (562) 733-5200
with a copy to:	Latham & Watkins LLP 600 West Broadway, Suite 1800 San Diego, CA 92101 Attention: Robert Frances Telephone No.: (619) 238-2929 Facsimile No.: (619) 696-7419
If to Buyer:	MPT Operating Partnership, L.P. 1000 Urban Center Drive, Suite 501 Birmingham, Alabama 35242 Attention: Michael G. Stewart, Esq. Telephone No.: (205) 969-3755 Facsimile No.: (205) 969-3756
with a copy to:	Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. 420 20th Street North Suite 1600 Birmingham, Alabama 35203 Attention: Thomas O. Kolb Telephone No.: (205) 250-8321 Facsimile No.: (205) 488-3721

Section 10.5. Modifications.

This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

Section 10.6. Entire Agreement. This Agreement, including the exhibits and schedules hereto, the Access Agreement, and that certain Confidentiality Agreement between Buyer and Seller, dated as of November 30, 2007, contains the entire agreement between the parties hereto pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter (including, without limitation, that certain Letter of Intent, dated as of February 8, 2008, by and between the parties, which shall be of no further force or effect from and after the Effective Date).

Section 10.7. Further Assurances. Each party agrees that it will execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate the transaction contemplated by this Agreement. Without limiting the generality of the foregoing, Seller shall (i) assist Buyer with respect to the reissuance in Buyer's name, effective as of Closing, of any letter of credit required under any applicable Lease that is not transferable (which assistance shall include making a request of the applicable tenant to cause such reissuance), (ii) use commercially reasonable efforts to transfer the transferable letters of credit to Buyer, including without limitation, executing any required change of beneficiary forms and delivering such forms, together with the original letter of credit, to the applicable issuing bank, and (iii) cooperate with Buyer to seek to cause each of the tenants under the Leases to have Buyer listed, effective as of Closing, as an additional insured, named insured or beneficiary, as applicable, under each of the insurance policies maintained by such tenant pursuant to the applicable Lease; provided, however, the cost of any such reissuance or transfer pursuant to clauses (i) or (ii) above and any actions pursuant to clause (iii) above shall be the responsibility of Buyer. The provisions of this Section 10.7 shall survive Closing.

Section 10.8. Counterparts. This Agreement may be executed in counterparts, all such executed counterparts shall constitute the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

Section 10.9. Electronically Transmitted Signatures. In order to expedite the transaction contemplated herein, telecopied signatures or signatures sent by electronic mail may be used in place of original signatures on this Agreement or any document delivered pursuant hereto (other than the Deeds, the notarized original of which shall be required prior to Closing). Seller and Buyer intend to be bound by the signatures on the telecopied or electronically mailed document, are aware that the other party will rely on the telecopied or electronically mailed signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature. Following any facsimile or electronic mail transmittal, the party shall promptly deliver the original instrument by reputable overnight courier in accordance with the notice provisions of this Agreement.

Section 10.10. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect; provided that the invalidity or unenforceability of such provision does not materially adversely affect the benefits accruing to any party hereunder.

Section 10.11. Applicable Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to any principle or rule of law that would require the application of the law of any other jurisdiction. Each party hereby (a) irrevocably submits to the exclusive jurisdiction of the state and federal courts of the state of California and consents to service of process of any legal proceeding arising out of, or in connection with, this Agreement, by any means authorized by the laws of the state of California; (b) agrees that the state courts of Los Angeles County, California, or in the United States District Court for the District in which Los Angeles County is located shall be the exclusive venue and irrevocably waives, to the fullest extent permitted by law, any objection which any party may now or hereafter have to the laying of venue of any litigation arising out of, or in connection

with, this Agreement, brought in the state courts of Los Angeles County, California, or in the United States District Court for the District in which Los Angeles County is located; and (c) irrevocably waives any claim that any litigation brought in any such court has been brought in an inconvenient forum. Buyer and Seller agree that the provisions of this Section 10.11 shall survive the Closing or any termination of this Agreement.

Section 10.12. No Third-Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Buyer only and are not for the benefit of any third party; and, accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

Section 10.13. Captions. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

Section 10.14. Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to take effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

Section 10.15. Recordation. This Agreement many not be recorded by any party hereto without the prior written consent of the other party hereto. The provisions of this Section 10.15 shall survive the Closing or any termination of this Agreement.

Section 10.16. Attorneys' Fees. Notwithstanding anything to the contrary in this Agreement, in the event either party files a lawsuit or demand for arbitration or other legal action (including in bankruptcy court) in connection with this Agreement, or any provisions contained herein or therein, then the party that prevails in such action shall be entitled to recover, in addition to all other remedies to which it is entitled, reasonable attorneys' fees and costs incurred in such action. Any court costs and attorneys' fees shall be set by the court or arbitrator and not by jury. The provisions of this Section 10.16 shall survive the Closing or any termination of this Agreement.

Section 10.17. Time of the Essence.Time is of the essence of each and every provision of this Agreement.

Section 10.18. Joint and Several Liability. Seller acknowledges and agrees that all of the obligations of the entities constituting Seller hereunder are joint and several, and that such entities shall be personally liable and responsible for all obligations and liabilities of each other Seller with respect to the Property or Properties.

Section 10.19. Changes to Property Entitlements. Nothing contained in this Agreement shall be construed as authorizing Buyer to apply for a zone change, variance, subdivision map, lot line adjustment or other discretionary governmental act, approval or permit with respect to the Properties prior to the Closing, and Buyer agrees not to do so without Seller's prior written approval, which approval may be withheld in Seller's sole and absolute discretion. Buyer agrees

not to submit any reports, studies or other documents, including, without limitation, plans and specifications, impact statements for water, sewage, drainage or traffic, environmental review forms, or energy conservation checklists to any governmental agency, or any amendment or modification to any such instruments or documents prior to the Closing unless first approved by Seller, which approval Seller may withhold in Seller's sole discretion. Buyer's obligation to purchase the Properties shall not be subject to or conditioned upon Buyer's obtaining any variances, zoning amendments, subdivision maps, lot line adjustment, or other discretionary governmental act, approval or permit. Nothing herein shall be deemed to prevent or limit Buyer's right to seek any zoning or other compliance letter from any applicable governmental authorities.

Section 10.20. Dates. If, pursuant to this Agreement, any date indicated herein falls on any non-Business Day, the date so indicated shall mean the next Business Day following such date. As used herein, the term "Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which national banks in the City of New York, New York are authorized, or obligated, by law or executive order, to close.

Section 10.21. Waiver of Jury Trial. Seller and Buyer, to the extent they may legally do so, hereby expressly waive any right to trial by jury of any claim, demand, action, cause of action, or proceeding arising under or with respect to this Agreement, or in any way connected with, or related to, or incidental to, the dealings of the parties hereto with respect to this Agreement or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and irrespective of whether sounding in contract, tort, or otherwise. To the extent they may legally do so, Seller and Buyer hereby agree that any such claim, demand, action, cause of action, or proceeding shall be decided by a court trial without a jury and that any party hereto may file an original counterpart or a copy of this Section with any court as written evidence of the consent of the other party or parties hereto to waiver of its or their right to trial by jury.

Section 10.22. No Waiver. Failure of either party at any time to require performance of any provision of this Agreement shall not limit the party's right to enforce the provision. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

Section 10.23. Legal Descriptions. The parties hereby acknowledge that the legal descriptions of the Properties set forth on Exhibit A-1 and Exhibit A-2 attached hereto (the Legal Descriptions) have been prepared based on information available to Seller and Buyer as of the Effective Date. The parties hereby agree to work together in good faith to make any modifications to the Legal Descriptions prior to Closing that may be necessary to: (1) correct any inaccuracies and (2) reflect the intent of the parties that Seller shall transfer and convey all of Seller's rights, title and interest in all of the real properties located at the addresses for such Properties set forth in Exhibit A-1 and Exhibit A-2 attached hereto.

Section 10.24. Matters Related to Specific States.

(a) Texas. The parties hereto waive any rights under the Uniform Vendor and Purchaser Risk Act of the State of Texas contained in Section 5.007 of the Texas Property Code.

(b) Connecticut. In the event that the sale of the Real Property located in Connecticut pursuant to this Agreement is determined to be a transfer of an "establishment" under the Connecticut General Statutes Section 22a-134 et seq (the "Transfer Act"), Seller and Buyer agree to cooperate in complying with the requirements of the Transfer Act. Notwithstanding the foregoing, Seller's responsibility regarding compliance with the Transfer Act shall be limited to assisting in the completion of the appropriate property transfer program form(s) and signing any such form(s) as the "transferor" in connection with the sale contemplated by this Agreement. Seller also agrees to assist Buyer in causing the responsible party to comply with the Transfer Act including but not limited to signing the appropriate property transfer forms as the "certifying party," as such term is defined in the Transfer Act or associated forms, and filing same with the Connecticut Department of Environmental Protection.

(c) Florida. Notification pursuant to Section 404.056, Florida Statutes:

"RADON GAS: RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY HEALTH DEPARTMENT"

(d) Louisiana.

(i) For purposes of Louisiana law, (a) each reference to a "county" will mean a Louisiana "parish"; (b) each reference to a "lien" will include a reference to a "privilege" "mortgage", and/or "security interest", as appropriate; (c) each reference to an "easement" or "easements" will include a reference to a "servitude" and "servitudes"; (d) the terms "land", "real property", and "real estate" will mean "immovable property" as that term is used in the Louisiana Civil Code; (e) the term "personal property" will mean "movable property" as that term is used in the Louisiana Civil Code; (f) the term "tangible" will mean "corporeal" as that term is used in the Louisiana Civil Code; (g) the terms "fee interest," "fee title," and "fee simple title" will mean full ownership interest under Louisiana law; and (h) the term "joint and several liability" means "solidary liability" for purposes of Louisiana law.

(ii) The Bill of Sale for the property located in Louisiana will contain the following waivers in addition to the waivers set out in Exhibit H:

In addition, and except for such representations and warranties as are set forth in Section 5.1 of the Purchase Agreement (subject to the limitations on liability and survival set forth in Section 5.2 of the Purchase Agreement), this conveyance is without any warranties whatsoever with respect to the Personalty, and the Personalty is being sold and transferred "as is, where is," without any warranty of any nature or kind whatsoever, and Buyer hereby expressly waives all warranties whatsoever with respect to the Personalty, including without limitation, all warranty whatsoever with respect to the condition of the Personalty, all warranties with respect to the fitness of the Personalty for any particular use or purpose, and all

warranties under La. Civ. Code art. 2475 with respect to the condition of the Personalty, and La. Civ. Code arts. 2520 through 2548 or any other provision of law. Buyer expressly acknowledges the foregoing and waives any and all rights or causes of action that Buyer has or may have to rescind or resolve this transfer or to demand a reduction in purchase price based upon the existence of any redhibitory or other vices, defects, or other deficiencies in the physical condition of Personalty, based upon the unsuitability of the Personalty or any of its components or parts for Buyer's intended use or any other use, this sale being at Buyer's sole peril and risk with respect to all such Personalty. Buyer acknowledges and agrees that the foregoing disclaimers and waiver of warranties have been fully explained to Buyer and that Buyer understands the same. Buyer acknowledges that neither Seller nor any other person or entity has made any representation, warranty or covenant of any nature whatsoever, directly or indirectly, express or implied, with respect to the existence, merchantability, condition, quality, or description of or otherwise in connection with the Personalty or with respect to the use, title, merchantability, condition, quality, description, durability or fitness of the Personalty for any particular use or purpose or otherwise.

(iii) The Assignment of Leases for the property located in Louisiana will contain the following waiver of warranties in addition to the other provisions set out on Exhibit I:

Except for the representations and warranties as are set forth in Section 5.1 of the Purchase Agreement (subject to the limitations on liability and survival set forth in Section 5.2 of the Purchase Agreement), this assignment is without any warranties whatsoever with respect to the Lease Agreements or the rents, cleaning fees, security deposits and other refundable deposits paid in connection with the Lease Agreements (collectively, the "Assigned Rights"), and Assignee waives all representations and warranties, express or implied, with respect to the Lease Agreements and the other Assigned Rights, including without limitation, all warranties with respect to the solvency of any tenant or other obligor, the existence of any defenses to enforcement or payment, or any other warranties set forth in La. Civ. Code Arts. 2642 through 2654, inclusive, or any other provision of applicable law. Without limiting the generality of the foregoing, and except for the representations and warranties as are set forth in Section 5.1 of the Purchase Agreement (subject to the limitations on liability and survival set forth in Section 5.2 of the Purchase Agreement), Assignee hereby waives any right, claim, or cause of action that it has or may have to rescind or resolve this assignment, in whole or in part, or to demand a diminution or reduction in purchase price based on any defects or defenses, or to otherwise seek the recovery of damages due to or arising out of any occurrences or nonoccurrences relating to any matters covered by any warranty waived herein.

ARTICLE XI
MEMBERSHIP INTEREST

Section 11.1. Additional Defined Terms. For all purposes of this Agreement, the terms defined in this Section 11.1 shall have the following meanings:

"Assignment and Assumption of Membership Interest Agreement" means, with respect to Idaho LLC, an Assignment and Assumption of Membership Interest Agreement in substantially the same form as is attached hereto as Exhibit M.

"Idaho LLC" means HCPI/IDAHO FALLS, LLC, a Delaware limited liability company.

"Idaho Property" means that certain real property owned by Idaho LLC and located in Idaho Falls, Idaho as more particularly described on Exhibit A-l attached hereto.

"Membership Interest" means HCP's entire membership interest in Idaho LLC, including without limitation HCP's economic interest therein, any and all rights of HCP to vote and otherwise participate in Idaho LLC's affairs, and HCP's rights to any and all benefits to which HCP may be entitled as a member thereof.

"Operating Agreement" means that certain Limited Liability Company Operating Agreement of Idaho LLC, dated as of September 6, 2001.

Section 11.2. Purchase and Sale of the Membership Interest.

(a) Notwithstanding anything to the contrary in this Agreement, on the Closing Date, subject to the other terms and conditions of this Article XI, in lieu of Buyer acquiring direct title to the Idaho Property, HCP agrees to sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase, acquire and accept from HCP, the Membership Interest, with no reduction or modification of the Purchase Price and the Allocated Purchase Price of the Idaho Property shall be the Allocated Purchase Price of the Membership Interest.

(b) All of the provisions of this Agreement applicable to the purchase of the Properties shall apply, to the extent applicable, to the purchase of the Membership Interest in Idaho LLC, except as follows:

(i) In lieu of a Deed and Bill of Sale, with respect to the Idaho Property and the Idaho LLC, HCP and Buyer shall execute and deliver the Assignment and Assumption of Membership Interest Agreement; and

(ii) Any Title Policy with respect to the Idaho Property shall be in the name of Idaho LLC.

(c) Effective upon the Closing, HCP shall withdraw and resign as the managing member of Idaho LLC, pursuant to a written agreement reasonably acceptable to Buyer.

Section 11.3. Additional Representations and Warranties of HCP. Without limiting the representations and warranties of HCP or any other Seller pursuant to Section 5.1 of this Agreement, HCP further represents and warrants as follows:

(a) Membership Interests.

(i) The Membership Interest represents eighty-eight percent (88%) of the outstanding ownership interests of the members of Idaho LLC, subject to adjustment in accordance with the provisions of the Operating Agreement. HCP owns the Membership Interest free and clear of any restrictions on transfer, tax liens, security interests, options, warrants, purchase rights, contracts, commitments, equities, claims, and demands of any kind (other than

any restrictions under the Securities Exchange Act, state securities laws and the Operating Agreement).

(ii) To HCP's Knowledge, a true and correct list of the members of Idaho LLC and their respective ownership percentages are attached hereto as Schedule 11.3(a).

(iii) HCP is not a party to any purchase right or other contract or commitment that could require HCP to sell, transfer or otherwise dispose of all or any portion of the Membership Interest, except as provided in the Operating Agreement.

(iv) The Membership Interest shall be conveyed to Buyer free and clear of any restrictions on transfer, taxes, security interests, options, warrants, purchase rights, contracts, commitments, equities, claims, and demands of any kind (other than any restrictions under the Securities Exchange Act, state securities laws and the Operating Agreement).

(b) Governing Documents. HCP has delivered to Buyer true, correct and complete copies of the Governing Documents of Idaho LLC. To HCP's Knowledge, there is no claim or dispute by any member, officer, director or affiliate of Idaho LLC pending or otherwise threatened against HCP regarding HCP's noncompliance with any responsibilities or obligations of HCP required under the Governing Documents or by law, nor does HCP have Knowledge of any facts which might result in any such claim or dispute.

(c) Organization, Qualification of Idaho LLC. Idaho LLC has been duly organized, is validly existing under the laws of the State of Delaware, and is qualified to do business and in good standing in the State of Idaho.

(d) Power and Authority of Idaho LLC. Idaho LLC has limited liability company power and authority and all licenses, permits, and authorizations necessary to carry on the business in which it is engaged and to own the Idaho Property. Prior to Closing, no person other than HCP shall have the right to manage or control Idaho LLC.

(e) Business. The only material business in which Idaho LLC is engaged is to own and lease the Idaho Property.

Section 11.4. Additional Representations of Buyer. Without limiting the representations and warranties of Buyer pursuant to Section 5.3 of this Agreement, Buyer further represents and warrants as follows:

(a) Investment Intent. Buyer is acquiring the Membership Interest for its own account for investment purposes and not with a view to the distribution thereof to others.

(b) AS IS. Except as otherwise specifically provided herein, HCP has not made any representations, warranties, or agreements concerning the Membership Interest or any assets or liabilties of Idaho LLC, and Buyer is acquring the Membership Interest of Idaho LLC "AS IS" and agrees to bear all risk regarding all attributes and conditions relating to the Membership Interest and Idaho LLC and the assets and liabilites thereof.

Section 11.5. Additional Provisions Related to the Membership Interest.

(a) Credits. Notwithstanding anything contained in this Agreement to the contrary, Seller shall be entitled to a credit at Closing equal to the amount that HCP would receive if one hundred percent (100%) of the accounts receivable existing with respect to the Idaho Property as of the Closing Date were collected by Idaho LLC immediately prior to Closing and disbursed to the members thereof prior to Closing in accordance with the terms of the Operating Agreement. A post-Closing true-up shall be performed ninety (90) days after the Closing Date, at which time Seller shall pay to Buyer an amount equal to that portion of such credit that pertains to any such accounts receivable which were not received by Idaho LLC from the applicable tenant prior to such true-up. Subsequent to Buyer's receipt of any such true-up payment from Seller, if Buyer, Seller or Idaho LLC receives any funds from the tenant from which such accounts receivable were due, then the portion of such funds to which Buyer shall be entitled by virtue of its ownership of the Membership Interest shall be disbursed (i) first to Seller up to the amount of any such true-up payment previously made, and (ii) the remainder to Buyer. Buyer shall cause Idaho LLC to make any distributions necessary to effectuate the provisions of this paragraph. Subject to its rights under this paragraph to retain funds in repayment of any such true-up payment, Seller shall promptly deliver to Buyer any payments of Rent pertaining to the Idaho Property which Seller may receive subsequent to the Closing.

(b) Distributions. Notwithstanding anything contained in this Agreement to the contrary, prior to the Closing, HCP shall be entitled to cause Idaho LLC to make distributions to its members with respect to amounts received and applicable to the period of time prior to Closing.

(c) Partial Termination. Notwithstanding anything contained in this Agreement to the contrary, in the event HCP does not receive consent from the non-managing member under the Operating Agreement to transfer the Membership Interest to Buyer and withdraw as managing member of Idaho LLC, then unless HCP and Buyer shall otherwise agree, this Agreement shall be Partially Terminated with regard to the Membership Interest and the Membership Interest shall be deemed to be a "Deleted Property" for purposes of this Agreement.

(d) Tax Reporting. The taxable year of Idaho LLC shall end on the Closing Date for federal income tax purposes and the accounting and financial books of Idaho LLC shall close on the Closing Date. All items of income, gain, loss and deduction of Idaho LLC attributable to the Membership Interest for the taxable year of Idaho LLC that ends on the Closing Date shall be allocated to HCP and all items of income, gain, loss and deduction of Idaho LLC attributable to the Membership Interest for the taxable year that commences on the day after the Closing Date and ends with Idaho LLC's fiscal year end shall be allocated to Buyer.

ARTICLE XII
PARTNERSHIP INTEREST

Section 12.1. Additional Defined Terms. For all purposes of this Agreement, the terms defined in this Section 12.1 shall have the following meanings:

"Assignment and Assumption of Partnership Interest Agreement" means, with respect to Fayetteville LP and Wichita LP, an Assignment and Assumption of Partnership Interest Agreement in substantially the same form as is attached hereto as Exhibit O.

"Fayetteville LP" means Fayetteville Health Associates Limited Partnership, a Delaware limited partnership.

"Fayetteville LP Agreement" means that certain Agreement of Limited Partnership of Fayetteville LP, dated as of March 28, 1990, as amended by that certain Amendment to Agreement of Limited Partnership of Fayetteville LP, dated as of December 31, 1994, each by and between AHP of Fayetteville, Inc. (as predecessor in interest to HCP) and Northwest Arkansas Rehabilitation Hospital, Ltd., an Alabama limited partnership.

"Fayetteville Partnership Interest" means HCP's entire partnership interest in Fayetteville LP, including without limitation HCP's economic interest therein, any and all rights of HCP to vote and otherwise participate in Fayetteville's affairs, and HCP's rights to any and all benefits to which HCP may be entitled as a partner thereof.

"Fayetteville Property" means that certain real property owned by Fayetteville LLC and located in Fayetteville, Arkansas as more particularly described on Exhibit A-l attached hereto.

"Limited Partnerships" mean, collectively, the Fayetteville LP and the Wichita LP.

"LP Properties" mean, collectively, the Wichita Property and the Fayetteville Property.

"LP Agreements" mean, collectively, the Fayetteville LP Agreement and the Wichita LP Agreement.

"Partnership Interests" mean, collectively, the Fayetteville Partnership Interest and the Wichita Partnership Interest.

"Wichita LP" means Wichita Health Associates Limited Partnership, a Delaware limited partnership.

"Wichita LP Agreement" means that certain Agreement of Limited Partnership of Wichita LP, dated as of December 18, 1990, by and between AHP of Wichita, Inc. (as predecessor in interest to HCP) and CMS Wichita Rehabilitation, Inc., a Delaware corporation.

"Wichita Partnership Interest" means HCP's entire partnership interest in Wichita LP, including without limitation HCP's economic interest therein, any and all rights of HCP to vote and otherwise participate in Wichita LP's affairs, and HCP's rights to any and all benefits to which HCP may be entitled as a partner thereof.

"Wichita Property" means that certain real property owned by Wichita LP and located in Wichita, Kansas as more particularly described on Exhibit A-l attached hereto.

Section 12.2. Purchase and Sale of the Partnership Interests.

(a) Notwithstanding anything to the contrary in this Agreement, on the Closing Date, subject to the other terms and conditions of this Article XII, in lieu of Buyer acquiring direct title to the LP Properties, HCP agrees to sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase, acquire and accept from HCP, the Partnership Interests, with no reduction or modification of the Purchase Price and the Allocated Purchase Price of the LP Properties shall be treated as the Allocated Purchase Price of the Partnership Interests in the Limited Partnership.

(b) All of the provisions of this Agreement applicable to the purchase of the Properties shall apply, to the extent applicable, to the purchase of the Partnership Interests in the Limited Partnerships, except as follows:

(i) In lieu of a Deed and Bill of Sale, with respect to the LP Properties and the Limited Partnerships, HCP and Buyer shall execute and deliver the Assignment and Assumption of Partnership Interest Agreement; and

(ii) Any Title Policies with respect to the LP Properties shall be in the name of the applicable Limited Partnerships.

(c) Effective upon the Closing, HCP shall withdraw and resign as the general partner of each Limited Partnership, pursuant to a written agreement reasonably acceptable to Buyer.

Section 12.3. Additional Representations and Warranties of HCP. Without limiting the representations and warranties of HCP or any other Seller pursuant to Section 5.1 of this Agreement, HCP further represents and warrants as follows:

(a) Partnership Interests.

(i) The Fayetteville Partnership Interest represents ninety-seven percent (97%) of the outstanding partnership interests of the partners of the Fayetteville LP and consists of a seven percent (7%) interest as general partner and a ninety percent (90%) interest as limited partner. The Wichita Partnership Interest represents ninety-seven percent (97%) of all partnership interests of the partners of the Wichita LP and consists of a seven percent (7%) interest as general partner and a ninety percent (90%) interest as limited partner. HCP owns the Partnership Interests free and clear of any restrictions on transfer, tax liens, security interests, options, warrants, purchase rights, contracts, commitments, equities, claims, and demands of any kind (other than any restrictions under the Securities Exchange Act, state securities laws and the LP Agreements).

(ii) To HCP's Knowledge, a true and correct list of the general and limited partners of the Limited Partnerships and their respective ownership percentages are attached hereto as Schedule 12.3(a).

(iii) HCP is not a party to any purchase right or other contract or commitment that could require HCP to sell, transfer or otherwise dispose of all or any portion of the Partnership Interests, except as provided in the LP Agreements.

(iv) The Partnership Interests shall be conveyed to Buyer free and clear of any restrictions on transfer, taxes, security interests, options, warrants, purchase rights, contracts,

commitments, equities, claims, and demands of any kind (other than any restrictions under the Securities Exchange Act, state securities laws and the LP Agreements).

(b) Governing Documents. HCP has delivered to Buyer true, correct and complete copies of the Governing Documents of the Limited Partnerships. To HCP's Knowledge, there is no claim or dispute by any partner, officer, director or affiliate of the Limited Partnerships pending or otherwise threatened against HCP regarding HCP's noncompliance with any responsibilities or obligations of HCP required under the Governing Documents or by law, nor does HCP have Knowledge of any facts which might result in any such claim or dispute.

(c) Organization, Qualification of the Limited Partnerships. Each Limited Partnership has been duly organized, is validly existing under the laws of the State of Delaware, and is qualified to do business and in good standing in the state in which its property is located.

(d) Power and Authority of the Limited Partnerships. The Limited Partnerships have limited partnership power and authority and all licenses, permits, and authorizations necessary to carry on the businesses in which they are engaged and to own their respective LP Properties. Prior to Closing, HCP shall be the sole general partner of the Limited Partnerships and no person other than HCP shall have the right to manage or control the Limited Partnerships.

(e) Business. The only material business in which each Limited Partnership is engaged is to own and lease its respective LP Property.

Section 12.4. Additional Representations of Buyer. Without limiting the representations and warranties of Buyer pursuant to Section 5.3 of this Agreement, Buyer further represents and warrants as follows:

(a) Investment Intent. Buyer is acquiring the Partnership Interests for its own account for investment purposes and not with a view to the distribution thereof to others.

(b) AS IS. Except as otherwise specifically provided herein, HCP has not made any representations, warranties, or agreements concerning the Partnership Interests or any assets or liabilties of the Limited Partnerships, and Buyer is acquring the Partnership Interests of the Limited Partnerships "AS IS" and agrees to bear all risk regarding all attributes and conditions relating to the Partnership Interests and the Limited Partnerships and the assets and liabilites thereof.

(c) Acceptable Successor. Buyer shall qualify as an acceptable successor general partner under the LP Agreements, as (i) Buyer has not directly or indirectly derived more than ten percent (10%) of its gross revenues during the calendar year immediately preceding the Closing from the operation of comprehensive rehabilitation or acute care hospitals, and (ii) Buyer has a minimum net worth of $15,000,000.

Section 12.5. Additional Provisions Related to the Partnership Interests.

(a) Credits. Notwithstanding anything contained in this Agreement to the contrary, Seller shall be entitled to a credit at Closing equal to the amount that HCP would receive if one hundred percent (100%) of the accounts receivable existing with respect to the LP Properties as

of the Closing Date were collected by the Limited Partnerships immediately prior to Closing and disbursed to the partners thereof prior to Closing in accordance with the terms of the LP Agreements. A post-Closing true-up shall be performed ninety (90) days after the Closing Date, at which time Seller shall pay to Buyer an amount equal to that portion of such credit that pertains to any such accounts receivable which were not received by the Limited Partnerships from the applicable tenants prior to such true-up. Subsequent to Buyer's receipt of any such true-up payment from Seller, if Buyer, Seller or the Limited Partnerships receives any funds from the tenant from which such accounts receivable were due, then the portion of such funds to which Buyer shall be entitled by virtue of its ownership of the Partnership Interests shall be disbursed (i) first to Seller up to the amount of any such true-up payment previously made, and (ii) the remainder to Buyer. Buyer shall cause the Limited Partnerships to make any distributions necessary to effectuate the provisions of this paragraph. Subject to its rights under this paragraph to retain funds in repayment of any such true-up payment, Seller shall promptly deliver to Buyer any payments of Rent pertaining to the LP Properties which Seller may receive subsequent to the Closing.

(b) Distributions. Notwithstanding anything contained in this Agreement to the contrary, prior to the Closing, HCP shall be entitled to cause the Limited Partnerships to make distributions to the respective partners therein with respect to amounts received and applicable to the period of time prior to Closing.

(c) Tax Reporting. The taxable year of each Limited Partnership shall end on the Closing Date for federal income tax purposes and the accounting and financial books of each Limited Partnership shall close on the Closing Date. All items of income, gain, loss and deduction of each Limited Partnership attributable to the applicable Partnership Interest for the taxable year of each Limited Partnership that ends on the Closing Date shall be allocated to HCP and all items of income, gain, loss and deduction of each Limited Partnership attributable to the applicable Partnership Interest for the taxable year that commences on the day after the Closing Date and ends with each Limited Partnership's fiscal year end shall be allocated to Buyer

(d) Partial Termination. Notwithstanding anything contained in this Agreement to the contrary, in the event HCP does not receive (i) consents from the limited partners under the LP Agreements to transfer the Partnership Interests to Buyer and withdraw as general partner of the Limited Partnerships, and (ii) a waiver of the requirement for delivery of any opinions necessary for such transfers, and of Section 10.4 of each LP Agreement, then unless HCP and Buyer shall otherwise agree, this Agreement shall be Partially Terminated with regard to the Partnership Interests and the Partnership Interests shall be deemed to be a "Deleted Property" for purposes of this Agreement.

(e) Additional Documentation. In order to effectuate the transfer of the general partnership interest of each of the Limited Partnerships in accordance with Section 10.8 of each of the LP Agreements, Buyer shall (i) execute and deliver to each of the Limited Partnerships a legally binding addendum to each of the LP Agreements whereby Buyer agrees to be bound by all of the terms and conditions thereof and to serve as general partner thereof, elects to continue the business of the applicable Limited Partnership, and accepts all of the duties and obligations of the general partner thereof, and (ii) with respect to each of the Limited Partnerships, execute and file with the Office of Secretary of State to the State of Delaware an amended Certificate of

Limited Partnership of the applicable Limited Partnership effecting the substitution of Buyer as the general partner thereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

SELLER:

HCP, INC., a Maryland corporation

By: /s/ Brain J. Maas
Name: Brain J. Maas
Its: SVP

FAEC HOLDINGS (BC), LLC,
a Delaware limited liability company

By: HCP, INC., a Maryland corporation
its Sole Member

By: /s/ Brain J. Maas
Name: Brain J. Maas
Its: SVP

HCP DAS PETERSBURG VA, LP,
a Delaware limited partnership

By: HCP DAS PETERSBURG VA GP, LLC, a Delaware limited Iiability company, its General Partner

By: /s/ Brain J. Maas
Name Brain J. Maas
Its: SVP

TEXAS HCP HOLDING, L.P.,
a Delaware limited partnership

By: TEXAS HCP G.P., INC., a Delaware corporations-its General Partner

By: /s/ Brain J. Maas
Name: Brain J. Maas
Its: SVP

HCPI TRUST, a Maryland real estate trust

By: /s/ Brain J. Maas
Name: Brain J. Maas
Its: SVP

BUYER:

MPT OPERATING PARTNERSHIP, L.P.
a Delaware limited partnership

By: MEDICAL PROPERTIES TRUST, LLC,
a Delaware limited liability company, its General Partner

By: MEDICAL PROPERTIES TRUST, INC.,
a Maryland corporation, its Sole Member

By: /s/ Michael G. Stewart
Name: MICHAEL G. STEWART
Its: EXECUTIVE VP & GENERAL COUNSEL

EXECUTION COPY

Exhibit 10.3

FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS
BY AND BETWEEN
THE SELLER PARTIES IDENTIFIED HEREIN
("Seller")
and
MPT OPERATING PARTNERSHIP, L.P.,
a Delaware limited partnership
("Buyer")

Dated effective as of March 28, 2008

FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Amendment") is made effective as of March 28, 2008 (the "Effective Date"), by and between HCP, INC. (formerly known as Health Care Property Investors, Inc.), a Maryland corporation ("HCP"), FAEC HOLDINGS (BC), LLC, a Delaware limited liability company ("FAEC"), HCPI TRUST, a Maryland real estate trust ("HCPIT"), HCP DAS PETERSBURG VA, LP, a Delaware limited partnership ("HCPDAS"), and TEXAS HCP HOLDING, L.P., a Delaware limited partnership ("THH", and together with HCP, HCPIT, HCPDAS and FAEC collectively, "Seller"), and MPT OPERATING PARTNERSHIP, L.P., a Delaware limited partnership ("Buyer").

RECITALS

A. Buyer and Seller entered into that certain Agreement of Purchase and Sale dated as of March 13, 2008 (the "Purchase Agreement"), for the purchase and sale of certain properties more particularly described therein. All capitalized terms used but not defined in this Amendment shall have the same meanings as set forth in the Purchase Agreement.

B. Buyer and Seller wish to amend the Purchase Agreement as set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree that the Purchase Agreement is amended as follows:

1. Closing Date. In the first sentence of Section 4.1(a) of the Purchase Agreement, "March 28, 2008" is hereby replaced with "March 31, 2008", such that the Closing Date under the
Purchase Agreement shall be March 31, 2008.

2. Continuity of Purchase Agreement. Except as amended by this Amendment, the Purchase Agreement remains in full force and effect and is hereby ratified and confirmed.

3. Counterparts. This Amendment may be executed in counterparts, all such executed counterparts shall constitute the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

4. Electronically Transmitted Signatures. Telecopied signatures or signatures sent by electronic mail may be used in place of original signatures on this Amendment. Seller and Buyer intend to be bound by the signatures on the telecopied or electronically mailed document, are aware that the other party will rely on the telecopied or electronically mailed signatures, and hereby waive any defenses to the enforcement of the terms of this Amendment based on the

form of signature. Following any facsimile or electronic mail transmittal, the party shall promptly deliver the original instrument by reputable overnight courier in accordance with the notice provisions of the Purchase Agreement.

5. Severability. If any provision of this Amendment is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Amendment shall nonetheless remain in full force and effect.

6. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York without regard to any principle or rule of law that would require the application of the law of any other jurisdiction.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the Effective Date.

SELLER:

HCP, INC.,
a Maryland corporation

By: /s/ Brian J. Maas
Name: Brian J. Maas
Its: SVP

FAEC HOLDINGS (BC), LLC,
a Delaware limited liability company

By: HCP, INC., a Maryland corporation
its Sole Member

By: /s/ Brian J. Maas
Name: Brian J. Maas
Its: SVP

HCP DAS PETERSBURG VA, LP,
a Delaware limited partnership

By: HCP DAS PETERSBURG VA GP, LLC,
a Delaware limited liability company, its General Partner

By: /s/ Brian J. Maas
Name: Brian J. Maas
Its: SVP

TEXAS HCP HOLDING, L.P.,
a Delaware limited partnership

By: TEXAS HCP G.P., INC.,
a Delaware corporation, its General Partner

By: /s/ Brian J. Maas
Name: Brian J. Maas
Its: SVP

HCPI TRUST,
a Maryland real estate trust

By: /s/ Brian J. Maas
Name: Brian J. Maas
Its: SVP

BUYER:

MPT OPERATING PARTNERSHIP, L.P.,
a Delaware limited partnership

By: MEDICAL PROPERTIES TRUST, LLC,
a Delaware limited liability company, its General Partner

By: MEDICAL PROPERTIES TRUST, INC.,
a Maryland corporation, its Sole Member

By: /s/ Emmett E McLean
Name: Emmett E McLean
Its: Executive Vice President and COO

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TORULE 13a-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, Edward K. Aldag, Jr., certify that:

1) I have reviewed this quarterly report on Form 10-Q 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 changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter 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 registrant's board of directors:

   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: May 9, 2008

/s/ Edward K. Aldag, Jr.
Edward K. Aldag, Jr.
Chairman, President and Chief Executive Officer

Exhibit 31.2

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 quarterly report on Form 10-Q 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 changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter 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 registrant's board of directors:

   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: May 9, 2008

/s/ R. Steven Hamner
R. Steven Hamner
Executive Vice President and Chief Financial Officer

Exhibit 32

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 quarterly report on Form 10-Q of Medical Properties Trust, Inc. (the "Company") for the quarter ended March 31, 2008 (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: May 9, 2008

/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

Exhibit 99.1
Unaudited

PRIME HEALTHCARE SERVICES, INC.
CONSOLIDATED FINANCIALS
BALANCE SHEET AS OF September 30, 2007

CURRENT ASSETS	
Cash and Cash Equivalents	$ 31,786,598
Accounts Receivable	355,462,224
Allowance for Bad Debts	(30,458,790)
Alowance for Contractuals	(257,289,498)
Net Accounts Receivable	67,713,936
Other Receivables	14,513,118
Inventories	3,000,910
Prepaid Expenses and Other	18,467,599
Total Current Assets	135,482,161
PROPERTY AND EQUIPMENT	
Land and Land Improvements	—
Buildings and Bldg. Improvements	519,917
Leasehold Improvements	5,166,325
Equipment	65,051,676
Construction in Progress	10,527,535
Total Property and Equipment	81,265,453
Accumulated Depreciation	(25,038,078)
NET PROPERTY & EQUIPMENT	56,227,375
LONG TERM ASSETS	
Long Term Notes	10,000,000
Deposits	411,565
Other LT Assets	22,191,757
Total Long Term Assets	32,603,322
TOTAL ASSETS	**$ 224,312,858**

CURRENT LIABILITIES	
Accounts Payable	$ 24,530,646
Accrued Payroll	17,878,184
Notes Payable	5,801,586
Other Accrued Liabilities	7,419,013
IBNR	3,974,897
Due to (From) Fiscal Intermediaries	7,523,138
Line of Credit	—
Current Portion Long Term Debt	6,221,673
Total Current Liabilities	73,349,137
LONG TERM LIABILITIES	
Capital Leases	506,869
Other Loans	16,429,752
Other Long Term Liabilities	12,248,587
Total Long Term Liabilities	29,185,208
Total Inter-Co Payable / (Receivable)	—
TOTAL DUE TO/(FROM) RELATED ENTITIES	10,949,672
Total Liabilities	**113,484,017**
EQUITY	
Paid In Capital	8,353,701
Retained Earnings	105,845,103
Distribution	(64,844,882)
Current Year Earnings / (Loss)	61,474,919
Total Equity	110,828,841
	—
TOTAL LIABILITIES AND EQUITY	**$ 224,312,858**

Unaudited

PRIME HEALTHCARE SERVICES, INC.
CONSOLIDATED FINANCIALS
INCOME STATEMENT AS OF SEPTEMBER 30, 2007

REVENUE	
NET PATIENT REVENUE	471,323,018
CAPITATION REVENUE	21,463,665
OTHER REVENUE	11,554,161
TOTAL OPERATING REVENUE	**504,340,844**
OPERATING EXPENSES	
COMPENSATION AND EMPLOYEE BENEFITS	213,605,675
PROVISION FOR DOUBTFUL ACCOUNTS	78,696,909
GENERAL AND ADMINISTRATIVE	77,392,573
MEDICAL SUPPLIES	28,078,414
PROFESSIONAL FEES	32,605,348
DEPRECIATION / AMORTIZATION	4,509,755
MEDICAL CLAIMS	4,366,425
TOTAL OPERATING EXPENSES	**439,255,098**
NET OPERATING INCOME (LOSS)	**65,085,747**
INTEREST	2,702,299
PRE-TAX INCOME (LOSS)	**62,383,448**
INCOME TAX EXPENSE	908,529
NET INCOME (LOSS)	**61,474,919**

Unaudited

PRIME HEALTHCARE SERVICES, INC.
CONSOLIDATED FINANCIALS
STATEMENT OF CASH FLOWS AS OF SEPTEMBER 30, 2007

Cash Flow From Operations:	
Net Income	$ 61,474,919
Depreciation	4,336,973
Amortization	0
Minority Interest	0
(Inc)/Dec in A/R	(14,316,409)
(Inc)/Dec in Inventory	(767,296)
(Inc)/Dec in Prepaids	9,453,434
(Inc)/Dec in Other Receivables	(12,613,161)
Inc/(Dec) in Payroll Payables	11,630,366
Inc/(Dec) in Accrued Payables	5,991,395
Inc/(Dec) in IBNR	(4,984,191)
Inc/(Dec) in Other Liabilities	(1,028,302)
Inc/(Dec) in Fiscal Inter	4,882,948
Inc/(Dec) in Other Acc Exp	0
Total Cash From Operations	**64,060,676**
Cash Flow From Investing	
Capital Expenditures	(29,519,083)
Pmts to Acquire Other Assets	0
Total Cash From Investing	**(29,519,083)**
Cash Flow From Financing	
Funds Provided (to) from Related Party	6,236,248
Distributions to Share Holders	(64,844,882)
Shareholder Contrbution	0
Borrow (Repayment) of Debt	42,057,809

	Unaudited
(Repayment) of Capital Leases	(188,557)
Net Proceeds From Owners Contribution	0
Pmt for Acquisition	0
Total Cash Flow From Financing/Dist	**(16,739,382)**
Total Cash Flow	**17,802,211**
Beginning Cash Balance	13,984,387
Ending Cash Balance	**$ 31,786,598**