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 September 30, 2015

OR

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

For the transition period from __________ to __________

Commission file number 001-32559

MEDICAL PROPERTIES TRUST, INC.
MPT OPERATING PARTNERSHIP, L.P.
(Exact Name of Registrant as Specified in Its Charter)

MARYLAND **DELAWARE** **(State or other jurisdiction of incorporation or organization)**	**20-0191742** **20-0242069** **(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 ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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.

Large accelerated filer	☒ (Medical Properties Trust, Inc. only)	Accelerated filer	☐
Non-accelerated filer	☒ (MPT Operating Partnership, L.P. only) (Do not check if a smaller reporting company)	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 ☐ No ☒

As of November 6, 2015, Medical Properties Trust, Inc. had 237,837,152 shares of common stock, par value $0.001, outstanding.

EXPLANATORY NOTE

This report combines the Quarterly Reports on Form 10-Q for the three and nine months ended September 30, 2015, of Medical Properties Trust, Inc., a Maryland corporation, and MPT Operating Partnership, L.P., a Delaware limited partnership, through which Medical Properties Trust, Inc. conducts substantially all of its operations. Unless otherwise indicated or unless the context requires otherwise, all references in this report to “we,” “us,” “our,” “our company,” “Medical Properties,” “MPT,” or “the company” refer to Medical Properties Trust, Inc. together with its consolidated subsidiaries, including MPT Operating Partnership, L.P. Unless otherwise indicated or unless the context requires otherwise, all references to “our operating partnership” or “the operating partnership” refer to MPT Operating Partnership, L.P. together with its consolidated subsidiaries.

MEDICAL PROPERTIES TRUST, INC. AND MPT OPERATING PARTNERSHIP, L.P.
AND SUBSIDIARIES
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED September 30, 2015

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In thousands, except per share amounts)	September 30, 2015 (Unaudited)	December 31, 2014 (Note 2)
Assets		
Real estate assets		
Land, buildings and improvements, and intangible lease assets	$ 3,206,056	$ 2,172,775
Mortgage loans	762,584	397,594
Net investment in direct financing leases	618,493	439,516
Gross investment in real estate assets	4,587,133	3,009,885
Accumulated depreciation and amortization	(239,950)	(202,627)
Net investment in real estate assets	4,347,183	2,807,258
Cash and cash equivalents	332,235	144,541
Interest and rent receivables	47,153	41,137
Straight-line rent receivables	73,976	59,128
Other loans	710,076	573,167
Other assets	122,700	122,105
Total Assets	**$ 5,633,323**	**$ 3,747,336**
Liabilities and Equity		
Liabilities		
Debt, net	$ 3,364,119	$ 2,201,654
Accounts payable and accrued expenses	123,888	112,623
Deferred revenue	21,594	27,207
Lease deposits and other obligations to tenants	11,119	23,805
Total Liabilities	3,520,720	2,365,289
Commitments and Contingencies		
Equity		
Preferred stock, $0.001 par value. Authorized 10,000 shares; no shares outstanding	—	—
Common stock, $0.001 par value. Authorized 500,000 shares; issued and outstanding — 236,656 shares at September 30, 2015 and 172,743 shares at December 31, 2014	236	172
Additional paid in capital	2,591,234	1,765,381
Distributions in excess of net income	(423,874)	(361,330)
Accumulated other comprehensive loss	(59,731)	(21,914)
Treasury shares, at cost	(262)	(262)
Total Medical Properties Trust, Inc. Stockholders' Equity	2,107,603	1,382,047
Non-controlling interests	5,000	—
Total Equity	2,112,603	1,382,047
Total Liabilities and Equity	**$ 5,633,323**	**$ 3,747,336**

See accompanying notes to condensed consolidated financial statements.

MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Income
(Unaudited)

(In thousands, except per share amounts)	For the Three Months Ended September 30, 2015	2014	For the Nine Months Ended September 30, 2015	2014
Revenues				
Rent billed	$ 70,358	$ 48,063	$177,351	$136,952
Straight-line rent	5,023	5,282	15,003	10,648
Income from direct financing leases	14,692	12,308	40,055	36,787
Interest and fee income	24,497	15,124	77,924	46,039
Total revenues	114,570	80,777	310,333	230,426
Expenses				
Real estate depreciation and amortization	20,016	13,354	49,728	39,485
Impairment charges	—	—	—	50,128
Property-related	1,727	700	2,608	1,401
General and administrative	10,778	8,672	32,325	25,836
Acquisition expenses	24,949	4,886	56,997	7,933
Total operating expenses	57,470	27,612	141,658	124,783
Operating income	57,100	53,165	168,675	105,643
Other income (expense)				
Other income (expense)	1,350	75	780	44
Earnings from equity and other interests	476	1,153	2,432	2,059
Interest expense	(31,643)	(25,481)	(84,961)	(71,455)
Unutilized financing fees / debt refinancing costs	(4,080)	—	(4,319)	(290)
Income tax expense	(80)	(249)	(1,018)	(232)
Net other expense	(33,977)	(24,502)	(87,086)	(69,874)
Income from continuing operations	23,123	28,663	81,589	35,769
Loss from discontinued operations	—	—	—	(2)
Net income	23,123	28,663	81,589	35,767
Net income attributable to non-controlling interests	(66)	(126)	(228)	(192)
Net income attributable to MPT common stockholders	**$ 23,057**	**$ 28,537**	**$ 81,361**	**$ 35,575**
Earnings per common share — basic and diluted				
Income from continuing operations attributable to MPT common stockholders	$ 0.10	$ 0.16	$ 0.38	$ 0.21
Loss from discontinued operations attributable to MPT common stockholders	—	—	—	—
Net income attributable to MPT common stockholders	$ 0.10	$ 0.16	$ 0.38	$ 0.21
Weighted average shares outstanding:				
Basic	223,948	171,893	211,659	169,195
Diluted	223,948	172,639	212,068	169,852
Dividends declared per common share	**$ 0.22**	**$ 0.21**	**$ 0.66**	**$ 0.63**

See accompanying notes to condensed consolidated financial statements.

MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

(In thousands)	For the Three Months Ended September 30, 2015	2014	For the Nine Months Ended September 30, 2015	2014
Net income	$23,123	$28,663	$ 81,589	$35,767
Other comprehensive income:				
Unrealized gain on interest rate swap	727	1,136	2,042	2,342
Foreign currency translation loss	(573)	(1,319)	(39,859)	(1,273)
Total comprehensive income	23,277	28,480	43,772	36,836
Comprehensive income attributable to non-controlling interests	(66)	(126)	(228)	(192)
Comprehensive income attributable to MPT common stockholders	$23,211	$28,354	$ 43,544	$36,644

See accompanying notes to condensed consolidated financial statements.

MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended September 30, 2015	2014
	(In thousands)	
Operating activities		
Net income	$ 81,589	$ 35,767
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	51,149	40,403
Straight-line rent revenue	(17,815)	(11,599)
Straight-line rent write-off	2,812	950
Impairment charges	—	50,128
Direct financing lease interest accretion	(5,286)	(4,954)
Share-based compensation	8,383	6,571
Gain on sale of real estate	(3,268)	—
Amortization and write-off of deferred financing costs and debt discount	8,612	3,731
Other adjustments	(265)	1,175
Changes in:		
Interest and rent receivable	(5,471)	(12,957)
Accounts payable and accrued expenses	11,744	(13,471)
Net cash provided by operating activities	132,184	95,744
Investing activities		
Net cash paid for acquisitions and other related investments	(2,020,198)	(182,982)
Net proceeds from sale of real estate	19,175	34,649
Principal received on loans receivable	698,040	8,381
Investment in loans receivable	(354,002)	(9,102)
Construction in progress and other	(125,503)	(97,002)
Net cash used for investing activities	(1,782,488)	(246,056)
Financing activities		
Revolving credit facilities, net	500,415	(105,000)
Additions to term debt	676,877	425,000
Payments of term debt	(210)	(100,197)
Distributions paid	(130,841)	(108,026)
Proceeds from sale of common shares, net of offering costs	817,533	128,270
Lease deposits and other obligations to tenants	(12,669)	10,879
Debt issuance costs paid and other financing activities	(7,950)	(11,757)
Net cash provided by financing activities	1,843,155	239,169
Increase in cash and cash equivalents for period	192,851	88,857
Effect of exchange rate changes	(5,157)	(2,024)
Cash and cash equivalents at beginning of period	144,541	45,979
Cash and cash equivalents at end of period	**$ 332,235**	**$ 132,812**
Interest paid	$ 74,911	$ 62,826
Supplemental schedule of non-cash financing activities:		
Distributions declared, unpaid	$ 52,388	$ 36,277

See accompanying notes to condensed consolidated financial statements.

MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In thousands)	September 30, 2015 (Unaudited)	December 31, 2014 (Note 2)
Assets		
Real estate assets		
Land, buildings and improvements, and intangible lease assets	$ 3,206,056	$ 2,172,775
Mortgage loans	762,584	397,594
Net investment in direct financing leases	618,493	439,516
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Net investment in real estate assets	4,347,183	2,807,258
Cash and cash equivalents	332,235	144,541
Interest and rent receivables	47,153	41,137
Straight-line rent receivables	73,976	59,128
Other loans	710,076	573,167
Other assets	122,700	122,105
Total Assets	**$ 5,633,323**	**$ 3,747,336**
Liabilities and Capital		
Liabilities		
Debt, net	$ 3,364,119	$ 2,201,654
Accounts payable and accrued expenses	71,174	74,195
Deferred revenue	21,594	27,207
Lease deposits and other obligations to tenants	11,119	23,805
Payable due to Medical Properties Trust, Inc.	52,324	38,038
Total liabilities	3,520,330	2,364,899
Commitments and Contingencies		
Capital		
General Partner — issued and outstanding — 2,362 units at September 30, 2015 and 1,722 units at December 31, 2014	21,686	14,055
Limited Partners:		
Common units — issued and outstanding — 234,294 units at September 30, 2015 and 171,021 units at December 31, 2014	2,146,038	1,390,296
LTIP units — issued and outstanding — 292 units at September 30, 2015 and 292 units at December 31, 2014	—	—
Accumulated other comprehensive loss	(59,731)	(21,914)
Total MPT Operating Partnership, L.P. capital	2,107,993	1,382,437
Non-controlling interests	5,000	—
Total capital	2,112,993	1,382,437
Total Liabilities and Capital	**$ 5,633,323**	**$ 3,747,336**

See accompanying notes to condensed consolidated financial statements.

MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES

Condensed Consolidated Statements of Income
(Unaudited)

(In thousands, except per unit amounts)	For the Three Months Ended September 30, 2015	2014	For the Nine Months Ended September 30, 2015	2014
Revenues				
Rent billed	$ 70,358	$ 48,063	$177,351	$136,952
Straight-line rent	5,023	5,282	15,003	10,648
Income from direct financing leases	14,692	12,308	40,055	36,787
Interest and fee income	24,497	15,124	77,924	46,039
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Expenses				
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Earnings per units — basic and diluted				
Income from continuing operations attributable to MPT Operating Partnership partners	$ 0.10	$ 0.16	$ 0.38	$ 0.21
Loss from discontinued operations attributable to MPT Operating Partnership partners	—	—	—	—
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Net income attributable to MPT Operating Partnership partners				
Weighted average units outstanding:				
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Dividends declared per unit	**$ 0.22**	**$ 0.21**	**$ 0.66**	**$ 0.63**

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MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES

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Net cash provided by financing activities	1,843,155	239,169
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Cash and cash equivalents at end of period	**$ 332,235**	**$ 132,812**
Interest paid	$ 74,911	$ 62,826
Supplemental schedule of non-cash financing activities:		
Distributions declared, unpaid	$ 52,324	$ 36,277

See accompanying notes to condensed consolidated financial statements.

1. Organization

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

We 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 the calendar year 2004 federal income tax return. Accordingly, we will generally not be subject to U.S. federal income tax, provided that we continue to qualify as a REIT and our distributions to our stockholders equal or exceed our taxable income. Certain activities we undertake must be conducted by entities which we elected to be treated as taxable REIT subsidiaries ("TRSs"). Our TRSs are subject to both U.S. federal and state income taxes. For our properties located outside the United States, we are subject to local taxes; however, we do not expect to incur additional taxes in the United States as such income will flow through our REIT.

Our primary business strategy is to acquire and develop real estate and improvements, primarily for long-term lease to providers of healthcare services such as operators of general acute care hospitals, 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. We also make mortgage and other loans to operators of similar facilities. In addition, we may obtain profits or equity interests in our tenants, from time to time, in order to enhance our overall return. We manage our business as a single business segment. All of our properties are located in the United States and Europe.

2. Summary of Significant Accounting Policies

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 and nine month periods ended September 30, 2015, are not necessarily indicative of the results that may be expected for the year ending December 31, 2015. The condensed consolidated balance sheet at December 31, 2014 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

For information about significant accounting policies, refer to the consolidated financial statements and footnotes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2014. During the nine months ended September 30, 2015, there were no material changes to these policies.

Recent Accounting Developments:

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers." Under the new standard, revenue is recognized at the time a good or service is transferred to a customer for the amount of consideration received for that specific good or service. Entities may use a full retrospective approach or report the cumulative effect as of the date of adoption. On April 1, 2015, the FASB proposed deferring the effective date of this standard by one year to December 15, 2017, for annual reporting periods beginning after that date. The FASB also proposed permitting early adoption of the standard, but not before the original effective date of December 15, 2016. We do not expect this standard to have a significant impact on our financial results, as a substantial portion of our revenue consists of rental income from leasing arrangements, which are specifically excluded from ASU No. 2014-09.

Presentation of Debt Issuance Costs

In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This standard amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a deduction from the carrying amount of the related debt liability instead of a deferred charge. It is effective for annual reporting periods beginning after December 15, 2015, but early adoption is permitted.

Amendments to the Consolidation Analysis

In February 2015, the FASB issued ASU 2015-02 that modifies the evaluation of whether limited partnerships and similar legal entities are VIEs, eliminates the presumption that a general partner should consolidate a limited partnership and affects the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships. We do not believe this proposed standard will have a significant impact on us. This ASU is effective for fiscal years beginning after December 15, 2015, but early adoption is permitted.

Variable Interest Entities

At September 30, 2015, we had loans to and/or equity investments in certain variable interest entities ("VIEs"), which are also tenants of our facilities, including Ernest Health, Inc. ("Ernest") and Capella Holdings, Inc. ("Capella"). We have determined that we are not the primary beneficiary of these VIEs. The carrying value and classification of the related assets and maximum exposure to loss as a result of our involvement with these VIEs are presented below at September 30, 2015 (in thousands):

VIE Type	Maximum Loss Exposure(1)	Asset Type Classification	Carrying Amount(2)
Loans, net	$ 988,497	Mortgage and other loans	$923,885
Equity investments	$ 54,353	Other assets	$ 6,297

(1) Our maximum loss exposure related to loans with VIEs represents our current aggregate gross carrying value of the loan plus accrued interest and any other related assets (such as rent receivables), less any liabilities. Our maximum loss exposure related to our equity investment in VIEs represents the current carrying values of such investment plus any other related assets (such as rent receivables) less any liabilities.

(2) Carrying amount reflects the net book value of our loan or equity interest only in the VIE.

For the VIE types above, we do not consolidate the VIE because we do not have the ability to control the activities (such as the day-to-day healthcare operations of our borrower or investees) that most significantly impact the VIE's economic performance. As of September 30, 2015, we were not required to provide any material financial support through a liquidity arrangement or otherwise to our unconsolidated VIEs, including circumstances in which it could be exposed to further losses (e.g., cash short falls).

Typically, our loans are collateralized by assets of the borrower (some assets of which are on the premises of facilities owned by us) and further supported by limited guarantees made by certain principals of the borrower.

See Note 3 for additional description of the nature, purpose and activities of our more significant VIEs and interests therein.

3. Real Estate and Lending Activities

Acquisitions

2015 Activity

Acquisition of Capella Healthcare Hospital Portfolio

On August 31, 2015, we closed on our acquisition of Capella. Our investment in the portfolio includes seven acute care hospitals (two properties of which our investment is in the form of mortgage loans), an acquisition loan, and an equity interest in the operator for a combined purchase price and investment of approximately $900 million plus Capella's cash on hand at acquisition date. The real estate leases and mortgage loans have 15-year terms with four 5-year extension options, plus consumer price-indexed increases, limited to a 2% floor and a 4% ceiling annually. We have closed on six of the seven Capella properties and expect to close on the last property in the fourth quarter of 2015. The remaining investment in the operations of Capella are in the form of an acquisition loan to Capella, which has a fixed interest rate of 8%, and we have a 49% interest in the equity of the operator, with management owning the remaining 51%.

MEDIAN Transaction Update

On April 29, 2015, we entered into a series of definitive agreements with Median Kliniken S.à r.l., (“MEDIAN”), a German provider of post-acute and acute rehabilitation services, to acquire the real estate assets of 32 hospitals owned by MEDIAN for an aggregate purchase price of approximately €688 million. Upon acquisition, each property became subject to a master lease between us and MEDIAN providing for the leaseback of the property to MEDIAN. The master lease has an initial term of 27 years and provides for an initial GAAP lease rate of 9.3%, with annual escalators at the greater of one percent or 70% of the German consumer price index.

MEDIAN is owned by an affiliate of Waterland Private Equity Fund V C.V. (“Waterland”), which acquired 94.9% of the outstanding equity interests in MEDIAN, and by a subsidiary of our operating partnership, which acquired the remaining 5.1% of the outstanding equity interests in MEDIAN, each in December 2014. In December 2014, we provided interim acquisition loans to affiliates of Waterland and MEDIAN in connection with Waterland’s acquisition of its stake in MEDIAN in an aggregate amount of approximately €425 million. In addition, we made further loans to MEDIAN during the first half of 2015 in an aggregate amount of approximately €240 million, which were used by MEDIAN to repay existing debt on properties we have acquired or expect to acquire.

Closing of the sale-leaseback transactions, which began in the second quarter of 2015, is subject to customary real estate, regulatory and other closing conditions, including waiver of any statutory pre-emption rights by local municipalities and antitrust clearance. At each closing, the purchase price for each facility has been reduced and offset against the interim loans made to affiliates of Waterland and MEDIAN as described above and against the amount of any debt assumed or repaid by us in connection with the closing. As of September 30, 2015, we have closed on 30 properties for an aggregate amount of €627 million. At September 30, 2015, we had loans outstanding to MEDIAN and Waterland for an aggregate amount of approximately €37 million. These loans were repaid by MEDIAN and Waterland in October 2015.

Other Acquisitions

On September 30, 2015, we provided a $100 million mortgage financing (of which $85 million has been funded to-date) to Prime Healthcare Services (“Prime”) for three general acute care hospitals and one free-standing emergency department and health center in New Jersey. The loan has a five-year term and provides for consumer-priced indexed interest increases, subject to a floor. We expect to purchase these facilities in the 2015 fourth quarter and will reduce the outstanding mortgage loan accordingly at that time.

On September 9, 2015, we acquired the real estate of a general acute care hospital under development located in Valencia, Spain The acquisition was effected through a newly-formed joint venture between us and clients of AXA Real Estate, in which we will own a 50% interest. Our expected share of the aggregate purchase and development price is €21.4 million. Upon completion, the facility will be leased to a Spanish operator of acute care hospitals, pursuant to a long-term lease.

On August 31, 2015, we closed on a $30 million mortgage loan transaction with Prime for the acquisition of Lake Huron Medical Center, a 144-bed general acute care hospital located in Port Huron, Michigan. The mortgage loan has a 5-year term with conversion rights to our standard sale leaseback agreement. The loan provides for consumer-priced indexed interest increases, subject to a floor.

On June 16, 2015, we acquired the real estate of two facilities in Lubbock, Texas, a 60-bed inpatient rehabilitation hospital and a 37-bed long term acute care hospital, for an aggregate purchase price of $31.5 million. We entered into a 20-year lease with Ernest for the rehabilitation hospital, which provides for three five-year extension options, and separately entered into a lease with Ernest for the long-term acute care hospital that has a final term ending December 31, 2034. In connection with the transaction, we funded an acquisition loan to Ernest of approximately $12.0 million. Ernest will operate the rehabilitation hospital in a joint venture with Covenant Health System, while the long term acute care hospital will continue to be operated by Fundamental Health under a new sublease with Ernest.

On February 27, 2015, we acquired an inpatient rehabilitation hospital in Weslaco, Texas for $10.7 million leased to Ernest pursuant to the 2012 master lease which has a remaining 17-year fixed term and three five year extension options. This lease provides for consumer-priced-indexed annual rent increases, subject to a floor and a cap. In addition we agreed to fund an acquisition loan in the amount of $5 million.

On February 13, 2015, we acquired two general acute care hospitals in the Kansas City area for $110 million. Prime is the tenant and operator pursuant to a new master lease that has similar terms and security enhancements as the other master lease agreements entered into in 2013. This master lease has a 10 year initial fixed term with two extension options of five years each. The lease provides for consumer-price-indexed annual rent increases, subject to a specified floor. In addition, we agreed to fund a mortgage loan in the amount of $40 million, which has a 10-year term.

2014 Activity

On September 19, 2014, we acquired an acute care hospital in Fairmont, West Virginia for an aggregate purchase price of $15 million from Alecto Healthcare Services. The facility was simultaneously leased back to the seller under a 15-year initial term with three five-year extension options. In addition, we made a $5 million working capital loan to the tenant with a five year term and a commitment to fund up to $5 million in capital improvements.

On July 1, 2014, we acquired an acute care hospital in Peasedown St. John, United Kingdom from Circle Health Ltd., through its subsidiary Circle Hospital (Bath) Ltd. The sale/leaseback transaction, excluding any transfer taxes, is valued at approximately £28.3 million (approximately $48.0 million at that time). The lease has an initial term of 15-years with a tenant option to extend the lease for an additional 15 years. The lease includes annual rent increases, which will equal the year-over-year change in the retail price index with a floor of 2% and a cap of 5%. With the transaction, we incurred approximately £1.1 million (approximately $1.9 million at that time) of transfer and other taxes that have been expensed as acquisition costs.

On March 31, 2014, we acquired a general acute care hospital and an adjacent parcel of land for an aggregate purchase price of $115 million from a joint venture of LHP Hospital Group, Inc. and Hackensack University Medical Center Mountainside. The facility was simultaneously leased back to the seller under a lease with a 15-year initial term with a 3-year extension option, followed by a further 12-year extension option at fair market value. The lease provides for consumer price-indexed annual rent increases, subject to a specified floor and ceiling. The lease includes a customary right of first refusal with respect to a future sale of the facility.

As part of these acquisitions, we acquired the following assets:

	2015	2014
Assets Acquired		
Land and land improvements	$ 154,699	$ 11,764
Building	748,854	153,672
Intangible lease assets — subject to amortization (weighted average useful life 15 years)	66,461	12,546
Mortgage loans	365,000	—
Net investments in direct financing leases	170,700	—
Other loans	514,484	5,000
Total net assets acquired	$2,020,197	$182,982

The majority of the purchase price allocations attributable to the 2015 acquisitions are preliminary. When all relevant information is obtained, resulting changes, if any, to our provisional purchase price allocation will be adjusted to reflect new information obtained about the facts and circumstances that existed as of the respective acquisition dates that, if known, would have affected the measurement of the amounts recognized as of those dates.

From the respective acquisition dates, the properties and mortgage loans acquired in 2015 contributed $30.0 million and $13.9 million of revenue and income (excluding related acquisition expenses), respectively, for the three months ended September 30, 2015. From the respective acquisition dates, the properties and mortgage loans acquired in 2015 contributed $59.2 million and $34.3 million of revenue and income (excluding related acquisition expenses), respectively, for the nine months ended September 30, 2015. In addition, we incurred $23.7 million and $52.9 million of acquisition related costs on the 2015 acquisitions for the three and nine months ended September 30, 2015, respectively.

From the respective acquisition dates in 2014, the 2014 acquisitions contributed $4.1 million and $3.0 million of revenue and income (excluding related acquisition and financing expenses), respectively, for the three months ended September 30, 2014. From the respective acquisition dates in 2014, the 2014 acquisitions contributed $6.4 million and $4.6 million of revenue and income (excluding related acquisition and financing expenses), respectively, for the nine months ended September 30, 2014. In addition, we incurred $2.3 million and $3.1 million of acquisition related costs on the 2014 acquisitions for the three and nine months ended September 30, 2014, respectively.

Pro Forma Information

The following unaudited supplemental pro forma operating data is presented for the three and nine months ended September 30, 2015 and 2014, as if each acquisition (including completed development projects) was completed on January 1, 2014. Supplemental pro forma earnings were adjusted to exclude acquisition-related costs on consummated deals. The unaudited supplemental pro forma operating data is not necessarily indicative of what the actual results of operations would have been assuming the transactions had been completed as set forth above, nor do they purport to represent our results of operations for future periods (in thousands, except per share/unit amounts).

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
Total revenues	$134,776	$135,734	$414,632	$404,760
Net income	$ 54,332	$ 64,303	$193,413	$157,910
Net income per share/unit — diluted	$ 0.23	$ 0.27	$ 0.81	$ 0.67

Development Activities

During the first nine months of 2015, we completed construction and began recording rental income on the following facilities:

- First Choice ER (a subsidiary of Adeptus Health) – We completed thirteen acute care facilities for this tenant during 2015. Eleven of these facilities are leased pursuant to the master lease entered into in 2014 and are cross-defaulted with the original master lease executed with First Choice ER in 2013. Two properties are leased pursuant to the master lease entered into in 2015 and is cross-defaulted with the master leases entered into in 2014 and 2013.
- UAB Medical West – This acute care facility and medical office building located in Birmingham, Alabama is leased to Medical West, an affiliate of The University of Alabama at Birmingham.

On May 5, 2015, we entered into an agreement to finance the development of and lease an inpatient rehabilitation facility in Toledo, Ohio for $19.2 million, which will be leased to Ernest under the 2012 master lease. The facility is expected to be completed in the second quarter of 2016.

In April 2015, we executed an agreement with Adeptus Health that provides for the acquisition and development of general acute care hospitals and free standing emergency facilities with an aggregate commitment of $250 million. These facilities will be leased to Adeptus Health pursuant to the terms of the 2014 master lease agreement that has a 15-year initial term with three extension options of five years each that provides for annual rent increases based on changes in the consumer price index with a 2% minimum.

See table below for a status update on our current development projects (in thousands):

Property	Location	Property Type	Operator	Commitment	Costs Incurred as of 09/30/15	Estimated Completion Date
First Choice ER- Phoenix	Phoenix, AZ	Acute Care Hospital	Adeptus Health	$ 5,261	$ 3,076	4Q 2015
First Choice ER- Houston	Houston, TX	Acute Care Hospital	Adeptus Health	5,105	2,400	4Q 2015
First Choice ER- Denver	Denver, CO	Acute Care Hospital	Adeptus Health	6,868	3,109	4Q 2015
First Choice ER- DFW	Dallas, TX	Acute Care Hospital	Adeptus Health	5,124	2,632	1Q 2016
First Choice ER- Houston	Houston, TX	Acute Care Hospital	Adeptus Health	5,257	812	1Q 2016

Property	Location	Property Type	Operator	Commitment	Costs Incurred as of 09/30/15	Estimated Completion Date
First Choice ER- Denver	Denver, CO	Acute Care Hospital	Adeptus Health	5,300	208	2Q 2016
First Choice ER- Phoenix	Phoenix, AZ	Acute Care Hospital	Adeptus Health	6,728	1,865	2Q 2016
First Choice ER- San Antonio	San Antonio, TX	Acute Care Hospital	Adeptus Health	7,530	2,376	2Q 2016
Rehabilitation Hospital of Northwest Ohio	Toledo, OH	Inpatient Rehabilitation Hospital	Ernest Health	19,212	8,557	2Q 2016
First Choice ER- Houston	Houston, TX	Acute Care Hospital	Adeptus Health	45,961	14,167	3Q 2016
First Choice Emergency Rooms	Various	Acute Care Hospital	Adeptus Health	214,352	—	Various
				$ 326,698	$39,202	

Leasing Operations

All of our leases are accounted for as operating leases except for the master lease of 15 Ernest facilities, three Capella facilities, and five Prime facilities which are accounted for as direct financing leases ("DFLs"). The components of our net investment in DFLs consisted of the following (dollars in thousands):

	As of September 30, 2015	As of December 31, 2014
Minimum lease payments receivable	$ 2,442,386	$ 1,607,024
Estimated residual values	387,340	211,888
Less: Unearned income	(2,211,233)	(1,379,396)
Net investment in direct financing leases	$ 618,493	$ 439,516

Hoboken facility

In the 2015 third quarter, a subsidiary of the operator of our Hoboken facility acquired 10% of our subsidiary that owns the real estate for $5 million, which is reflected in the non-controlling interest line of our condensed consolidated balance sheet at September 30, 2015.

Twelve Oaks facility

In the third quarter of 2015, we sent notice of termination of the lease to our tenant at our Twelve Oaks facility. As a result of the lease terminating, we recorded a charge of $1.9 million to reserve against the straight-line rent receivables. In addition, we accelerated the amortization of the related lease intangible asset resulting in $0.5 million of additional expense in the 2015 third quarter. At September 30, 2015, we have less than $1.2 million of exposure outstanding with this tenants, and we have a letter of credit for approximately $0.5 million to cover any rent and other monetary payments not paid. In addition, the tenant is continuing to make partial payments on the outstanding obligations. Although no assurances can be made that we will not have any impairment charges or write-offs of receivables in the future, we believe our investment in Twelve Oaks at September 30, 2015 is fully recoverable.

Florence facility

On March 6, 2013, the tenant of our $26.9 million facility in Phoenix, Arizona filed for Chapter 11 bankruptcy. At September 30, 2015, we have approximately $0.9 million of receivables outstanding but the tenant continues to pay us in accordance with bankruptcy orders. In addition, we have a letter of credit for approximately $1.2 million to cover any rent and other monetary payments not paid. Although no assurances can be made that we will not have any impairment charges in the future, we believe our investment in Florence at September 30, 2015 is fully recoverable.

Gilbert facility

In the first quarter of 2014, the tenant of our facility in Gilbert, Arizona filed for Chapter 11 bankruptcy; however, we sent notice of termination of the lease prior to the bankruptcy filing. As a result of the lease terminating, we recorded a charge of approximately $1 million to reserve against the straight-line rent receivables. In addition, we accelerated the amortization of the related lease intangible asset resulting in $1.1 million of additional expense in the 2014 first quarter. The tenant has continued to pay its monetary obligations, and we have agreed to the terms of an amended lease upon the tenant's bankruptcy exit. Although no assurances can be made that we will not have any impairment charges or write-offs of receivables in the future, we believe our real estate investment in Gilbert of $13.8 million at September 30, 2015 is fully recoverable.

Loans

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

	As of September 30, 2015	As of December 31, 2014
Mortgage loans	$ 762,584	$ 397,594
Acquisition loans	645,207	525,136
Working capital and other loans	64,869	48,031
	$ 1,472,660	$ 970,761

The increase in our mortgage loans is related to the mortgage loans made on new properties with Prime and Capella. See "*Acquisition*" sub-section for further details.

Our non-mortgage loans typically consist of loans to our tenants for acquisitions and working capital purposes. At September 30, 2015, acquisition loans includes our $114.4 million loans to Ernest, $41.7 million related to the MEDIAN transaction and $489.1 million to Capella.

On March 1, 2012, pursuant to our convertible note agreement, we converted $1.7 million of our $5.0 million convertible note into a 9.9% equity interest in the operator of our Hoboken University Medical Center facility. At September 30, 2015, $3.3 million remains outstanding on the convertible note, and we retain the option, subject to regulatory approvals, to convert this remainder into 15.1% of equity interest in the operator.

Disposals

On July 30, 2015, we sold a long-term acute care facility in Luling, Texas for approximately $9.7 million, resulting in a gain of $1.5 million. Due to this sale, we wrote off $0.9 million of straight-line receivables. On August 5, 2015, we sold six wellness centers in the United States for total proceeds of approximately $9.5 million (of which $1.5 million is in the form of a note), resulting in a gain of $1.7 million. Due to this sale, we wrote off $0.9 million of billed rent receivables. With these disposals, we accelerated the amortization of the related lease intangible assets resulting in approximately $0.7 million of additional expense in the 2015 third quarter.

Concentrations of Credit Risk

For the three months ended September 30, 2015 and 2014, revenue from affiliates of Prime (including rent and interest from mortgage loans) accounted for 22.8% and 26.4%, respectively, of total revenue. For the nine months ended September 30, 2015 and 2014, revenue from affiliates of Prime (including rent and interest from mortgage loans) accounted for 24.5% and 27.8%, respectively, of total revenue. From an investment concentration perspective, assets leased and loaned to Prime represented 10.4% and 7.7%, respectively of our total assets, at September 30, 2015. Assets leased and loaned to Prime represented 12.6% and 7.4%, respectively, of our total assets at December 31, 2014.

For the three and nine months ended September 30, 2015, revenue from affiliates of Capella accounted for 6.2% and 2.3% of total revenue, respectively. From an investment concentration perspective, Capella represented 17.6% of our total assets at September 30, 2015.

For the three and nine months ended September 30, 2015, revenue from affiliates of MEDIAN accounted for 16.1% and 12.4% of total revenue, respectively. From an investment concentration perspective, MEDIAN represented 13.2% and 11.3% of our total assets at September 30, 2015 and December 31, 2014, respectively.

For the three months ended September 30, 2015 and 2014, revenue from affiliates of Ernest (including rent and interest from mortgage and acquisition loans) accounted for 14.1% and 18.3%, respectively, of total revenue. For the nine months ended September 30, 2015 and 2014, revenue from affiliates of Ernest (including rent and interest from mortgage and acquisition loans) accounted for 14.8% and 18.7%, respectively, of total revenue. From an investment concentration perspective, assets leased and loaned to Ernest represented 6.0% and 3.8%, respectively, of our total assets at September 30, 2015. Assets leased and loaned to Ernest represented 7.7% and 5.3%, respectively, of our total assets at December 31, 2014.

On an individual property basis, we had no investment of any single property greater than 2% of our total assets as of September 30, 2015.

From a global geographic perspective, approximately 80% of our total assets are in the United States while 20% reside in Europe (primarily in Germany) as of September 30, 2015 and December 31, 2014.

For the three months ended September 30, 2015 and 2014, revenue from our European investments was $25.5 million and $6.5 million, respectively. For the nine months ended September 30, 2015 and 2014, revenue from our European investments was $59.9 million and $17.4 million, respectively.

From a United States geographic perspective, investments located in Texas represented 15.9% of our total assets at September 30, 2015, compared to 20.2% at December 31, 2014. Investments located in California represented 9.7% of our total assets at September 30, 2015, compared to 14.6% at December 31, 2014.

4. Debt

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

	As of September 30, 2015		As of December 31, 2014	
	Balance	Interest Rate	Balance	Interest Rate
Revolving credit facility	$1,091,000	Variable	$ 593,490	Variable
2006 Senior Unsecured Notes	125,000	Various	125,000	Various
2011 Senior Unsecured Notes	450,000	6.875%	450,000	6.875%
2012 Senior Unsecured Notes:				
Principal amount	350,000	6.375%	350,000	6.375%
Unamortized premium	2,256	—	2,522	—
	352,256		352,522	
2013 Senior Unsecured Notes (A)	223,540	5.750%	241,960	5.750%
2014 Senior Unsecured Notes	300,000	5.500%	300,000	5.500%
2015 Senior Unsecured Notes (A)	558,850	4.000%	—	—
Term loans	263,473	Various	138,682	Various
	$3,364,119		$2,201,654	

(A) These notes are Euro-denominated and reflect the exchange rate at September 30, 2015 and December 31, 2014, respectively.

As of September 30, 2015, principal payments due for our debt (which exclude the effects of any premiums recorded) are as follows (in thousands):

2015	$ 73
2016	125,299
2017	320
2018	1,103,781
2019	250,000
Thereafter	1,882,390
Total	$3,361,863

On July 27, 2015, we received a commitment to provide a senior unsecured bridge loan facility in the original principal amount of $1.0 billion to fund the acquisition of Capella pursuant to a commitment letter from JPMorgan Chase Bank, N.A. and Goldman, Sachs & Co. Funding under the bridge facility was not necessary as we funded the acquisition through a combination of an equity issuance and other borrowings. We incurred and expensed certain customary structuring and underwriting fees of $3.9 million in the third quarter related to the bridge commitment.

On August 4, 2015, we entered into an amendment to our revolving credit and term loan agreement to increase the current aggregate committed size to $1.25 billion and amend certain covenants in order to permit us to consummate and finance the acquisition of Capella.

On August 19, 2015, we completed a €500 million senior unsecured notes offering ("2015 Senior Unsecured Notes"), proceeds of which were used to repay Euro-denominated borrowings under our credit facility and to fund our European investments. Interest on the notes will be payable annually on August 19 of each year, commencing on August 19, 2016. The 2015 Senior Unsecured Notes will pay interest in cash at a rate of 4.00% per year. The notes mature on August 19, 2022. We may redeem some or all of the 2015 Senior Unsecured Notes at any time. If the notes are redeemed prior to 90 days before maturity, the redemption price will be 100% of their principal amount, plus a make-whole premium, plus accrued and unpaid interest to, but excluding, the applicable redemption date. Within the period beginning on or after 90 days before maturity, the notes may be redeemed, in whole or in part, at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding, the applicable redemption date. The 2015 Senior Unsecured Notes are fully and unconditionally guaranteed on an unsecured basis by the Company. In the event of a change of control, each holder of the notes may require us to repurchase some or all of our notes at a repurchase price equal to 101% of the aggregate principal amount of the notes plus accrued and unpaid interest to the date of the purchase.

On September 30, 2015, we amended our credit facility to, among other things, increase the aggregate commitment under our revolver to $1.3 billion and increase the term loan portion to $250 million. In addition, this amendment includes a new accordion feature that allows us to expand our credit facility by another $400 million for a total commitment of $1.95 billion. This amendment resulted in a $0.1 million expense in the 2015 third quarter.

During the second quarter 2010, we entered into an interest rate swap to manage our exposure to variable interest rates by fixing $65 million of our 2006 Senior Unsecured Notes, which started July 31, 2011 (date on which the interest rate turned variable) through the maturity date (or July 2016), at a rate of 5.507%. We also entered into an interest rate swap to fix $60 million of our 2006 Senior Unsecured Notes which started October 31, 2011 (date on which the related interest rate turned variable) through the maturity date (or October 2016) at a rate of 5.675%. The fair value of the interest rate swaps was $4.0 million and $6.0 million as of September 30, 2015 and December 31, 2014, respectively, which is reflected in accounts payable and accrued expenses on the consolidated balance sheets.

We account for our interest rate swaps as cash flow hedges. Accordingly, the effective portion of changes in the fair value of our swaps is recorded as a component of accumulated other comprehensive income/loss on the balance sheet and reclassified into earnings in the same period, or periods, during which the hedged transactions affect earnings, while any ineffective portion is recorded through earnings immediately. We did not have any hedge ineffectiveness from inception of our interest rate swaps through September 30, 2015; and therefore, there was no income statement effect recorded during the three or nine month periods ended September 30, 2015 or 2014. We expect the current losses included in accumulated other comprehensive loss to be reclassified into earnings between now and the maturity of the related debt in July 2016 ($65 million) and in October 2016 ($60 million). At September 30, 2015 and December 31, 2014, we have posted $2.1 million and $3.3 million of collateral related to our interest rate swaps, respectively, which is reflected in other assets on our consolidated balance sheets.

Covenants

Our debt facilities impose certain restrictions on us, including restrictions on our ability to: incur debts; create or incur liens; provide guarantees in respect of obligations of any other entity; make redemptions and repurchases of our capital stock; prepay, redeem or repurchase debt; engage in mergers or consolidations; enter into affiliated transactions; dispose of real estate or other assets; and change our business. In addition, the credit agreements governing our revolving credit facility and term loan limit the amount of dividends we can pay as a percentage of normalized adjusted funds from operations, as defined in the agreements, on a rolling four quarter basis. At September 30, 2015, the dividend restriction was 95% of normalized adjusted FFO. The indentures governing our senior unsecured notes also limit the amount of dividends we can pay based on the sum of 95% of funds from operations, proceeds of equity issuances and certain other net cash proceeds. Finally, our senior unsecured notes require us to maintain total unencumbered assets (as defined in the related indenture) of not less than 150% of our unsecured indebtedness.

In addition to these restrictions, the revolving credit facility and term loan contain customary financial and operating covenants, including covenants relating to our total leverage ratio, fixed charge coverage ratio, mortgage secured leverage ratio, recourse mortgage secured leverage ratio, consolidated adjusted net worth, unsecured leverage ratio, and unsecured interest coverage ratio. This facility also contains customary events of default, including among others, nonpayment of principal or interest, material inaccuracy of representations and failure to comply with our covenants. If an event of default occurs and is continuing under the facility, the entire outstanding balance may become immediately due and payable. At September 30, 2015, we were in compliance with all such financial and operating covenants.

5. Common Stock/Partners' Capital

Medical Properties Trust, Inc.

On August 11, 2015, we completed an underwritten public offering of 28.75 million shares (including the exercise of the underwriters' 30-day option to purchase an additional million shares) of our common stock, resulting in net proceeds of approximately $337 million, after deducting estimated offering expenses.

On August 4, 2015, we filed Articles of Amendment to our charter with the Maryland State Department of Assessments and Taxation increasing the number of authorized shares of common stock, par value $0.001 per share available for issuance from 250,000,000 to 500,000,000.

On January 14, 2015, we completed an underwritten public offering of 34.5 million shares (including the exercise of the underwriters' 30-day option to purchase an additional 4.5 million shares) of our common stock, resulting in net proceeds of approximately $480 million, after deducting estimated offering expenses.

On March 11, 2014, we completed an underwritten public offering of 7.7 million shares of our common stock, resulting in net proceeds of approximately $100.2 million, after deducting estimated offering expenses. We also granted the underwriters a 30-day option to purchase up to an additional 1.2 million shares of common stock. The option, which was exercised in full, closed on April 8, 2014 and resulted in additional net proceeds of approximately $16 million.

In January 2014, we put an at-the-market equity offering program in place, giving us the ability to sell up to $250 million of stock with a commission of 1.25%. During the first quarter of 2014, we sold 0.9 million shares of our common stock under our at-the-market equity offering program, at an average price of $13.21 per share resulting in total proceeds, net of commission, of $12.3 million.

At September 30, 2015, the Company has a 99.86% ownership interest in the Operating Partnership with the remainder owned by three other partners, two of whom are employees and one of whom is a director. During the nine months ended September 30, 2015 and 2014, the partnership issued 63.25 million and 9.8 million units, respectively, in direct response to the common stock offerings by Medical Properties Trust, Inc.

6. Stock Awards

We adopted the 2013 Equity Incentive Plan (the "Equity Incentive Plan") during second quarter of 2013, which authorizes the issuance of common stock options, restricted stock, restricted stock units, deferred stock units, stock appreciation rights, performance units and awards of interests in our Operating Partnership. The Equity Incentive Plan is administered by the Compensation Committee of the Board of Directors. We have reserved 7,643,651 shares of common stock for awards under the Equity Incentive Plan for which 5,422,353 shares remain available for future stock awards as of September 30, 2015. We awarded the following stock awards during 2015 and 2014:

Time-based awards —We granted 390,748 and 406,055 shares in 2015 and 2014, respectively, of time-based restricted stock to management, independent directors and certain employees. These awards vest quarterly based on service, over three years, in equal amounts.

Performance-based awards —Our management team and certain employees were awarded 349,617 and 384,823 of performance based awards in 2015 and 2014, respectively. These awards vest ratably over a three year period based on the achievement of certain total shareholder return measures, with a carry-back and carry-forward provision through December 31, 2018 (for the 2014 awards) and December 31, 2017 (for the 2015 awards). Dividends on these awards are paid only upon achievement of the performance measures.

Multi-year Performance-based awards —We awarded 505,050 and 500,000 shares in 2015 and 2014, respectively, of multi-year performance-based awards to management. These shares are subject to three-year cumulative performance hurdles based on measures of total shareholder return. At the end of the three-year performance period, any earned shares will be subject to an additional two years of ratable time-based vesting on an annual basis. Dividends are paid on these shares only upon achievement of the performance measures.

7. Fair Value of Financial Instruments

We have various assets and liabilities that are considered financial instruments. We estimate that the carrying value of cash and cash equivalents, and accounts payable and accrued expenses approximate their fair values. Included in our accounts payable and accrued expenses are our interest rate swaps, which are recorded at fair value based on Level 2 observable market assumptions using standardized derivative pricing models. We estimate the fair value of our interest and rent receivables using Level 2 inputs such as discounting the estimated future cash flows using the current rates at which similar receivables would be made to others with similar credit ratings and for the same remaining maturities. The fair value of our mortgage loans and working capital loans are estimated by using Level 2 inputs such as discounting the estimated future cash flows using the current rates which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. We determine the fair value of our senior unsecured notes (excluding our 2006 Senior Unsecured Notes) using Level 2 inputs such as quotes from securities dealers and market makers. We estimate the fair value of our 2006 Senior Unsecured Notes, our revolving credit facility, and term loans using Level 2 inputs based on the present value of future payments, discounted at a rate which we consider appropriate for such debt.

Fair value estimates are made at a specific point in time, are subjective in nature, and involve uncertainties and matters of significant judgment. Settlement of such fair value amounts may not be possible and may not be a prudent management decision. The following table summarizes fair value estimates for our financial instruments (in thousands):

	September 30, 2015		December 31, 2014	
Asset (Liability)	Book Value	Fair Value	Book Value	Fair Value
Interest and rent receivables	$ 47,153	$ 47,060	$ 41,137	$ 41,005
Loans (1)	1,256,793	1,295,926	773,311	803,824
Debt, net	(3,364,119)	(3,431,267)	(2,201,654)	(2,285,727)

(1) Excludes loans related to Ernest since they are recorded at fair value and discussed below.

Items Measured at Fair Value on a Recurring Basis

Our equity interest in Ernest and related loans, which were acquired in 2012, are being measured at fair value on a recurring basis as we elected to account for these investments using the fair value option method. We have elected to account for these investments at fair value due to the size of the investments and because we believe this method is more reflective of current values. We have not made a similar election for other equity interests or loans made in or prior to 2015.

At September 30, 2015, these amounts were as follows (in thousands):

Asset Type	Fair Value	Cost	Asset Type Classification
Mortgage loans	$100,000	$100,000	Mortgage loans
Acquisition loans	114,367	114,367	Other loans
Other loans	1,500	1,500	Other loans
Equity investments	3,300	3,300	Other assets
	$219,167	$219,167	

Our mortgage loans with Ernest are recorded at fair value based on Level 3 inputs by discounting the estimated cash flows using the market rates which similar loans would be made to borrowers with similar credit ratings and the same remaining maturities. Our acquisition loans and equity investments in Ernest are recorded at fair value based on Level 3 inputs, by using a discounted cash flow model, which requires significant estimates of our investee such as projected revenue and expenses and appropriate consideration of the underlying risk profile of the forecast assumptions associated with the investee. We classify these loans and equity investments as Level 3, as we use certain unobservable inputs to the valuation methodology that are significant to the fair value measurement, and the valuation requires management judgment due to the absence of quoted market prices. For these cash flow models, our observable inputs include use of a capitalization rate, discount rate (which is based on a weighted-average cost of capital), and market interest rates, and our unobservable input includes an adjustment for a marketability discount ("DLOM") on our equity investment of 40% at September 30, 2015.

In regards to the underlying projection of revenues and expenses used in the discounted cash flow model, such projections are provided by Ernest. However, we will modify such projections (including underlying assumptions used) as needed based on our review and analysis of Ernest's historical results, meetings with key members of management, and our understanding of trends and developments within the healthcare industry.

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

Basis Point Change in Marketability Discount	Estimated Increase (Decrease) In Fair Value
+100 basis points	$ (56)
- 100 basis points	56

Because the fair value of Ernest investments noted above approximate their original cost, we did not recognize any unrealized gains/losses during the first nine months of 2015 or 2014.

8. Earnings Per Share/Common Unit

Medical Properties Trust, Inc.

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

	For the Three Months Ended September 30,	
	2015	2014
Numerator:		
Income from continuing operations	$ 23,123	$ 28,663
Non-controlling interests' share in continuing operations	(66)	(126)
Participating securities' share in earnings	(265)	(179)
Income from continuing operations, less participating securities' share in earnings	22,792	28,358
Income from discontinued operations attributable to MPT common stockholders	—	—
Net income, less participating securities' share in earnings	$ 22,792	$ 28,358
Denominator:		
Basic weighted-average common shares	223,948	171,893
Dilutive potential common shares	—	746
Dilutive weighted-average common shares	223,948	172,639

	For the Nine Months Ended September 30,	
	2015	2014
Numerator:		
Income from continuing operations	$ 81,589	$ 35,769
Non-controlling interests' share in continuing operations	(228)	(192)
Participating securities' share in earnings	(781)	(584)
Income from continuing operations, less participating securities' share in earnings	80,580	34,993
Loss from discontinued operations attributable to MPT common stockholders	—	(2)
Net income, less participating securities' share in earnings	$ 80,580	$ 34,991
Denominator:		
Basic weighted-average common shares	211,659	169,195
Dilutive potential common shares	409	657
Dilutive weighted-average common shares	212,068	169,852

MPT Operating Partnership, L.P.

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

	For the Three Months Ended September 30, 2015	2014
Numerator:		
Income from continuing operations	$ 23,123	$ 28,663
Non-controlling interests' share in continuing operations	(66)	(126)
Participating securities' share in earnings	(265)	(179)
Income from continuing operations, less participating securities' share in earnings	22,792	28,358
Income from discontinued operations attributable to MPT Operating Partnership partners	—	—
Net income (loss), less participating securities' share in earnings	$ 22,792	$ 28,358
Denominator:		
Basic weighted-average units	223,948	171,893
Dilutive potential units	—	746
Dilutive weighted-average units	223,948	172,639

	For the Nine Months Ended September 30, 2015	2014
Numerator:		
Income from continuing operations	$ 81,589	$ 35,769
Non-controlling interests' share in continuing operations	(228)	(192)
Participating securities' share in earnings	(781)	(584)
Income from continuing operations, less participating securities' share in earnings	80,580	34,993
Loss from discontinued operations attributable to MPT Operating Partnership partners	—	(2)
Net income, less participating securities' share in earnings	$ 80,580	$ 34,991
Denominator:		
Basic weighted-average units	211,659	169,195
Dilutive potential units	409	657
Dilutive weighted-average units	212,068	169,852

9. Commitments and Contingencies

Contingencies

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

On July 31, 2015, we entered into definitive agreements to acquire several acute care hospitals and a freestanding clinic in northern Italy for an aggregate purchase price to us of approximately €90 million. The acquisition will be effected through a newly-formed joint venture between us and affiliates of AXA Real Estate, in which we will own a 50% interest. Upon closing, the facilities will be leased to an Italian acute care hospital operator, pursuant to a long-term master lease. Closing of the transaction, which is expected during the fourth quarter of 2015, is subject to customary real estate, regulatory and other closing conditions.

10. Subsequent Events

On October 30, 2015, we acquired an acute hospital in Camden, South Carolina for an aggregate purchase price of $25.8 million leased to Capella pursuant to the 2015 master lease which has a 15-year term with four 5-year extension options, plus consumer price-indexed increases, limited to a 2% floor and a 4% ceiling annually. In connection with the transaction, we funded an acquisition loan to Capella of $9.2 million.

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 are presented on a combined basis for Medical Properties Trust, Inc. and MPT Operating Partnership, L.P. as there are no material differences between these two entities.

The following discussion and analysis of the consolidated financial condition and consolidated results of operations should be read together with the condensed consolidated financial statements and notes thereto contained in this Form 10-Q and the consolidated financial statements and notes thereto contained in our Annual Report on Form 10-K for the year ended December 31, 2014.

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 and as updated in our quarterly reports on Form 10-Q for future periods, and current reports on Form 8-K as we file them with the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934. Such factors include, among others, the following:

- the possibility that the anticipated benefits from the Capella transactions, the MEDIAN transactions and our other recent transactions will take longer to realize than expected or will not be realized at all;
- U.S. (both national and local) and European (in particular Germany, the U.K., Spain and Italy) economic, business, real estate and other market conditions;
- the competitive environment in which we operate;
- the execution of our business plan;
- financing risks;
- acquisition and development risks;
- potential environmental contingencies and other liabilities;
- other factors affecting real estate industry generally or the healthcare real estate industry in particular;
- our ability to maintain our status as a REIT for federal and state income tax purposes;
- our ability to attract and retain qualified personnel;
- changes in foreign currency exchange rates;
- U.S. (both federal and state) and European (in particular Germany, the U.K., Spain and Italy) healthcare, and other regulatory requirements; and
- U.S. national and local economic conditions, as well as conditions in Europe and other foreign jurisdictions where we own or will own healthcare facilities, which may have a negative effect on the following, among other things:
  - the financial condition of our tenants, our lenders, counterparties to our interest rate swaps and other hedged transactions and institutions that hold our cash balances, which may expose us to increased risks of default by these parties;
  - our ability to obtain equity or debt financing on attractive terms or at all, which may adversely impact our ability to pursue acquisition and development opportunities and reference existing debt and our future interest expense; and
  - the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing secured by our properties or on an unsecured basis.

Key Factors that May Affect Our Operations

Our revenue is derived from rents we earn pursuant to the lease agreements with our tenants, from interest income from loans to our tenants and other facility owners and from profits or equity interests in certain of our tenants' operations. Our tenants operate in the healthcare industry, generally providing medical, surgical 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, which could impact our results. 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 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:

- admission levels and surgery/procedure/diagnosis volumes by type;
- the current, historical and prospective operating margins (measured by 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 public payors (including Medicare, Medicaid/MediCal, managed care in the U.S. and pension funds in Germany) and private payors (including commercial insurance and private pay patients);
- the effect of evolving healthcare regulations on our tenants' and borrowers' profitability; and
- the competition and demographics of the local and surrounding areas in which the tenants or borrowers operate.

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;
- 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' or borrowers' 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

Refer to our 2014 Annual Report on Form 10-K, for a discussion of our critical accounting policies, which include revenue recognition, investment in real estate, purchase price allocation, loans, losses from rent receivables, stock-based compensation, our fair value option election, and our accounting policy on consolidation. During the nine months ended September 30, 2015, there were no material changes to these policies.

Overview

We are a self-advised real estate investment trust ("REIT") focused on investing in and owning net-leased healthcare facilities across the United States and selectively in foreign jurisdictions. We have operated as a REIT since April 6, 2004, and accordingly, elected REIT status upon the filing of our calendar year 2004 federal income tax return. Medical Properties Trust, Inc. was incorporated under Maryland law on August 27, 2004, and MPT Operating Partnership, L.P. was formed under Delaware law on September 10, 2003. We conduct substantially all of our business through MPT Operating Partnership, L.P. We acquire and develop healthcare facilities and lease the facilities to healthcare operating companies under long-term net leases, which require the tenant to bear most of the costs associated with the property. We also make mortgage loans to healthcare operators collateralized by their real estate assets. In addition, we selectively make loans to certain of our operators through our taxable REIT subsidiaries, the proceeds of which are typically used for acquisitions and working capital. Finally, from time to time, we acquire a profits or other equity interest in our tenants that gives us a right to share in such tenant's profits and losses.

At September 30, 2015, our portfolio consisted of 187 properties leased or loaned to 30 operators, of which 10 are under development and 12 are in the form of mortgage loans.

Our investments in healthcare real estate, including mortgage and other loans, as well as any equity investments in our tenants are considered a single reportable segment. All of our investments are currently located in the United States and Europe. At September 30, 2015 and December 31, 2014, we had $5.6 billion and $3.7 billion, respectively, invested in the following healthcare real estate assets:

	2015		2014	
	(Dollars in thousands)			
Real estate owned (gross)(1)	$3,785,347	67.2%	$2,589,128	69.1%
Mortgage loans	762,584	13.5%	397,594	10.6%
Other loans	710,076	12.6%	573,167	15.3%
Construction in progress	39,202	0.7%	23,163	0.6%
Other assets(1)	336,114	6.0%	164,284	4.4%
Total assets	$5,633,323	100.0%	$3,747,336	100.0%

(1) Includes $1.1 billion and $784.2 million of healthcare real estate assets in Europe at September 30, 2015 and December 31, 2014, respectively.

The following is our revenue by operating type (dollar amounts in thousands):

Revenue by property type:

	For the Three Months Ended September 30, 2015	% of Total	For the Three Months Ended September 30, 2014	% of Total
General Acute Care Hospitals (1)(2)	$ 63,146	55.1%	$ 49,405	61.2%
Rehabilitation Hospitals	38,874	33.9%	17,509	21.7%
Long-term Acute Care Hospitals	12,535	11.0%	13,448	16.6%
Wellness Centers (4)	15	0.0%	415	0.5%
Total revenue	$ 114,570	100.0%	$ 80,777	100.0%

	For the Nine Months Ended September 30, 2015	% of Total	For the Nine Months Ended September 30, 2014	% of Total
General Acute Care Hospitals (1)(3)	$ 172,803	55.7%	$ 136,391	59.2%
Rehabilitation Hospitals	97,868	31.5%	52,245	22.7%
Long-term Acute Care Hospitals	39,382	12.7%	40,544	17.6%
Wellness Centers (4)	280	0.1%	1,246	0.5%
Total revenue	$ 310,333	100.0%	$ 230,426	100.0%

(1) Includes three medical office buildings.
(2) Includes $25.5 million and $6.5 million in revenue from our healthcare real estate assets in Europe in 2015 and 2014, respectively.
(3) Includes $59.9 million and 17.4 million in revenue from our healthcare real estate assets in Europe in 2015 and 2014, respectively.
(4) We sold our six wellness centers in August 2015.

We have 48 employees as of November 6, 2015. We believe that any foreseeable increase in 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 labor union.

Results of Operations

Three Months Ended September 30, 2015 Compared to Three Months Ended September 30, 2014

Net income for the three months ended September 30, 2015, was $23.1 million, compared to $28.5 million for the three months ended September 30, 2014. This decrease is due to higher real estate depreciation, significant acquisition costs (primarily from real estate transfer taxes expensed as part of the MEDIAN acquisition in 2015) and interest costs from the expansion of our portfolio, partially offset by higher revenues. Funds from operations (“FFO”), after adjusting for certain items (as more fully described in Reconciliation of Non-GAAP Financial Measures), was $72.5 million, or $0.32 per diluted share for the 2015 third quarter as compared to $46.6 million, or $0.27 per diluted share for the 2014 third quarter. This 56% increase in FFO is primarily due to the increase in revenue from acquisitions and loan investments made since September 2014 along with the completion of 13 First Choice development properties in 2015.

A comparison of revenues for the three month periods ended September 30, 2015 and 2014 is as follows:

	2015	% of Total	2014	% of Total	Year over Year Change
Rent billed	$ 70,358	61.4%	$48,063	59.5%	46.4%
Straight-line rents	5,023	4.4%	5,282	6.5%	(4.9%)
Income from direct financing leases	14,692	12.8%	12,308	15.2%	19.4%
Interest and fee income	24,497	21.4%	15,124	18.8%	62.0%
Total revenue	$114,570	100.0%	$80,777	100.0%	41.8%

Our total revenue for the 2015 third quarter is up $33.8 million or 41.8% over the prior year. This increase is made up of the following:

- Base rents – up $22.3 million over the prior year of which $1.2 million is from our annual escalation provisions in our leases, $19.9 million is from incremental revenue from acquisitions made after September 2014, and $3.2 million is incremental revenue from development properties that were completed and put into service in 2014 and 2015. This increase is partially offset by $1.7 million of lower revenues in 2015 attributable to dispositions (approximately $0.8 million) and a 13% decline in the Euro exchange rate (approximately $0.8 million) as well as $0.3 million revenue decrease from our six wellness centers.
- Straight-line rents – down $0.3 million over the prior year of which $2.7 million is due to incremental revenue from acquisitions made after September 2014. This increase was offset by the $2.9 million write-off of unbilled rent related to our Luling and Twelve Oaks properties – see Note 3 to Item 1 of this Form 10-Q for further details.

- Income from direct financing leases – up $2.4 million over the prior year of which $0.2 million is from our annual escalation provisions in our leases and $2.2 million is from incremental revenue from acquisitions made after September 2014.
- Interest from loans – up $9.4 million over the prior year primarily attributable to loans made in connection with the MEDIAN and Capella transactions and the new loans to Prime and Capella in the 2015 third quarter – see Note 3 to Item 1 of this Form 10-Q for further details.

Real estate depreciation and amortization during the third quarter of 2015 increased to $20.0 million from $13.4 million in 2014, due to the incremental depreciation from the properties acquired since September 30, 2014 and the development properties completed in 2014 and 2015. In addition, we accelerated amortization of the related lease intangible assets of our Twelve Oaks, Luling, and Healthtrax properties resulting in an additional $1.1 million of expense.

Acquisition expenses increased from $4.9 million in 2014 to $24.9 million in 2015 primarily as a result of continued activity to pursue potential deals and the MEDIAN acquisition, including approximately $18 million of real estate transfer taxes related to the 13 properties acquired in the 2015 third quarter.

General and administrative expenses totaled $10.8 million for the 2015 third quarter, which is 9.4% of total revenues lower than the 2014 third quarter, which was 10.7% of total revenues. The decline in general and administrative expenses as a percentage of revenues is expected as we can generally increase our revenues significantly without increasing our headcount and related expenses at the same rate. On a dollar basis, general and administrative expenses were up $2.1 million from the prior year third quarter due to higher compensation expense and international administrative expenses, which are up as a result of the growth and expansion of our company.

Interest expense, for the three months ended September 30, 2015 and 2014, totaled $35.7 million and $25.5 million, respectively. This increase is primarily related to higher average debt balances in the current year quarter associated with our 2015 Senior Unsecured Notes and our new and expanded credit facility. In addition, we recorded $3.9 million in refinancing charges in 2015 related to structuring and underwriting fees on a bridge loan that we set up as a back stop on financing of the Capella transaction as well as $0.1 million related to the credit facility amendment. Our weighted average interest rate is 4.1% for the quarter ended September 30, 2015, which is a slight decline from 5.9% in 2014. See Note 4 to our Condensed Consolidated Financial Statements in Item 1 to this Form 10-Q for further information on our debt activities.

Nine Months Ended September 30, 2015 Compared to Nine Months Ended September 30, 2014

Net income for the nine months ended September 30, 2015, was $81.4 million compared to net income of $35.6 million for the nine months ended September 30, 2014, primarily due to the $50.1 million of impairment charges taken in 2014. FFO, after adjusting for certain items (as more fully described in Reconciliation of Non-GAAP Financial Measures), was $192.3 million, or $0.91 per diluted share for the first nine months in 2015 as compared to $133.8 million, or $0.79 per diluted share for the first nine months of 2014. This 44% increase in FFO is primarily due to the increase in revenue from acquisitions and completed development projects since September 2014.

A comparison of revenues for the nine month periods ended September 30, 2015 and 2014 is as follows (dollar amounts in thousands):

	2015	% of Total	2014	% of Total	Year over Year Change
Rent billed	$177,351	57.2%	$136,952	59.4%	29.5%
Straight-line rents	15,003	4.8%	10,648	4.6%	40.9%
Income from direct financing leases	40,055	12.9%	36,787	16.0%	8.9%
Interest and fee income	77,924	25.1%	46,039	20.0%	69.3%
Total revenue	$310,333	100.0%	$230,426	100.0%	34.7%

Our total revenue for the first nine months of 2015 is up $79.9 million or 34.7% over the prior year. This increase is made up of the following:

- Base rents – up $40.4 million over the prior year of which $3.0 million is from our annual escalation provisions in our leases, $32.5 million is from incremental revenue from acquisitions made after September 2014, and $9.1 million is incremental revenue from development properties that were completed and put into service in 2014 and 2015. Approximately $1.7 million of base rents were recorded in the first nine months of 2015 related to our Monroe property but none was recorded in the prior year. This increase is partially offset by $5.0 million attributable to dispositions (approximately $2.5 million) and the decline in the Euro ($2.5 million impact) as well as $0.9 million revenue decrease from our six wellness centers.

- Straight-line rents – up $4.4 million over the prior year of which $4.7 million is due to incremental revenue from acquisitions made after September 2014 and $2.8 million is incremental revenue from development properties that were completed and put into service in 2014 and 2015. In the first quarter of 2014, we had a $1 million write-off of straight-line rent receivable related to our Gilbert property, and in 2015, we had a $3.1 million write-off of straight-line rent related to our Luling and Twelve Oaks properties – see Note 3 to Item 1 of this Form 10-Q for further details.
- Income from direct financing leases – up $3.3 million over the prior year of which $0.8 million is from our annual escalation provisions in our leases and approximately $3 million is from incremental revenue from acquisitions made after September 2014.
- Interest from loans – up $31.9 million over the prior year primarily attributable to loans made in connection with the MEDIAN transactions and the new loans to Prime and Capella in the 2015 third quarter – see Note 3 to Item 1 of this Form 10-Q for further details.

Real estate depreciation and amortization during the first nine months of 2015 increased to $49.7 million from $39.5 million in the same period of 2014 due to the incremental depreciation from the properties acquired and the development properties completed in 2014 and 2015. In the 2014 first quarter, we accelerated the amortization of the lease intangible asset related to our Gilbert facility resulting in $1.1 million of additional expense. In the 2015 third quarter, we accelerated the amortization of the lease intangible related to our Twelve Oaks, Luling, and Healthtrax properties resulting in an additional $1.1 million of expense.

During the first nine months of 2014, we recorded a $3.1 million real estate impairment charge on our Bucks facility and a $47.0 million impairment charge on our Monroe facility.

Acquisition expenses increased from $7.9 million in 2014 to $57.0 million in 2015 primarily as a result of the completion of the Capella and MEDIAN acquisitions, including $39 million of real estate transfer taxes associated with the 30 properties acquired from MEDIAN in 2015, and continued activity to pursue potential deals.

General and administrative expenses in the first nine months of 2015 totaled $32.3 million, which is 10.4% of revenues down from 11.2% of revenues in the prior year. The decline in general and administrative expenses as a percentage of revenues is primarily due to our business model as we can generally increase our revenues significantly without increasing our head count and related expense at the same rate. On a dollar basis, general and administrative expenses were up $6.5 million from the prior year first nine months due to higher compensation expense, travel and international administrative expenses, which are up as a result of the growth and expansion of our company.

Interest expense for the first nine months of 2015 and 2014 totaled $89.3 million and $71.7 million, respectively. This increase is related to higher average debt balances in the current year associated with our 2014 Senior Unsecured Notes, our 2015 Senior Unsecured Notes and our new and expanded credit facility. In addition, we incurred $4.3 million in fees and expenses primarily associated with the bridge loan entered into the 2015 third quarter. Our weighted average interest rate is slightly lower period over period - 4.1% for the first nine months of 2015 and 5.9% for the first nine months of 2014. See Note 4 to our Condensed Consolidated Financial Statements in Item 1 to this Form 10-Q for further information on our debt activities.

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

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

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

The following table presents a reconciliation of net income attributable to MPT common stockholders to FFO for the three and nine months ended September 30, 2015 and 2014 ($ amounts in thousands, except per share data):

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
FFO information:				
Net income attributable to MPT common stockholders	$ 23,057	$ 28,537	$ 81,361	$ 35,575
Participating securities' share in earnings	(265)	(179)	(781)	(584)
Net income, less participating securities' share in earnings	$ 22,792	$ 28,358	$ 80,580	$ 34,991
Depreciation and amortization	20,016	13,354	49,728	39,485
Gain on sale of real estate	(3,268)	—	(3,268)	—
Real estate impairment charges	—	—	—	5,974
Funds from operations	$ 39,540	$ 41,712	$ 127,040	$ 80,450
Write-off of straight line rent and other	3,928	—	3,928	950
Impairment charges	—	—	—	44,154
Unutilized financing fees / debt refinancing costs	4,080	—	4,319	290
Acquisition expenses	24,949	4,886	56,997	7,933
Normalized funds from operations	$ 72,497	$ 46,598	$ 192,284	$ 133,777
Per diluted share data:				
Net income, less participating securities' share in earnings	$ 0.10	$ 0.16	$ 0.38	$ 0.21
Depreciation and amortization	0.09	0.08	0.23	0.22
Gain on sale of real estate	(0.01)	—	(0.01)	—
Real estate impairment charges	—	—	—	0.04
Funds from operations	$ 0.18	$ 0.24	$ 0.60	$ 0.47
Write-off of straight line rent and other	0.01	—	0.02	0.01
Impairment charges	—	—	—	0.26
Unutilized financing fees / debt refinancing costs	0.02	—	0.02	—
Acquisition expenses	0.11	0.03	0.27	0.05
Normalized funds from operations	$ 0.32	$ 0.27	$ 0.91	$ 0.79

LIQUIDITY AND CAPITAL RESOURCES

2015 Cash Flow Activity

During the nine months ended September 30, 2015, we generated $132 million of cash flow from operating activities, primarily consisting of rent and interest from mortgage and other loans. We used these operating cash flows along with cash on-hand to fund our dividends of $130.8 million and certain investing activities including the additional funding of our development activities.

In regards to other financing activities in which we used such net proceeds to ultimately fund our $2 billion of acquisitions in 2015 and the remainder of our development activities, we did the following:

a) On August 19, 2015, we completed a public offering of €500 million aggregate principal amount 4.00% senior unsecured notes. In addition, on September 30, 2015, we entered into an amendment to our existing amended and restated revolving credit and term loan agreement, dated as of June 19, 2014. The Amendment, among other things, increased our revolver availability to $1.3 billion and increased borrowings under our term loan by $125 million.

b) On August 11, 2015, we completed an underwritten public offering of 28.75 million shares (including the exercise of the underwriters' 30-day option to purchase an additional million shares) of our common stock, resulting in net proceeds of approximately $337 million, after deducting estimated offering expenses.

c) On January 14, 2015, we completed an underwritten public offering of 34.5 million shares (including the exercise of the underwriters' 30-day option to purchase an additional 4.5 million shares) of our common stock, resulting in net proceeds of approximately $480 million, after deducting estimated offering expenses.

2014 Cash Flow Activity

During the nine months ended September 30, 2014, we generated $95.7 million of cash flow from operating activities, primarily consisting of rent and interest from mortgage and other loans. We used these operating cash flows along with cash on-hand to fund our dividends of $108.0 million and certain investing activities including the additional funding of our development activities.

In regards to other financing activities in which we used such net proceeds to ultimately fund our $183 million of acquisitions in 2014, to fund other investment activities, and to pay down our revolving credit facility, we did the following:

a) On March 11, 2014, we completed an underwritten public offering of 7.7 million shares of our common stock, resulting in net proceeds of approximately $100.2 million, after deducting estimated offering expenses. We also granted the underwriters a 30-day option to purchase up to an additional 1.2 million shares of common stock. The option, which was exercised in full, closed on April 8, 2014 and resulted in additional net proceeds of approximately $16 million.

b) On April 17, 2014, we completed a $300 million senior unsecured notes offering.

c) On June 19, 2014, we closed on a new $900 million senior unsecured credit facility (the "Credit Facility"). The Credit Facility was comprised of a $775 million senior unsecured revolving credit facility and a $125 million senior unsecured term loan facility. The Credit Facility replaces our previous $400 million unsecured revolving credit facility and $100 million unsecured term loan.

Short-term Liquidity Requirements : As of September 30, 2015, we have less than $0.2 million in debt principal payments due until July 2016 — see debt maturity schedule below. However, in the second half of 2016, $125 million of our 2006 notes come due. At November 6, 2015, our availability under our revolving credit facility plus cash on-hand approximated $0.5 billion. We established an at-the-market equity offering program in January 2014 under which we may sell up to $250 million in shares (of which $22.6 million has been sold through November 6, 2015) which may be used for general corporate purposes as needed. We believe any excess availability in our credit facility, our current monthly cash receipts from rent and loan interest, and the availability under our at-the-market equity offering program is sufficient to fund our operations, debt and interest obligations (including the $125 million of principal due on our senior notes in the second half of 2016), and dividends in order to comply with REIT requirements for the next twelve months.

Long-term Liquidity Requirements : As of September 30, 2015, we have approximately $126 million in debt principal payments due between now and June 2018. With our liquidity at November 6, 2015 of approximately $0.5 billion along with our current monthly cash receipts from rent and loan interest and with the availability under our at-the-market equity offering program, we believe we have the liquidity available to us to fund our operations, debt and interest obligations (including the $125 million of our senior notes coming due next year), and dividends in order to comply with REIT requirements for several years.

However, with our current capital structure and with debt principal payments coming due in 2018 and later years, we will need additional capital, which we believe is generally available in the market such as the following:

- amending or entering into new bank term loans,
- issuance of new debt securities, including senior unsecured notes,
- sale of equity securities,
- entering into joint venture arrangements, and/or
- proceeds from strategic property sales,

However, there is no assurance that conditions will be favorable for such possible transactions or that our plans will be successful.

As of September 30, 2015, principal payments due for our debt (which exclude the effects of any premiums recorded) are as follows (in thousands):

2015	$ 73
2016	125,299
2017	320
2018	1,103,781
2019	250,000
Thereafter	1,882,390
Total	$3,361,863

Distribution Policy

The table below is a summary of our distributions declared during the two year period ended September 30, 2015:

Declaration Date	Record Date	Date of Distribution	Distribution per Share
August 20, 2015	September 17, 2015	October 15, 2015	$ 0.22
May 14, 2015	June 11, 2015	July 9, 2015	$ 0.22
February 23, 2015	March 12, 2015	April 9, 2015	$ 0.22
November 13, 2014	December 4, 2014	January 8, 2015	$ 0.21
August 21, 2014	September 18, 2014	October 15, 2014	$ 0.21
May 15, 2014	June 12, 2014	July 10, 2014	$ 0.21
February 21, 2014	March 14, 2014	April 11, 2014	$ 0.21
November 7, 2013	December 3, 2013	January 7, 2014	$ 0.21

We intend to pay to our stockholders, within the time periods prescribed by the Internal Revenue Code ("Code"), all or substantially all of our annual taxable income, including taxable gains from the sale of real estate and recognized gains on the sale of securities. It is our policy to make sufficient cash distributions to stockholders in order for us to maintain our status as a REIT under the Code and to avoid corporate income and excise taxes on undistributed income. See Note 4 to our condensed consolidated financial statements in Item 1 to this Form 10-Q for any restrictions placed on dividends by our new credit facility.

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. We seek to mitigate the effects of fluctuations in interest rates by matching the terms of new investments with new long-term fixed rate borrowings to the extent possible. We may or may not elect to use financial derivative instruments to hedge interest rate exposure. These decisions are principally based on our policy to match our variable rate investments with comparable borrowings, but are also based on the general trend in interest rates at the applicable dates and our perception of the future volatility of interest rates.

In addition, the value of our facilities will be subject to fluctuations based on changes in local and regional economic conditions and changes in the ability of our tenants to generate profits, all of which may affect our ability to refinance our debt if necessary. The changes in the value of our facilities would be impacted also by changes in "cap" rates, which is measured by the current base rent divided by the current market value of a facility.

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

Interest Rate Sensitivity

For fixed rate debt, interest rate changes affect the fair market value but do not impact net income to common stockholders or cash flows. Conversely, for floating rate debt, interest rate changes generally do not affect the fair market value but do impact net income to common stockholders and cash flows, assuming other factors are held constant. At September 30, 2015, our outstanding debt totaled $3.4 billion, which consisted of fixed-rate debt of $2.0 billion (including $125.0 million of floating debt swapped to fixed) and variable rate debt of $1.3 billion. If market interest rates increase by one percentage point, the fair value of our fixed rate debt at September 30, 2015 would decrease by $3.2 million. Changes in the fair value of our fixed rate debt will not have any impact on us unless we decided to repurchase the debt in the open market.

If market rates of interest on our variable rate debt increase by 1%, the increase in annual interest expense on our variable rate debt would decrease future earnings and cash flows by $0.2 million per year. If market rates of interest on our variable rate debt decrease by 1%, the decrease in interest expense on our variable rate debt would increase future earnings and cash flows by $0.2 million per year. This assumes that the average amount outstanding under our variable rate debt for a year is $1.3 billion, the balance of such variable rate debt at September 30, 2015.

Foreign Currency Sensitivity

With our investments in Germany and throughout Europe, we are subject to fluctuations in the Euro and British Pound to US dollar currency exchange rates. Increases or decreases in the value of the Euro to US dollar and the British Pound to US dollar exchange rates may impact our financial condition and/or our results of operations. Based solely on operating results to-date in 2015 and on an annualized basis, if the Euro exchange rate were to change by 5%, our FFO would change by approximately $2.6 million. Based solely on operating results to-date in 2015 and on an annualized basis, if the British Pound exchange rate were to change by 5%, our FFO would change by less than $0.2 million.

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 us in the reports that we file 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.

None.

Item 1A. Risk Factors.

Our revenues are dependent upon our relationship with, and success of our largest tenants, Capella, MEDIAN-RHM, Prime, Ernest and Adeptus.

As of September 30, 2015, affiliates of Capella, MEDIAN, Prime, Ernest and Adeptus would have leased or mortgaged facilities representing 17%, 13%, 17%, 10% and 3%, respectively, of our total gross assets. Assuming the completion of the MEDIAN-RHM merger, affiliates of the combined MEDIAN-RHM would have leased or mortgaged facilities representing approximately 17% of our total gross assets.

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

There have been no material changes to the Risk Factors as presented in our Annual Report on Form 10-K for the year ended December 31, 2014 other than what is noted above.

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

(a) None.

(b) Not applicable.

(c) None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

(a) None.

(b) None.

Item 6. Exhibits.

Exhibit Number	Description
2.1(1)	Agreement and Plan of Merger, dated July 21, 2015, by and among Capella Holdings, Inc., GTCR Fund VIII, L.P., Capella Health Holdings, LLC and Capella Holdings Acquisition Sub, Inc.
10.1	Second Amendment to Amended and Restated Revolving Credit and Term Loan Agreement, dated as of August 4, 2015, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., the several lenders from time to time party thereto, Bank of America, N.A., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent.
10.2	Third Amendment to Amended and Restated Revolving Credit and Term Loan Agreement, dated as of September 30, 2015, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., the several lenders from time to time party thereto, Bank of America, N.A., as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent.
10.3(2)	Eighth Supplemental Indenture, dated as of August 19, 2015, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, Wilmington Trust, National Association, as trustee, Deutsche Bank Trust Company Americas, as paying agent, and Deutsche Bank Luxembourg S.A., as registrar and transfer agent.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. (Medical Properties Trust, Inc.)
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. (Medical Properties Trust, Inc.)
31.3	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. (MPT Operating Partnership, L.P.)
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32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Medical Properties Trust, Inc.)
32.2	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (MPT Operating Partnership, L.P.)
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Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

(1) Incorporated by reference to Registrant’s current report on Form 8-K, filed with the Commission on July 27, 2015

(2) Incorporated by reference to Registrant’s current report on Form 8-K, filed with the Commission on August 21, 2015

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
(Principal Financial and Accounting Officer)

MPT OPERATING PARTNERSHIP, L.P.

By: /s/ R. Steven Hamner

R. Steven Hamner
Executive Vice President and Chief Financial Officer of the sole member of the general partner of MPT Operating Partnership, L.P.
(Principal Financial and Accounting Officer)

Date: November 9, 2015

INDEX TO EXHIBITS

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(2) Incorporated by reference to Registrant’s current report on Form 8-K, filed with the Commission on August 21, 2015

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

This **AMENDMENT NO. 2 TO AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT**, dated as of August 4, 2015 (this "**Amendment No. 2**"), is by and among MEDICAL PROPERTIES TRUST, INC., a Maryland corporation ("**Holdings**"), MPT OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the "**Borrower**"), the financial institutions listed on the signature pages hereof (the "**Lenders**"), GOLDMAN SACHS BANK USA (the "**New Lender**"), and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (the "**Administrative Agent**"). Reference is made to that certain Amended and Restated Revolving Credit and Term Loan Agreement, dated as of June 19, 2014, as amended by Amendment No. 1 to Amended and Restated Revolving Credit and Term Loan Agreement dated as of October 17, 2014 (as so amended and as further amended, restated, replaced, supplemented or modified from time to time, the "**Credit Agreement**"), by and among Holdings, the Borrower, the Lenders referenced therein and the Administrative Agent. Capitalized terms used herein without definition shall have the same meanings as set forth in the Credit Agreement, as amended hereby.

RECITALS

WHEREAS, the Borrower has requested that the Lenders and the Administrative Agent make certain amendments to the Credit Agreement; and

WHEREAS, the Borrower, the Lenders and the Administrative Agent are willing to make such amendments as set forth herein;

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. As of the Amendment Effective Date (as defined in Section 4 hereof), the Credit Agreement is hereby amended as follows:

1.1 Amendment to Section 1.1: Definition of Permitted Investments. The definition of "Permitted Investments" set forth in Section 1.1 of the Credit Agreement is amended by:

(a) restating clause (s) thereof to read as follows:

"(t) any transaction (other than any Investment specifically limited by the above clauses (a) through (s)) which constitutes an Investment to the extent permitted by Section 7.10."

;and

(b) inserting the following new clause (s) after clause (r) thereof:

"(r) the Camaro Investment; and".

1.2 Amendment to Section 1.1: Definition of Pricing Grids. The definition of "Pricing Grids" set forth in Section 1.1 of the Credit Agreement is hereby amended by adding the following proviso after the table entitled "For Term Loans:" in clause (b) of such definition:

"; provided that at any time when the Total Leverage Ratio or the Unsecured Leverage Ratio exceeds 65%, then the Applicable Margins for both Revolving Loans and Term Loans (x) shall be determined based on a Credit Rating of "below BBB-/Baa3 or unrated" and (y) shall be increased by 0.20% above the Applicable Margins otherwise applicable to such Credit Rating."

1.3 Amendment to Section 1.1: Definition of Specified Jurisdictions. The definition of "Specified Jurisdictions" set forth in Section 1.1 of the Credit Agreement is hereby amended by adding the words ", Spain, Italy" after the word "Japan" on the second line thereof.

1.4 Amendment to Section 1.1: Definition of Total Asset Value. The definition of "Total Asset Value" set forth in Section 1.1 of the Credit Agreement is restated in its entirety to read as follows:

""Total Asset Value": an amount equal to the sum, without duplication, of (i) the undepreciated cost (after taking into account any impairments) of all Real Properties that are 100% fee owned or ground-leased by the Group Members (other than Development Properties), plus (ii) the pro-rata share of the undepreciated cost (after taking into account any impairments) of all Real Properties that are less than 100% fee owned or ground-leased by the Group Members (other than Development Properties), plus (iii) unrestricted cash and Cash Equivalents of the Group Members in excess of $10,000,000; provided that, for purposes of calculating the Total Leverage Ratio, no such unrestricted cash and Cash Equivalents will be added to Total Asset Value if such unrestricted cash and Cash Equivalents have been deducted from Total Indebtedness in the Total Leverage Ratio, 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 payment default after giving effect to applicable cure periods that has resulted in the commencement of the exercise of remedies ("Mortgage Notes"), (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 payment default after giving effect to applicable cure periods, and (4) which are not in a principal amount in excess of $15,000,000 per note and are set forth in a schedule provided to the Administrative Agent (provided that not more than $50,000,000 of Total Asset Value may be attributable to notes receivable described in this clause (B)), (C) notes receivable in the original principal amount of approximately $93,200,000 evidencing the acquisition loan in connection with the acquisition of Ernest Health, Inc., (D) notes receivable in the original principal amount of approximately €480,000,000 evidencing the Median Investment so long as such notes are not more than 60 days past due or otherwise in payment default after giving effect to applicable cure periods and (E) notes receivable in the original principal amount of approximately $300,000,000 evidencing the acquisition loan for the Camaro Investment so long as such notes are not more than 60 days past due or otherwise in payment default after giving effect to applicable cure periods, plus (v) the book value (after taking into account any impairments) of Construction-in-Process for all Development Properties (in an amount not to exceed the greater of $200,000,000 and 7% of Total Asset Value), all as determined on a consolidated basis in accordance with GAAP."

1.5 Amendment to Section 1.1: New Definition of Camaro Investment. Section 1.1 of the Credit Agreement is amended by adding the following new definition of "Camaro Investment" immediately after the definition of "CAD":

""Camaro Investment": The acquisition by subsidiaries of the Borrower of all of the equity interests in Capella Holdings, Inc."

1.6 Amendment to Section 2.19. Section 2.19 of the Credit Agreement is amended by adding the following new Section 2.19(j) after Section 2.19(i):

"(j) FATCA Acknowledgement. For purposes of determining withholding Taxes imposed under FATCA, from and after August 4, 2015, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loans and this Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i)."

1.7 Amendment to Section 7.1(a). Section 7.1(a) of the Credit Agreement is restated in its entirety to read as follows:

"(a) Total Leverage Ratio. Permit the ratio of (i) (A) Total Indebtedness minus (B) as of such date of determination, unrestricted cash and Cash Equivalents of the Group Members in excess of $10,000,000 that is being held to repay that portion of Total Indebtedness that matures within twenty-four (24) months of such date of determination to (ii) Total Asset Value (the "Total Leverage Ratio") as at the last day of any period of four consecutive fiscal quarters of the Borrower or on the date of any incurrence of Indebtedness by the Borrower or its Subsidiaries hereunder to exceed 60%; provided that such ratio may exceed 60% in order to permit the Borrower to consummate a Significant Acquisition so long as (i) such ratio does not exceed 60% as of the end of more than four (4) consecutive fiscal quarters and (ii) such ratio does not exceed 65% as of such date of determination; and provided further that such ratio may exceed 60% for the fiscal quarters ending September 30, 2015, December 31, 2015 and March 31, 2016 in order to permit the Borrower to consummate the Camaro Investment so long as such ratio does not exceed 70% as of such date of determination."

1.8 Amendment to Section 7.1(f). Section 7.1(f) of the Credit Agreement is restated in its entirety to read as follows:

"(f) Unsecured Leverage Ratio. Permit the ratio of (i)(A) Unsecured Indebtedness minus (B) as of such date of determination, unrestricted cash and Cash Equivalents of the Group Members in excess of $10,000,000 that is being held to repay that portion of Unsecured Indebtedness that matures within twenty-four (24) months of such date of determination to (ii) Unencumbered Asset Value (the "Unsecured Leverage Ratio") as at the last day of any period of four consecutive fiscal quarters of the Borrower or on the date of any incurrence of Indebtedness by the Borrower or its Subsidiaries hereunder to exceed 60%; provided that such ratio may exceed 60% in order to permit the Borrower to consummate a Significant Acquisition so long as (i) such ratio does not exceed 60% as of the end of more than four (4) consecutive fiscal quarters and (ii) such ratio does not exceed 65% as of such date of determination; and provided further that such ratio may exceed 60% for the fiscal quarters ending September 30, 2015, December 31, 2015 and March 31, 2016 in order to permit the Borrower to consummate the Camaro Investment so long as such ratio does not exceed 77.5% as of such date of determination."

1.9 Revolving Commitment. The aggregate Revolving Commitments are increased by $100,000,000 to $1,125,000,000.

1.10 Commitments. Schedule 1.1A to the Credit Agreement is hereby deleted in its entirety and Schedule 1.1A to this Amendment No. 2 is substituted in place thereof.

1.11 New Commitments. (a) The New Lender shall have a New Revolving Commitment in the amount of $100,000,000. On the Amendment Effective Date, and so long as the conditions set forth in Section 5.2 are satisfied, (a) the New Lender shall purchase from each of the Revolving Lenders, at the principal amount thereof, such interests in the Revolving Loans outstanding on such date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans will be held by existing Revolving Lenders and the New Lender ratably in accordance with their Revolving Commitments after giving effect to the addition of such New Revolving Commitments to the Revolving Commitments, (b) the New Revolving Commitment of the New Lender shall be deemed for all purposes a Revolving Commitment and each Loan made under such New Revolving Commitment shall be deemed, for all purposes, a Revolving Loan, and (c) the New Lender shall become a Revolving Lender with respect to its New Revolving Commitment and all matters relating thereto.

(b) From and after the date hereof, the New Lender shall be deemed to be a Lender for all purposes of the Credit Agreement, and each reference to the Lenders in the Credit Agreement shall be deemed to include the New Lender. The New Lender appoints JPMorgan Chase Bank, N.A. as the Administrative Agent and authorizes the Administrative Agent to take such action on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto.

(c) The New Lender (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Amendment No. 2 and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 10.6 of the Credit Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Amendment Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of its Commitments, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.1 of the Credit Agreement, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Amendment No. 2, (v) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Amendment No. 2, and (vi) if it is a Foreign Lender, any documentation required to be delivered by it pursuant to the terms of the Credit Agreement has been delivered to the Administrative Agent; and (b) agrees that (i) it will, independently and without reliance upon the Administrative 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 decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

1.12 Request under Section 2.23(a) of the Credit Agreement.

(a) The Administrative Agent and the Lenders party hereto hereby waive the requirement under Section 2.23(a) of the Credit Agreement that the Borrower provide written notice to the Administrative Agent of its request for New Revolving Commitments.

(b) This Amendment No. 2 is and shall be deemed to be for all purposes of the Credit Agreement a partial exercise by the Borrower of its rights under Section 2.23(a) (as amended by this Amendment No. 2) of the Credit Agreement to request an increase of the Revolving Commitments. From and after the Amendment Effective Date, the Borrower shall be able to request $300,000,000 of remaining Incremental Commitments pursuant to Section 2.23 of the Credit Agreement.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF BORROWER AND HOLDINGS

In order to induce the Lenders, the New Lender and Administrative Agent to enter into this Amendment No. 2, Borrower and Holdings each represents and warrants to each Lender, the New Lender and Administrative Agent that the following statements are true, correct and complete:

(i) each of Borrower and Holdings has the power and authority, and the legal right, to make, deliver and perform its obligations under this Amendment No. 2, the Credit Agreement as amended by this Amendment No. 2 (the "**Amended Agreement**") and any Notes issued pursuant to Section 4D below (the "**New Note**");

(ii) each of Borrower and Holdings has taken all necessary organizational action to authorize the execution, delivery and performance of this Amendment No. 2 and the New Note;

(iii) no consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Amendment No. 2 and the New Note, except consents, authorizations, filings and notices which have been obtained or made and are in full force and effect;

(iv) the execution, delivery and performance of this Amendment No. 2 and the New Note will not violate any Requirement of Law or any Contractual Obligation of any Group Member, except for any such violation which could not reasonably be expected to have a Material Adverse Effect, and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation;

(v) this Amendment No. 2, the New Note and the Amended Agreement have been duly executed and delivered by Borrower and Holdings and are the legal, valid and binding obligations of Borrower and Holdings, enforceable against Borrower and Holdings in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);

(vi) the representations and warranties contained in Section 4 of the Credit Agreement are and will be true and correct in all material respects on and as of the date hereof and the Amendment Effective Date to the same extent as though made on and as of such dates, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date; and

(vii) no event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment No. 2 that would constitute a Default or Event of Default.

SECTION 3. ACKNOWLEDGEMENT AND CONSENT

Each Guarantor has read this Amendment No. 2 and consents to the terms hereof and further hereby confirms and agrees that, notwithstanding the effectiveness of this Amendment No. 2, the obligations of such Guarantor under 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 and the Borrower hereby acknowledges and agrees that the Guarantor Obligations under, and as defined in, the Guarantee Agreement, dated as of June 19, 2014, by and among Holdings and the Administrative Agent, as supplemented and modified (the "**Guarantee 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 No. 2, 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 No. 2 and (ii) nothing in the Credit Agreement, this Amendment No. 2 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 No. 2 shall become effective only upon the satisfaction of the following conditions precedent (the date of satisfaction of such conditions being referred to as the "**Amendment Effective Date**"):

A. The Borrower, Holdings, the Administrative Agent, the Required Lenders and the New Lender 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 June 19, 2014, 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 No. 2 and the transactions contemplated hereby.

C. The Lenders and the Administrative Agent shall have received all reasonable out-of-pocket costs and expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel for which the Borrower agrees it is responsible pursuant to Section 10.5 of the Credit Agreement), incurred in connection with this Amendment No. 2.

D. Execution and delivery to the Administrative Agent by the Borrower of a Note in favor of the New Lender in the aggregate total incremental amount of $100,000,000.

E. Delivery to the Administrative Agent by Goodwin Procter LLP, as counsel to the Borrower, of an opinion addressed to the Lenders, the New Lender and the Administrative Agent in form and substance reasonably satisfactory to the Administrative Agent.

F. Payment by the Borrower of any agreed upon compensation to the Lenders and the Joint Lead Arrangers as separately agreed in connection with this Amendment No. 2 and the making of the Revolving Commitments by the New Lender and any resulting reallocation of the Revolving Loans.

G. The conditions set forth in Section 5.2 of the Credit Agreement shall have been satisfied and the Administrative Agent shall have received a certificate dated the Amendment Effective Date and executed by a Responsible Officer of the Borrower that such conditions have been satisfied and that the Borrower shall be in pro forma compliance with the covenants set forth in Section 7.1 of the Credit Agreement after giving effect to this Amendment No. 2, the incremental Revolving Commitments, the Loans to be made thereunder and the application of the proceeds therefrom as if made and applied on such date.

SECTION 5. MISCELLANEOUS

A. Reference to and Effect on the Credit Agreement and the Other Loan Documents.

(i) On and after the effective date of this Amendment No. 2, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

(ii) Except as specifically amended by this Amendment No. 2, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment No. 2 shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender under the Credit Agreement or any of the other Loan Documents.

(iv) This Amendment No. 2 shall constitute a "Loan Document" under the Credit Agreement.

B. Headings. Section and subsection headings in this Amendment No. 2 are included herein for convenience of reference only and shall not constitute a part of this Amendment No. 2 for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT NO. 2 AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

D. Counterparts; Effectiveness. This Amendment No. 2 may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. This Amendment No. 2 (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 Required Lenders and receipt by Borrower and Administrative Agent of written or telephonic notification of such execution and authorization of delivery thereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

HOLDINGS: **MEDICAL PROPERTIES TRUST, INC.**

By: /s/ R. Steven Hamner
Name: R. Steven Hamner
Title: Executive Vice President and
Chief Financial Officer

BORROWER: **MPT OPERATING PARTNERSHIP, L.P.**

By: /s/ R. Steven Hamner
Name: R. Steven Hamner
Title: Executive Vice President and
Chief Financial Officer

[SIGNATURE PAGE – AMENDMENT NO. 2]

LENDERS:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent and as a Lender

By: /s/ Brendan M. Poe
Name: Brendan M. Poe
Title: Executive Director

[SIGNATURE PAGE – AMENDMENT NO. 2]

KEYBANK NATIONAL ASSOCIATION, as a Lender

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

ROYAL BANK OF CANADA, as a Lender

By: /s/ Rina Kansagra
Name: Rina Kansagra
Title: Authorized Signatory

[SIGNATURE PAGE – AMENDMENT NO. 2]

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By: /s/ Michael Winters
Name: Michael Winters
Title: Vice President

By: /s/ Anca Trifan
Name: Anca Trifan
Title: Managing Director

[SIGNATURE PAGE – AMENDMENT NO. 2]

BANK OF AMERICA, N.A., as a Lender

By: /s/ Suzanne B. Smith
Name: Suzanne B. Smith
Title: Senior Vice President

[SIGNATURE PAGE – AMENDMENT NO. 2]

COMPASS BANK, as a Lender

By: /s/ Brian Tuerff
Name: Brian Tuerff
Title: Senior Vice President

[SIGNATURE PAGE – AMENDMENT NO. 2]

SUNTRUST BANK, as a Lender

By: /s/ Joshua Turner

Name: Joshua Turner

Title: Vice President

[SIGNATURE PAGE – AMENDMENT NO. 2]

REGIONS BANK, as a Lender

By: /s/ Steven W. Mitchell
Name: Steven W. Mitchell
Title: Senior Vice President

[SIGNATURE PAGE – AMENDMENT NO. 2]

BARCLAYS BANK PLC, as a Lender

By: /s/ Christopher R. Lee
Name: Christopher R. Lee
Title: Vice President

[SIGNATURE PAGE – AMENDMENT NO. 2]

CREDIT AGRICOLE CORPORATE AND
INVESTMENT BANK, as a Lender

By: /s/ Amy Trapp
Name: Amy Trapp
Title: Managing Director

By: /s/ Jeff Ferrell
Name: Jeff Ferrell
Title: Managing Director

[SIGNATURE PAGE – AMENDMENT NO. 2]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Joe Ellerbroek
Name: Joe Ellerbroek
Title: Assistant Vice President

[SIGNATURE PAGE – AMENDMENT NO. 2]

CITIZENS BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Donald W. Woods
Name: Donald W. Woods
Title: Senior Vice President

[SIGNATURE PAGE – AMENDMENT NO. 2]

CREDIT SUISSE AG, CAYMAN ISLANDS
BRANCH, as a Lender

By: /s/ Bill O'Daly
Name: Bill O'Daly
Title: Authorized Signatory

By: /s/ Sean MacGregor
Name: Sean MacGregor
Title: Authorized Signatory

[SIGNATURE PAGE – AMENDMENT NO. 2]

CADENCE BANK, N.A., as a Lender

By: /s/ Caldwell Marks

Name: Caldwell Marks

Title: Senior Vice President

[SIGNATURE PAGE – AMENDMENT NO. 2]

FIRST TENNESSEE BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Cathy Wind

Name: Cathy Wind

Title: SVP

[SIGNATURE PAGE – AMENDMENT NO. 2]

GOLDMAN SACHS BANK USA, as New Lender

By: /s/ Charles D. Johnston
Name: Charles D. Johnston
Title: Authorized Signatory

[SIGNATURE PAGE – AMENDMENT NO. 2]

Schedule l.lA

Commitments

Lender	Revolving Commitment
Goldman Sachs Bank USA	$ 100,000,000
JPMorgan Chase Bank, N.A.	$ 94,000,000
Bank of America, N.A.	$ 94,000,000
Barclays Bank PLC	$ 94,000,000
KeyBank National Association	$ 94,000,000
Deutsche Bank AG New York Branch	$ 85,000,000
Compass Bank	$ 76,000,000
Credit Agricole Corporate and Investment Bank	$ 76,000,000
Royal Bank of Canada	$ 76,000,000
SunTrust Bank	$ 76,000,000
Wells Fargo Bank, National Association	$ 76,000,000
Citizens Bank, National Association	$ 62,000,000
Credit Suisse AG, Cayman Islands Branch	$ 59,000,000
Regions Bank	$ 39,000,000
Cadence Bank, N.A.	$ 12,000,000
First Tennessee Bank National Association	$ 12,000,000
	$ 1,125,000,000

Lender	Term Commitment
Cadence Bank, N.A.	$ 13,000,000
JPMorgan Chase Bank, N.A.	$ 11,000,000
Bank of America, N.A.	$ 11,000,000
Barclays Bank PLC	$ 11,000,000
KeyBank National Association	$ 11,000,000
Compass Bank	$ 9,000,000
Credit Agricole Corporate and Investment Bank	$ 9,000,000
Royal Bank of Canada	$ 9,000,000
SunTrust Bank	$ 9,000,000
Wells Fargo Bank, National Association	$ 9,000,000
Citizens Bank, National Association	$ 8,000,000
Credit Suisse AG, Cayman Islands Branch	$ 6,000,000
Regions Bank	$ 6,000,000
First Tennessee Bank National Association	$ 3,000,000
	$ 125,000,000

Exhibit 10.2

Execution Version

AMENDMENT NO. 3 TO AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT

This **AMENDMENT NO. 3 TO AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT**, dated as of September 30, 2015 (this "**Amendment No. 3**"), 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**"), THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. (the "**New Lender**"), and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (the "**Administrative Agent**"). Reference is made to that certain Amended and Restated Revolving Credit and Term Loan Agreement, dated as of June 19, 2014, as amended by Amendment No. 1 to Amended and Restated Revolving Credit and Term Loan Agreement dated as of October 17, 2014 and Amendment No. 2 to Amended and Restated Revolving Credit and Term Loan Agreement dated as of August 4, 2015 (as so amended and as further amended, restated, replaced, supplemented or modified from time to time, the "**Credit Agreement**"), by and among Holdings, the Borrower, the Lenders referenced therein and the Administrative Agent. Capitalized terms used herein without definition shall have the same meanings as set forth in the Credit Agreement, as amended hereby.

RECITALS

WHEREAS, the Borrower has requested that the Lenders and the Administrative Agent make incremental loans under and certain amendments to the Credit Agreement; and

WHEREAS, the Borrower, the Lenders and the Administrative Agent are willing to make such incremental loans and amendments as set forth herein;

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. As of the Amendment Effective Date (as defined in Section 4 hereof), the Credit Agreement is hereby amended as follows:

1.1 Amendment to Section 1.1: Definition of Alternative Currency Sublimit. The definition of "Alternative Currency Sublimit" set forth in Section 1.1 of the Credit Agreement is restated in its entirety to read as follows:

> ""Alternative Currency Sublimit": an amount equal to the lesser of the Total Revolving Commitments and €650,000,000. The Alternative Currency Sublimit is part of, and not in addition to, the Revolving Commitments."

1.2 Amendment to Section 1.1: Definitions of Swingline Commitment, Swingline Exposure and Swingline Lender. The definitions of "Swingline Commitment", "Swingline Exposure" and "Swingline Lender" set forth in Section 1.1 of the Credit Agreement are restated in their entirety to read as follows:

> "Swingline Commitment": as to each Swingline Lender, the obligation of such Swingline Lender to make Swingline Loans pursuant to Section 2.6 in an aggregate Dollar Equivalent principal amount at any one time outstanding not to exceed 20% of the Swingline Sublimit (or such other amount as is agreed to among the Borrower, such Swingline Lender and the Administrative Agent); provided that the aggregate Swingline Commitments for all Swingline Lenders shall not exceed the Swingline Sublimit.
>
> "Swingline Exposure": at any time, the aggregate Dollar Equivalent principal amount of all Swingline Loans outstanding at such time. Except to the extent the Swingline Exposure of a Defaulting Lender has been reallocated in accordance with Section 2.24(c), the Swingline Exposure of any Revolving Lender shall be the sum of (a) its Revolving Percentage of the total Swingline Exposure at such time related to Swingline Loans other than any Swingline Loans made by such Lender in its capacity as a Swingline Lender and (b) if such Lender is a Swingline Lender, the aggregate Dollar Equivalent principal amount of all Swingline Loans made by such Lender outstanding at such time (to the extent that other Lenders shall not have funded their participations in such Swingline Loans).
>
> "Swingline Lender": each of JPMorgan Chase Bank, N.A., Bank of America, N.A., KeyBank National Association, Barclays Bank PLC, Goldman Sachs Bank USA and any other Lender that agrees to provide Swingline Loans with the consent of the Borrower and the Administrative Agent, in each case in its capacity as the lender of Swingline Loans up to its Swingline Commitment. Each reference herein to "Swingline Lender" shall mean all of the Swingline Lenders, each Swingline Lender, or the applicable Swingline Lender, as the context may require.

1.3 Amendment to Section 1.1: Definition of Total Asset Value. The definition of "Total Asset Value" set forth in Section 1.1 of the Credit Agreement is amended by restating clause (iv)(E) thereof in its entirety to read as follows:

> "(E) outstanding notes receivable in the original principal amount of approximately, until March 31, 2016, $425,000,000, and thereafter, $325,000,000, evidencing the Camaro Investment so long as such notes are not more than 60 days past due or otherwise in payment default after giving effect to applicable cure periods"

1.4 Amendment to Section 1.1: New Definition of Swingline Sublimit. Section 1.1 of the Credit Agreement is amended by adding the following new definition of "Swingline Sublimit" immediately after the definition of "Swingline Lender":

"Swingline Sublimit": $100,000,000.

1.5 Amendment to Sections 2.6 and 2.7. Sections 2.6 and 2.7 of the Credit Agreement are restated in their entirety to read as follows:

"2.6 Swingline Commitment.

(a) Subject to the terms and conditions hereof, each Swingline Lender agrees to make a portion of the credit otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swing line loans ("Swingline Loans") to the Borrower in Dollars or Euros; provided that (i) the aggregate Dollar Equivalent principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Sublimit then in effect, (ii) the aggregate outstanding Dollar Equivalent principal amount of Swingline Loans made by any Swingline Lender shall not at any time exceed such Swingline Lender's Swingline Commitment, (iii) the Total Revolving Extensions of Credit denominated in Alternative Currencies (including Swingline Loans denominated in Euros) shall not at any time exceed the Alternative Currency Sublimit, (iv) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments would be less than zero and (v) a Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. During the Revolving Commitment Period, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be either (x) Eurodollar Loans with an overnight maturity denominated in Euros or (y) ABR Loans denominated in Dollars.

(b) The Borrower shall repay to the Administrative Agent for the account of the Swingline Lenders the then unpaid principal amount of each Swingline Loan on the earlier of the Revolving Termination Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least two Business Days after such Swingline Loan is made; provided that on each date that a Revolving Loan is borrowed, the Borrower shall repay all Swingline Loans then outstanding that are denominated in the currency of such Revolving Loan.

2.7 Procedure for Swingline Borrowing; Refunding of Swingline Loans.

(a) Whenever the Borrower desires that the Swingline Lenders make Swingline Loans, it shall give the Swingline Lenders and the Administrative Agent irrevocable telephonic notice confirmed promptly in writing in the form of Exhibit E (which telephonic notice must be received by the Swingline Lenders and the Administrative Agent not later than (x) 1:00 P.M., New York City time, on the proposed Borrowing Date of a Swingline Loan denominated in Dollars and (y) 10:00 A.M., London time, on the proposed Borrowing Date of a Swingline Loan denominated in Euros), specifying (i) the amount to be borrowed, (ii) whether such Borrowing shall be in Dollars or Euros and (iii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period), and certifying that the conditions set forth in Section 5.2 are satisfied. Each borrowing under the Swingline Commitment shall be in a Dollar Equivalent amount equal to $500,000 or a whole multiple of $100,000 in excess thereof. Not later than (x) 3:00 P.M., New York City time, in case of a Swingline Loan denominated in Dollars and (y) 3:00 P.M. (London time) in the case of a Swingline Loan denominated in Euros, on the Borrowing Date specified in a notice in respect of Swingline Loans, each Swingline Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to its ratable portion of the requested Swingline Loan (such ratable portion to be calculated based on the ratio of such Swingline Lender's Swingline Commitment to the total Swingline Commitments of all Swingline Lenders). The Administrative Agent shall make the proceeds of such Swingline Loan available to the Borrower on such Borrowing Date by depositing such proceeds in the account of the Borrower with the Administrative Agent on such Borrowing Date in immediately available funds. The failure of any Swingline Lender to make its ratable portion of a Swingline Loan shall not relieve any other Swingline Lender of its obligation hereunder to make its ratable portion of such Swingline Loan on the date of such Swingline Loan, but no Swingline Lender shall be responsible for the failure of any other Swingline Lender to make the ratable portion of a Swingline Loan to be made by such other Swingline Lender on the date of any Swingline Loan.

(b) Each Swingline Lender, acting through the Administrative Agent, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs each Swingline Lender to act on its behalf), on notice given as set forth below, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of the Swingline Loans (the "Refunded Swingline Loans") outstanding on the date of such notice, to repay the Swingline Lenders. In the case of a Swingline Loan denominated in Dollars, such notice shall be given by the Swingline Lender no later than 12:00 P.M., New York time, on the Business Day prior to the date of such Revolving Loan, and each Revolving Lender shall make the amount of such Revolving Loan available to the Administrative Agent at the Funding Office as an ABR Loan in immediately available funds, not later than 10:00 A.M., New York City time, one Business Day after the date of such notice. In the case of a Swingline Loan denominated in Euros, such notice shall be given by the Swingline Lender no later than 12:00 P.M., New York time, on the day that is 3 Business Days prior to the date of such Revolving Loan, and each Revolving Lender shall make the amount of such Revolving Loan available to the Administrative Agent at the Funding Office as a Eurodollar Loan in immediately available funds, not later than 10:00 A.M., New York time, three Business Days after the date of such notice. The proceeds of such Revolving Loans shall be immediately made available by the Administrative Agent to the Swingline Lenders for application by the Swingline Lenders to the repayment of the Refunded Swingline Loans. The Borrower irrevocably authorizes each Swingline Lender to charge the Borrower's accounts with the Administrative Agent (up to the amount available in each such account) in order to immediately pay the amount of such Refunded Swingline Loans to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loans.

(c) If prior to the time a Revolving Loan would have otherwise been made pursuant to Section 2.7(b), one of the events described in Section 8(f) shall have occurred and be continuing with respect to the Borrower or if for any other reason, as determined by a Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 2.7(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 2.7(b), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Administrative Agent for the account of the Swingline Lenders an amount (the "Swingline Participation Amount") equal to (i) such Revolving Lender's Revolving Percentage times (ii) the sum of the aggregate principal amount of Swingline Loans then outstanding that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after a Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, such Swingline Lender receives any payment on account of the Swingline Loans, such Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided, however, that in the event that such payment received by such Swingline Lender is required to be returned, such Revolving Lender will return to such Swingline Lender any portion thereof previously distributed to it by such Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.7(b) and to purchase participating interests pursuant to Section 2.7(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against a Swingline Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Revolving Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing."

1.6 Amendment to Section 2.23. Section 2.23(a) of the Credit Agreement is amended by (a) deleting the amount "$400,000,000" on the sixth line thereof and substituting the amount "$800,000,000" in place thereof and (b) deleting the amount "$1,550,000,000" on the eighth line thereof and substituting the amount "$1,950,000,000" in place thereof.

1.7 Amendment to Section 7.1(f). Section 7.1(f) of the Credit Agreement is restated in its entirety to read as follows:

"(f) Unsecured Leverage Ratio. Permit the ratio of (i)(A) Unsecured Indebtedness minus (B) as of such date of determination, unrestricted cash and Cash Equivalents of the Group Members in excess of $10,000,000 that is being held to repay that portion of Unsecured Indebtedness that matures within twenty-four (24) months of such date of determination to (ii) Unencumbered Asset Value (the "Unsecured Leverage Ratio") as at the last day of any period of four consecutive fiscal quarters of the Borrower or on the date of any incurrence of Indebtedness by the Borrower or its Subsidiaries hereunder to exceed 65%; provided that such ratio may exceed 65% for the fiscal quarters ending September 30, 2015, December 31, 2015, March 31, 2016 and June 30, 2016 in order to permit the Borrower to consummate the Camaro Investment so long as such ratio does not exceed 77.5% as of such date of determination."

1.8 Revolving Commitments. (a) The aggregate Revolving Commitments are increased by $175,000,000 to $1,300,000,000.

(b) Each of JPMorgan Chase Bank, N.A., Bank of America, N.A., Goldman Sachs Bank USA, Barclays Bank PLC, KeyBank National Association, Deutsche Bank AG New York Branch, Compass Bank, Credit Agricole Corporate and Investment Bank, SunTrust Bank, Wells Fargo Bank, National Association, Citizens Bank, National Association, Credit Suisse AG, Cayman Islands Branch, and First Tennessee Bank National Association (the "**Increasing Lenders**") hereby agrees to increase its Revolving Commitment to the amount set forth on Schedule 1.1A to this Amendment No. 3.

(c) The New Lender shall have a Revolving Commitment in the amount set forth on Schedule 1.1A to this Amendment No. 3. On the Amendment Effective Date, and so long as the conditions set forth in Section 5.2 are satisfied, (a) the Revolving Lenders that are Increasing Lenders and the New Lender shall purchase from each of the other Revolving Lenders, at the principal amount thereof, such interests in the Revolving Loans outstanding on such date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans will be held by all Revolving Lenders ratably in accordance with their Revolving Commitments after giving effect to the addition of such New Revolving Commitments to the Revolving Commitments, (b) the New Revolving Commitment of the New Lender shall be deemed for all purposes a Revolving Commitment and each Loan made under such New Revolving Commitment shall be deemed, for all purposes, a Revolving Loan, and (c) the New Lender shall become a Revolving Lender with respect to its New Revolving Commitment and all matters relating thereto.

1.9 New Term Commitments. Each Lender with a "New Term Commitment" set forth opposite its name on Schedule 1.1A to this Amendment No. 3 (a "**New Term Lender**") agrees, subject to the satisfaction of the conditions set forth in Section 2.23, to make a New Term Loan to the Borrower on the Amendment Effective Date in an amount equal to the New Term Commitment of such New Term Lender. The terms of such New Term Loans to be made on the Amendment Effective Date (including the Term Loan Maturity Date) shall be identical to the existing Term Loans, and such New Term Loans shall share ratably in any prepayment of the existing Term Facility. Such New Term Loans shall be deemed for all purposes to be Term Loans under the Credit Agreement. Each New Term Lender shall become a Term Lender with respect to its New Term Commitment and its New Term Loans made hereunder.

1.10 Commitments. Schedule 1.1A to the Credit Agreement is hereby deleted in its entirety and Schedule 1.1A to this Amendment No. 3 is substituted in place thereof.

1.11 New Lender. (a) From and after the date hereof, the New Lender shall be deemed to be a Lender for all purposes of the Credit Agreement, and each reference to the Lenders in the Credit Agreement shall be deemed to include the New Lender. The New Lender appoints JPMorgan Chase Bank, N.A. as the Administrative Agent and authorizes the Administrative Agent to take such action on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto.

(b) The New Lender (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Amendment No. 3 and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 10.6 of the Credit Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Amendment Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of its Commitments, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.1 of the Credit Agreement, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Amendment No. 3, (v) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Amendment No. 3, and (vi) if it is a Foreign Lender, any documentation required to be delivered by it pursuant to the terms of the Credit Agreement has been delivered to the Administrative Agent; and (b) agrees that (i) it will, independently and without reliance upon the Administrative 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 decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

1.12 Request under Section 2.23(a) of the Credit Agreement.

(a) The Administrative Agent and the Lenders party hereto hereby waive the requirement under Section 2.23(a) of the Credit Agreement that the Borrower provide written notice to the Administrative Agent of its request for Incremental Commitments.

(b) This Amendment No. 3 is and shall be deemed to be for all purposes of the Credit Agreement a partial exercise by the Borrower of its rights under Section 2.23(a) (as amended by this Amendment No. 3) of the Credit Agreement to request Incremental Commitments. From and after the Amendment Effective Date, the Borrower shall be able to request $400,000,000 of remaining Incremental Commitments pursuant to Section 2.23 of the Credit Agreement.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF BORROWER AND HOLDINGS

In order to induce the Lenders, the New Lender and Administrative Agent to enter into this Amendment No. 3, Borrower and Holdings each represents and warrants to each Lender, the New Lender and Administrative Agent that the following statements are true, correct and complete:

(i) each of Borrower and Holdings has the power and authority, and the legal right, to make, deliver and perform its obligations under this Amendment No. 3, the Credit Agreement as amended by this Amendment No. 3 (the "**Amended Agreement**") and any Notes issued pursuant to Section 4D below (the "**New Notes**");

(ii) each of Borrower and Holdings has taken all necessary organizational action to authorize the execution, delivery and performance of this Amendment No. 3 and the New Notes;

(iii) no consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Amendment No. 3 and the New Notes, except consents, authorizations, filings and notices which have been obtained or made and are in full force and effect;

(iv) the execution, delivery and performance of this Amendment No. 3 and the New Notes will not violate any Requirement of Law or any Contractual Obligation of any Group Member, except for any such violation which could not reasonably be expected to have a Material Adverse Effect, and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation;

(v) this Amendment No. 3, the New Notes and the Amended Agreement have been duly executed and delivered by Borrower and Holdings and are the legal, valid and binding obligations of Borrower and Holdings, enforceable against Borrower and Holdings in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law);

(vi) the representations and warranties contained in Section 4 of the Credit Agreement are and will be true and correct in all material respects on and as of the date hereof and the Amendment Effective Date to the same extent as though made on and as of such dates, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date; and

(vii) no event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment No. 3 that would constitute a Default or Event of Default.

SECTION 3. ACKNOWLEDGEMENT AND CONSENT

Each Guarantor has read this Amendment No. 3 and consents to the terms hereof and further hereby confirms and agrees that, notwithstanding the effectiveness of this Amendment No. 3, the obligations of such Guarantor under 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 and the Borrower hereby acknowledges and agrees that the Guarantor Obligations under, and as defined in, the Guarantee Agreement, dated as of June 19, 2014, by and among Holdings and the Administrative Agent, as supplemented and modified (the "**Guarantee 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 No. 3, 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 No. 3 and (ii) nothing in the Credit Agreement, this Amendment No. 3 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 No. 3 shall become effective only upon the satisfaction of the following conditions precedent (the date of satisfaction of such conditions being referred to as the "**Amendment Effective Date**"):

A. The Borrower, Holdings, the Administrative Agent, the Swingline Lenders, the Required Lenders, the Increasing Lenders, and the New Lender 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 June 19, 2014, 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 No. 3 and the transactions contemplated hereby.

C. The Lenders and the Administrative Agent shall have received all reasonable out-of-pocket costs and expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel for which the Borrower agrees it is responsible pursuant to Section 10.5 of the Credit Agreement), incurred in connection with this Amendment No. 3.

D. Execution and delivery to the Administrative Agent by the Borrower of new Notes in favor of the New Lender and amended and restated Notes in favor of the Increasing Lenders in the aggregate total incremental amount of $300,000,000.

E. Delivery to the Administrative Agent by Goodwin Procter LLP, as counsel to the Borrower, of an opinion addressed to the Lenders, the New Lender and the Administrative Agent in form and substance reasonably satisfactory to the Administrative Agent.

F. Payment by the Borrower of any agreed upon compensation to the Lenders and the Joint Lead Arrangers as separately agreed in connection with this Amendment No. 3 and the making of the Incremental Commitments by the New Lender and the Increasing Lenders and any resulting reallocation of the Revolving Loans.

G. The conditions set forth in Section 5.2 of the Credit Agreement shall have been satisfied and the Administrative Agent shall have received a certificate dated the Amendment Effective Date and executed by a Responsible Officer of the Borrower that such conditions have been satisfied and that the Borrower shall be in pro forma compliance with the covenants set forth in Section 7.1 of the Credit Agreement after giving effect to this Amendment No. 3, the Incremental Commitments, the Loans to be made thereunder and the application of the proceeds therefrom as if made and applied on such date.

SECTION 5. MISCELLANEOUS

A. Reference to and Effect on the Credit Agreement and the Other Loan Documents.

(i) On and after the effective date of this Amendment No. 3, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

(ii) Except as specifically amended by this Amendment No. 3, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment No. 3 shall not, except as expressly provided herein, constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of the Administrative Agent or any Lender under the Credit Agreement or any of the other Loan Documents.

(iv) This Amendment No. 3 shall constitute a “Loan Document” under the Credit Agreement.

B. Headings. Section and subsection headings in this Amendment No. 3 are included herein for convenience of reference only and shall not constitute a part of this Amendment No. 3 for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT NO. 3 AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

D. Counterparts; Effectiveness. This Amendment No. 3 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 No. 3 (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 Required Lenders and receipt by Borrower and Administrative Agent of written or telephonic notification of such execution and authorization of delivery thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 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: Executive Vice President and Chief Financial Officer

BORROWER:

MPT OPERATING PARTNERSHIP, L.P.

By: /s/ R. Steven Hamner
Name: R. Steven Hamner
Title: Executive Vice President and Chief Financial Officer

[SIGNATURE PAGE – AMENDMENT NO. 3]

LENDERS:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent and as a Lender

By: /s/ Mohammad Hasan
Name: Mohammad Hasan
Title: Executive Director

[Signature Page – Amendment No. 3]

KEYBANK NATIONAL ASSOCIATION, as a Lender

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

[SIGNATURE PAGE – AMENDMENT NO. 3]

ROYAL BANK OF CANADA, as a Lender

By: /s/ Rina Kansagra
Name: Rina Kansagra
Title: Authorized Signatory

[SIGNATURE PAGE – AMENDMENT NO. 3]

DEUTSCHE BANK AG NEW YORK BRANCH,
as a Lender

By: /s/ Ming K. Chu
Name: Ming K. Chu
Title: Vice President

By: /s/ Virginia Cosenza
Name: Virginia Cosenza
Title: Vice President

BANK OF AMERICA, N.A., as a Lender

By: /s/ Suzanne B. Smith
Name: Suzanne B. Smith
Title: SVP

COMPASS BANK, as a Lender

By: /s/ Brian Tuerff
Name: Brian Tuerff
Title: Senior Vice President

[SIGNATURE PAGE – AMENDMENT NO. 3]

SUNTRUST BANK, as a Lender

By: /s/ John Cappellari
Name: John Cappellari
Title: Director

[SIGNATURE PAGE – AMENDMENT NO. 3]

BARCLAYS BANK PLC, as a Lender

By: /s/ Christopher R. Lee
Name: Christopher R. Lee
Title: Vice President

[SIGNATURE PAGE – AMENDMENT NO. 3]

CREDIT AGRICOLE CORPORATE AND
INVESTMENT BANK, as a Lender

By: /s/ Amy Trapp
Name: Amy Trapp
Title: Managing Director

By: /s/ Alistair Anderson
Name: Alistair Anderson
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Andrea S. Chen
Name: Andrea S. Chen
Title: Director

[SIGNATURE PAGE – AMENDMENT NO. 3]

CITIZENS BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ David R. Jablonowski
Name: David R. Jablonowski
Title: Senior Vice President

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Lender

By: /s/ Bill O'Daly
Name: Bill O'Daly
Title: Authorized Signatory

By: /s/ Sean MacGregor
Name: Sean MacGregor
Title: Authorized Signatory

[SIGNATURE PAGE – AMENDMENT NO. 3]

CADENCE BANK, N.A., as a Lender

By: /s/ William H. Crawford
Name: William H. Crawford
Title: Executive Vice President

[SIGNATURE PAGE – AMENDMENT NO. 3]

FIRST TENNESSEE BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Cathy Wind

Name: Cathy Wind

Title: SVP

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ Ryan Durkin
Name: Ryan Durkin
Title: Authorized Signatory

[SIGNATURE PAGE – AMENDMENT NO. 3]

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
as a New Lender

By: /s/ Scott O'Connell
Name: Scott O'Connell
Title: Director

[SIGNATURE PAGE – AMENDMENT NO. 3]

Schedule 1.1 A

Commitments

Lender	Revolving Commitment
Goldman Sachs Bank USA	$ 110,800,000
JPMorgan Chase Bank, N.A.	$ 102,800,000
Bank of America, N.A.	$ 102,800,000
Barclays Bank PLC	$ 102,800,000
KeyBank National Association	$ 102,800,000
Deutsche Bank AG New York Branch	$ 91,000,000
Compass Bank	$ 82,000,000
Credit Agricole Corporate and Investment Bank	$ 82,000,000
SunTrust Bank	$ 82,000,000
Wells Fargo Bank, National Association	$ 82,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	$ 82,000,000
Royal Bank of Canada	$ 76,000,000
Citizens Bank, National Association	$ 71,000,000
Credit Suisse AG, Cayman Islands Branch	$ 65,000,000
Regions Bank	$ 39,000,000
First Tennessee Bank National Association	$ 14,000,000
Cadence Bank, N.A.	$ 12,000,000
	$ 1,300,000,000

Lender	Initial Tenn Commitment	New Term Commitment
JPMorgan Chase Bank, N .A.	$ 11,000,000	$ 10,200,000
Bank of America, N .A.	$ 11,000,000	$ 10,200,000
Barclays Bank PLC	$ 11,000,000	$ 10,200,000
KeyBank National Association	$ 11,000,000	$ 10,200,000
Goldman Sachs Bank USA	$ 0	$ 13,200,000
Deutsche Bank AG New York Branch	$ 0	$ 7,000,000
Compass Bank	$ 9,000,000	$ 7,000,000
Credit Agricole Corporate and Investment Bank	$ 9,000,000	$ 7,000,000
Royal Bank of Canada	$ 9,000,000	$ 0
SunTrust Bank	$ 9,000,000	$ 7,000,000
Wells Fargo Bank, National Association	$ 9,000,000	$ 7,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	$ 0	$ 16,000,000
Citizens Bank, National Association	$ 8,000,000	$ 11,000,000
Credit Suisse AG, Cayman Islands Branch	$ 6,000,000	$ 7,000,000
Regions Bank	$ 6,000,000	$ 0
Cadence Bank, N.A.	$ 13,000,000	$ 0
First Tennessee Bank National Association	$ 3,000,000	$ 2,000,000
	$ 125,000,000	**$125,000,000**

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

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

1) I have reviewed this 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2015

/s/ Edward K. Aldag, Jr.
Edward K. Aldag, Jr.
Chairman, President and Chief Executive Officer of
Medical Properties Trust, Inc.

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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2015

/s/ R. Steven Hamner
R. Steven Hamner
Executive Vice President and Chief Financial Officer of
Medical Properties Trust, Inc.

Exhibit 31.3

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

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

1) I have reviewed this quarterly report on Form 10-Q of MPT Operating Partnership, L.P.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2015

/s/ Edward K. Aldag, Jr.
Edward K. Aldag, Jr.
Chairman, President and Chief Executive Officer of the sole member of the general partner of MPT Operating Partnership, L.P.

Exhibit 31.4

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 MPT Operating Partnership, L.P.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2015

/s/ R. Steven Hamner
R. Steven Hamner
Executive Vice President and Chief Financial Officer of the sole member of the general partner of MPT Operating Partnership, L.P.

Exhibit 32.1

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 September 30, 2015 (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: November 9, 2015

/s/ Edward K. Aldag, Jr.

Edward K. Aldag, Jr.
Chairman, President and Chief Executive Officer of
Medical Properties Trust, Inc.

/s/ R. Steven Hamner

R. Steven Hamner
Executive Vice President and Chief Financial Officer of
Medical Properties Trust, Inc.

Exhibit 32.2

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 MPT Operating Partnership, L.P. (the "Company") for the quarter ended September 30, 2015 (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: November 9, 2015

/s/ Edward K. Aldag, Jr.

Edward K. Aldag, Jr.
Chairman, President and Chief Executive Officer of the sole member of the general partner of MPT Operating Partnership, L.P.

/s/ R. Steven Hamner

R. Steven Hamner
Executive Vice President and Chief Financial Officer of the sole member of the general partner of MPT Operating Partnership, L.P.