

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2016

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)  
1000 Urban Center Drive, Suite 501  
Birmingham, AL  
(Address of Principal Executive Offices)

20-0191742  
20-0242069  
(IRS Employer  
Identification No.)  
  
35242  
(Zip Code)

(205) 969-3755

(Registrant's telephone number, including area code)

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001 per share of Medical Properties Trust, Inc.	New York Stock Exchange

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

None

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

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

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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).

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Medical Properties Trust, Inc.

Large accelerated Filer	<input checked="" type="checkbox"/>		Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/> (Do not check if a smaller reporting company)		Smaller Reporting Company	<input type="checkbox"/>

MPT Operating Partnership, L.P.

Large accelerated Filer	<input type="checkbox"/>		Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input checked="" type="checkbox"/> (Do not check if a smaller reporting company)		Smaller Reporting Company	<input type="checkbox"/>

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

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

As of June 30, 2016, the aggregate market value of the 236,587,490 shares of common stock, par value \$0.001 per share ("Common Stock"), held by non-affiliates of the registrant was \$3,598,495,723 based upon the last reported sale price of \$15.21 on the New York Stock Exchange on that date. For purposes of the foregoing calculation only, all directors and executive officers of the registrant have been deemed affiliates.

As of February 24, 2017, 320,934,225 shares of Medical Properties Trust, Inc. Common Stock were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on May 25, 2017 are incorporated by reference into Items 10 through 14 of Part III, of this Annual Report on Form 10-K.

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## EXPLANATORY NOTE

This report combines the Annual Reports on Form 10-K for the year ended December 31, 2016, 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.

## CAUTIONARY LANGUAGE REGARDING FORWARD LOOKING STATEMENTS

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

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

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

- the factors referenced in this Annual Report on Form 10-K, including those set forth under the sections captioned “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business;”

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- U.S. (both national and local) and European (in particular Germany, the United Kingdom, Spain and Italy) political, 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 the real estate industry generally or the healthcare real estate industry in particular;
- our ability to maintain our status as a real estate investment trust, or REIT, for U.S. 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 United Kingdom, Spain and Italy) healthcare and other regulatory requirements; and
- U.S. national and local economic conditions, as well as conditions in Europe and any 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, or 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, refinance existing debt and our future interest expense; and
  - the value of our real estate assets, which may limit our ability to dispose of assets at attractive prices or obtain or maintain debt financing secured by our properties or on an unsecured basis.

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

**PART I****ITEM 1. Business****Overview**

We are a self-advised real estate investment trust (“REIT”) focused on investing in and owning net-leased healthcare facilities across the U.S. 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, 2003, and MPT Operating Partnership, L.P. was formed under Delaware law on September 10, 2003. We conduct substantially all of our business through MPT Operating Partnership, L.P. 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 acquisition and working capital purposes. 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 tenants’ profits and losses.

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 as further discussed in Note 1 of Item 8 in Part II of this Annual Report on Form 10-K. All of our investments are currently located in the United States and Europe. At December 31, 2016 and 2015, we had \$6.4 billion and \$5.6 billion, respectively, in total assets made up of the following:

(dollars in thousands)	<u>2016</u>		<u>2015</u>	
Real estate owned (gross)	\$4,912,320	76.6%	\$3,875,536	69.1%
Mortgage loans	1,060,400	16.5%	757,581	13.5%
Other loans	155,721	2.4%	664,822	11.9%
Construction in progress	53,648	0.8%	49,165	0.9%
Other assets	236,447	3.7%	262,247	4.6%
Total(1)	<u>\$6,418,536</u>	<u>100.0%</u>	<u>\$5,609,351</u>	<u>100.0%</u>

(1) Includes \$1.3 billion of healthcare real estate owned and other assets in Europe in 2016 and 2015.

**Revenue by property type:**

The following is our revenue by property type for the year ended December 31 (dollars in thousands):

	<u>2016</u>		<u>2015</u>		<u>2014</u>	
General Acute Care Hospitals(1)	\$344,523	63.7%	\$255,029	57.7%	\$187,060	59.9%
Inpatient Rehabilitation Hospitals	149,964	27.7%	134,198	30.4%	71,564	22.9%
Long-Term Acute Care Hospitals	46,650	8.6%	52,651	11.9%	53,908	17.2%
Total revenue(2)	<u>\$541,137</u>	<u>100.0%</u>	<u>\$441,878</u>	<u>100.0%</u>	<u>\$312,532</u>	<u>100.0%</u>

(1) Includes three medical office buildings.

(2) Includes \$101.6 million and \$83.0 million in revenue (primarily from rehabilitation facilities) from the healthcare real estate assets in Europe in 2016 and 2015, respectively.

See “Overview” in Item 7 of this Annual Report on Form 10-K for details of transaction activity for 2016, 2015 and 2014. More information is available on the Internet at [www.medicalpropertytrust.com](http://www.medicalpropertytrust.com).

### **Portfolio of Properties**

As of February 24, 2017, our portfolio consisted of 232 properties: 215 facilities (of the 220 facilities that we own) are leased to 30 tenants, five are under development, and the remaining assets are in the form of mortgage loans to four operators. Our facilities consist of 136 general acute care hospitals, 79 inpatient rehabilitation hospitals, and 17 long-term acute care hospitals (“LTACHs”).

At February 24, 2017, no single property accounted for more than 3.6% of our total gross assets.

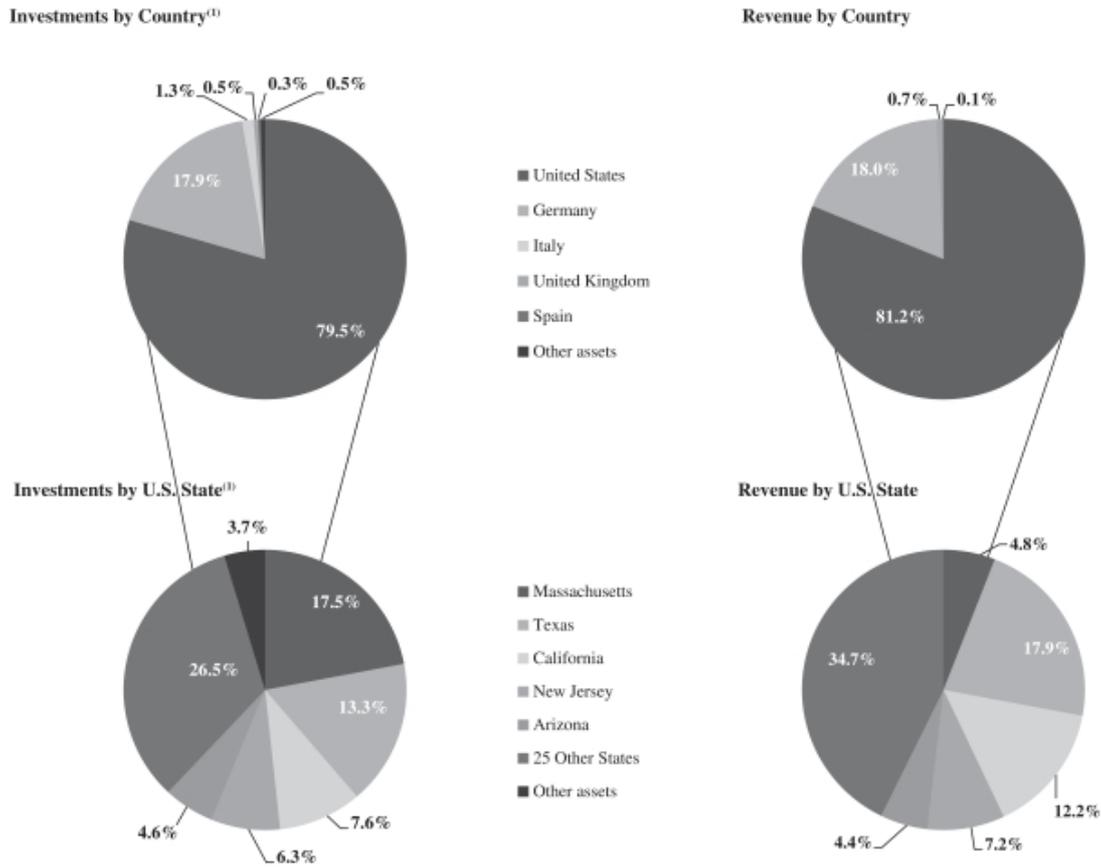
### **Outlook and Strategy**

Our strategy is to lease the facilities that we acquire or develop to experienced healthcare operators pursuant to long-term net leases. Alternatively, we have structured certain of our investments as long-term, interest-only mortgage loans to healthcare operators, and we may make similar investments in the future. Our mortgage loans are structured such that we obtain similar economic returns as our net leases. In addition, we have obtained and will continue to obtain profits or other interests in certain of our tenants’ operations in order to enhance our overall return. The market for healthcare real estate is extensive and includes real estate owned by a variety of healthcare operators. We focus on acquiring and developing those net-leased facilities that are specifically designed to reflect the latest trends in healthcare delivery methods and that focus on the most critical components of healthcare. We typically invest in facilities that have the highest intensity of care including:

- General acute care — provide inpatient care for the treatment of acute conditions and manifestations of chronic conditions. They also provide ambulatory care through hospital outpatient departments and emergency rooms.
- Inpatient rehabilitation — provide rehabilitation to patients with various neurological, muscular, skeletal orthopedic and other medical conditions following stabilization of their acute medical issues.
- Long-term acute care — specialty-care hospital designed for patients with serious medical problems that require intense, special treatment for an extended period of time, sometimes requiring a hospital stay averaging in excess of three weeks.

**Diversification**

A fundamental component of our business plan is the continued diversification of our tenant relationships, the types of hospitals we own and the geographic areas in which we invest. From a tenant relationship perspective, see section titled “Significant Tenants” below for detail. See sections titled “Revenue by Property Type” and “Portfolio of Properties” above for information on the diversification of our hospital types. From a geographical perspective, we have investments across the U.S. and in Europe. See below for investment and revenue concentration in the U.S. and our global concentration at December 31, 2016:



(1) Represents investment concentration as a percentage of gross real estate assets, other loans, and equity investments assuming all real estate commitments at December 31, 2016 are fully funded.

We continue to believe that Europe represents an attractive market in which to invest, particularly in Germany. Germany is an attractive investment opportunity for us given Germany’s strong macroeconomic position and healthcare environment. Germany’s Gross Domestic Product (“GDP”), which is approximately \$3,363 billion according to World Bank 2015 data, has been relatively more stable than other countries in the European Union due to Germany’s stable business practices and monetary policy. In addition to cultural influences, government policies emphasizing sound public finance and a significant presence of small and medium-sized enterprises (which employ 68% of the employment base) have also contributed to Germany’s strong and sustainable economic position. The above factors have contributed to an unemployment rate in Germany of 3.9% as of December 2016, which is significantly less than the 9.6% unemployment rate in the European Union as of December 2016, according to Eurostat.

### ***Underwriting/Asset Management***

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 in our ongoing monitoring of our tenants' (and any guarantors') performance include the following:

- the scope and breadth of clinical services and programs, including admission levels by service type;
- the current, historical and prospective operating margins (measured by a tenant's earnings before interest, taxes, depreciation, amortization and facility rent) of each tenant and at each facility;
- the ratio of our tenants' operating earnings both to facility rent and to other fixed costs, including debt costs;
- trends in the source of our tenants' revenue, including the relative mix of public payors (including Medicare, Medicaid/MediCal, and managed care in the U.S. as well as equivalent payors in Germany, the United Kingdom, Italy, and Spain) and private payors (including commercial insurance and private pay patients);
- trends in tenant cash collections, including comparison to recorded net patient service revenues;
- the effect of any legal, regulatory or compliance proceedings with our tenants;
- the effect of evolving healthcare legislation and other regulations (including changes in reimbursement) on our tenants' profitability and liquidity;
- demographics of the local and surrounding areas in which our tenants operate;
- the competition, including the prospective tenant's market position relative to competition;
- evaluation of medical staff doctors and physician leadership associated with the facility/facilities, including specialty, tenure and number of procedures performed;
- evaluation of the operator's and facility's administrative team, as applicable, including background and tenure within the healthcare industry;
- compliance, accreditation, quality performance and health outcomes as measured by The Centers for Medicare and Medicaid Services ("CMS") and Joint Commission; and
- the level of investment in the hospital infrastructure and health IT systems.

### **Healthcare Industry**

The delivery of healthcare services, whether in the U.S. or elsewhere, requires real estate and, as a consequence, healthcare providers depend on real estate to maintain and grow their businesses. We believe that the healthcare real estate market provides investment opportunities due to the:

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

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### *United States*

Healthcare is the single largest industry in the U.S. based on GDP. According to the National Health Expenditures report dated July 2016 by the CMS: (i) national health expenditures are projected to grow 5.1% in 2017; (ii) the average compound annual growth rate for national health expenditures, over the projection period of 2017 through 2025, is anticipated to be 6.0%; and (iii) the healthcare industry is projected to represent 20.1% of U.S. GDP by 2025.

### *Germany*

The healthcare industry is also the single largest industry in Germany. Behind only the U.S., Netherlands and France, Germany's healthcare expenditures represent approximately 11.0% of its total GDP according to the Organization for Economic Co-operation and Development's 2013 data.

The German rehabilitation market (which includes our facilities in Germany) serves a broader scope of treatment with over 1,233 rehabilitation facilities (compared to 1,165 in the U.S.) and 208.5 beds per 100,000 population (compared to 114.7 in the U.S.). Approximately 90% of the payments in the German system come from governmental sources. The largest payor category is the public pension fund system representing 39% of payments. Public health insurance and payments for government employees represent 46% of payments. The balance of the payments into the German rehabilitation market come from a variety of sources including private pay and private insurance. One particular focus area of investors in the German market is the healthcare industry because the German Social Code mandates universal access, coverage and a high standard of care, thereby creating a robust healthcare dynamic in the country.

### *United Kingdom*

Healthcare services in the United Kingdom are provided through the National Health Service ("NHS"). In 2013, the United Kingdom spent 8.8% of GDP on healthcare. The majority of this funding for the NHS comes from general taxation, and a smaller proportion from national insurance (a payroll tax). The NHS also receives income from copayments, people using NHS services as private patients, and some other minor sources. In 2012, 10.9% of the United Kingdom population had private voluntary health insurance provided mostly through employers. Private insurance offers more rapid and convenient access to care, especially for elective hospital procedures. It is estimated that four insurers account for 87.5% of the market, with small providers comprising the rest.

Publicly owned hospitals are organized either as NHS trusts, approximately 98 in number or as Foundation trusts, approximately 147 in number. NHS trusts are accountable to the Department of Health while foundation trusts enjoy greater freedom from central control. An estimated 548 hospitals are located in the United Kingdom and offer a range of treatments. Their charges to private patients are not regulated, and they receive no public subsidies. NHS use of private hospitals remains low with about 3.6% of NHS funding used for this purpose. The NHS budget was flat for the period from 2010 to 2015.

### *Italy*

The Italian national health service (Servizio Sanitario Nazionale) is regionally based and organized at the national, regional, and local levels. Under the Italian constitution, responsibility for healthcare is shared by the national government and the 19 regions and 2 autonomous provinces. The central government controls the distribution of tax revenue for publicly financed health care and defines a national statutory benefits package to be offered to all residents in every region — the "Essential Levels of Care." The 19 regions and two autonomous provinces have responsibility for the organization and delivery of health services through local health units.

Public financing accounted for 78% of total health spending in 2013, with total expenditure standing at 9.1% of GDP. The public system is financed primarily through a corporate tax (approximately 35.6% of the

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overall funding in 2012) pooled nationally and allocated back to regions, typically the source region, and a fixed proportion of national value-added tax revenue (approximately 47.3% of the total in 2012) collected by the central government and redistributed to regions unable to raise sufficient resources to provide the essential levels of care.

In 2011, there were approximately 194,000 beds in public hospitals and 47,500 beds in private accredited hospitals. A diagnosis-related group-based prospective payment system operates across the country and accounts for most hospital revenue.

Private health insurance plays a limited role in the health system, accounting for roughly 1% of total spending in 2009. Approximately 15% of the population has some form of private insurance which generally covers services excluded under the Essential Levels of Care, to offer a higher standard of comfort and privacy in hospital facilities, and wider choice among public and private providers. Some private health insurance policies also cover copayments for privately provided services, or a daily rate of compensation during hospitalization. There are two types of private health insurance: corporate, where companies cover employees and sometimes their families; and non-corporate, with individuals buying insurance for themselves or their family.

Depending on the region, public funds are allocated by local health units to public and accredited private hospitals. Rates paid to hospitals include all hospital costs including those of physicians. Funding for health is defined by the July 2014 Pact for Health which defines funding between \$143.4 billion and \$151.3 billion annually for the years 2014 to 2016.

### *Spain*

The Spanish health system was established by the General Health Law of 1986. This law carries out a mandate of the Spanish Constitution which establishes the right of all citizens to protection of their health. The National Health System (Sistema Nacional de Salud, SNS) is the administrative device set up by the law. Spain spends approximately 9.6% of its GDP on health care. Expenditures for private healthcare are 26.4% of total health expenditures have been growing at a compounded annual growth rate of 1.7%. 80% of all Spanish patients use a combination of both private and public healthcare services.

Private hospitals comprise 53% of total Spanish hospitals and 32% of total beds. Private hospitals account for 24% of hospital discharges, 30% of surgeries and 20% of visits to Accident and Emergency Services. Demand for private hospital services is increasing at a compound rate of 3.8% from 2008 through 2011. In terms of private insurance, the top ten companies in Spain account for 82% of the market.

### **Our Leases and Loans**

The leases for our facilities are “net” leases with terms generally requiring the tenant to pay all ongoing operating and maintenance expenses of the facility, including property, casualty, general liability and other insurance coverages, utilities and other charges incurred in the operation of the facilities, as well as real estate and certain other taxes, ground lease rent (if any) and the costs of capital expenditures, repairs and maintenance (including any repairs mandated by regulatory requirements). Similarly, borrowers under our mortgage loan arrangements retain the responsibilities of ownership, including physical maintenance and improvements and all costs and expenses. Our leases and loans typically require our tenants to indemnify us for any past or future environmental liabilities. Our current leases and loans have a weighted-average remaining initial lease or loan term of 14.1 years (see Item 2 for more information on remaining lease or loan terms). Based on current monthly revenue, approximately 99% of our leases and loans provide for annual rent or interest escalations based on either increases in the U.S. Consumer Price Index (“CPI”) or minimum annual rent or interest escalations ranging from 0.5% to 5%. In some cases, our domestic leases and loans provide for escalations based on CPI subject to floors and/or ceilings. In certain limited cases, we may have arrangements that provide for additional rents based on the level of a tenant’s revenue.

**RIDEA Investments**

We have and will make equity investments, loans (with equity like returns) and obtain profit interests in certain of our tenants. Some of these investments fall under a structure permitted by the REIT Investment Diversification and Empowerment Act of 2007 (“RIDEA”), which was signed into law under the Housing and Economic Recovery Act of 2008. Under the provisions of RIDEA, a REIT may lease “qualified health care properties” on an arm’s length basis to a taxable REIT subsidiary (“TRS”) if the property is operated on behalf of such subsidiary by a person who qualifies as an “eligible independent contractor.” We view RIDEA as a structure primarily to be used on properties that present attractive valuation entry points. At December 31, 2016, our RIDEA investments totaled approximately \$105.8 million.

**Significant Tenants**

At December 31, 2016, we had total assets of approximately \$6.4 billion comprised of 231 healthcare properties in 30 states, in Germany, the United Kingdom, Italy, and Spain. The properties are leased to or mortgaged by 30 different hospital operating companies. On a gross asset basis (which is total assets before accumulated depreciation/amortization and assumes all real estate commitments at that time are fully funded), our top five tenants were as follows (dollars in thousands):

**Gross Assets by Operator**

<b>Operators</b>	<b>As of December 31, 2016</b>		<b>As of December 31, 2015</b>	
	<b>Total Gross Assets</b>	<b>Percentage of Total Gross Assets</b>	<b>Total Gross Assets</b>	<b>Percentage of Total Gross Assets</b>
Steward	\$1,250,000	17.5%	\$ —	—
Prime	1,144,055	16.0%	1,032,353	17.1%
<b>MEDIAN</b>	<b>993,677</b>	<b>13.9%</b>	<b>1,031,039</b>	<b>17.1%</b>
Ernest	627,906	8.8%	579,182	9.6%
RCCH	566,600	7.9%	1,059,989	17.6%

Affiliates of Steward Health Care System LLC (“Steward”) lease five facilities pursuant to a master lease agreement, which has a 15-year term with three five-year extension options, plus annual inflation-based escalators. At December 31, 2016, these facilities had an average remaining lease term of 14.8 years. In addition to the master lease, we hold a mortgage loan on four facilities with terms and provisions substantially similar to the master lease agreement. The master lease and loan agreements include extension options that must include all or none of the properties, cross default provisions for the leases and loans, and a right of first refusal for the repurchase of the leased properties. We closed on the Steward properties on October 3, 2016 for a combined investment of \$1.25 billion, which includes a \$50 million minority equity contribution in Steward.

Affiliates of Prime Healthcare Services, Inc. (“Prime”) lease 22 facilities pursuant to five master lease agreements. Four of the master leases are for 10 years and contain two renewal options of five years each. The fifth master lease is for 15 years and contains three renewal options for five years each. Rent escalates each year based on the CPI increase, with a 2% minimum floor. At the end of the initial or any renewal term, Prime must exercise any available extension or purchase option with respect to all or none of the leased and mortgaged properties relative to each master lease. The master leases include repurchase options, including provisions establishing minimum repurchase prices equal to our total investment. At December 31, 2016, these facilities had an average remaining initial fixed term of 8.1 years. In addition to leases, we hold mortgage loans on three facilities owned by affiliates of Prime. The terms and provisions of these loans are generally equivalent to the terms and provisions of our Prime lease arrangements.

Affiliates of Median Kliniken S.à r.l.(“MEDIAN”) lease 50 facilities pursuant to two master lease agreements. Each master lease agreement has an approximate 27-year fixed term with no renewal or repurchase

options. The annual escalator for one master lease that represents 15 facilities of the MEDIAN portfolio provides for fixed increases of 2% for 2017 and additional fixed increases of 0.5% each year thereafter. In addition, at December 31, 2020 and every three years thereafter, rent will be increased, if needed, to reflect 70% of cumulative increases in German CPI. The annual escalator for the other master lease that covers the remaining facilities of the MEDIAN portfolio provides for increases of the greater of 1% or 70% of the change in German CPI.

Affiliates of Ernest Health, Inc. (“Ernest”) lease 22 facilities, including one under development, pursuant to a master lease agreement and two stand-alone lease agreements. The original master lease agreement entered into in 2012, covering 20 properties, had a 20-year initial fixed term with three five-year extension options and provides for consumer price-indexed increases, limited to a 2% floor and 5% ceiling annually. At December 31, 2016, these facilities had a remaining initial fixed lease term of 15.2 years. This master lease includes purchase options that allow the lessee to purchase the leased property at an option price equal to the greater of fair market value of the lease property or the lease base increased by an amount equal to the annual rate of increase in the CPI on each adjustment date. All leases and loans are cross-defaulted, including the mortgage loans. In addition to the original master lease, Ernest affiliates lease the remaining properties, including one property that is currently under development, pursuant to two separate stand-alone leases that have terms generally similar to the original master lease agreement. Furthermore, we hold a mortgage loan on four facilities owned by affiliates of Ernest that will mature in 2032. The terms and provisions of these loans are generally equivalent to the terms and provisions of the original master lease agreement.

Affiliates of RCCH Healthcare Partners (“RCCH”) (formally Capella Healthcare Inc.) lease six facilities (four of which are leased pursuant to a master lease agreement). The master lease agreement has an initial fixed 13.5-year term with four five-year extension options, plus consumer price-indexed increases, limited to a 2% floor and a 4% ceiling annually. The extension options may be exercised with respect to any or all of the properties. At the end of the fixed term, and during any exercised extension options, the lessee will have the right of first refusal to purchase the leased property. At December 31, 2016, these facilities had an average remaining initial fixed lease term of 12.2 years. In addition to the master lease, two facilities are leased pursuant to stand-alone leases with a weighted average remaining fixed term of 12.3 years. The terms and provisions of these leases are generally equivalent to the terms and provisions of the master lease agreement.

No other tenant accounted for more than 7% of our total gross assets at December 31, 2016.

#### **Environmental Matters**

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

## California Seismic Standards

California's Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1973 (the "Alquist Act") established a seismic safety building standards program under the Office of Statewide Health Planning and Development ("OSHPD") jurisdiction for hospitals built on or after March 7, 1973. It required the California Building Standards Commission to adopt earthquake performance categories, seismic evaluation procedures, standards and timeframes for upgrading certain facilities, and seismic retrofit building standards. These regulations required hospitals to meet certain seismic performance standards to ensure that they are capable of providing medical services to the public after an earthquake or other disaster. This legislation was adopted to avoid the loss of life and the disruption of operations and the provision of emergency medical services that may result from structural damage sustained to hospitals resulting from an earthquake.

The Building Standards Commission completed its adoption of evaluation criteria and retrofit standards in 1998. The Alquist Act required the Building Standards Commission to adopt certain evaluation criteria and retrofit standards such as:

- hospitals in California must conduct seismic evaluations and submit these evaluations to the OSHPD, Facilities Development Division for its review and approval;
- hospitals in California must identify the most critical nonstructural systems that represent the greatest risk of failure during an earthquake and submit timetables for upgrading these systems to the OSHPD, Facilities Development Division for its review and approval; and
- hospitals in California must prepare a plan and compliance schedule for each regulated building demonstrating the steps a hospital will take to bring the hospital buildings into substantial compliance with the regulations and standards.

Since the Alquist Act, subsequent legislation has modified requirements of seismic safety standards and deadlines for compliance. Originally, hospital buildings considered hazardous and at risk of collapse in the event of an earthquake must have been retrofitted, replaced or removed from providing acute care services by January 1, 2008; however, provisions were made to allow this deadline to be extended to January 1, 2013.

Senate Bill 499 was signed into law that provided for a number of seismic relief measures, including criteria for reclassifying buildings into a lower seismic risk category. These buildings would have until January 1, 2030 to comply with structural seismic safety standards. Buildings denied reclassification must have met seismic compliance standards by January 1, 2013, unless further extensions were granted.

California's AB 306 legislation permitted OSHPD to grant extensions to acute care hospitals that lacked the financial capacity to meet the January 1, 2013, retrofit deadline, and instead, requires them to replace those buildings by January 1, 2020. More recently, California SB 90 allows a hospital to seek an extension for seismic compliance up to seven years based on three elements:

- the structural integrity of the building;
- the loss of essential hospital services to the community if the hospital is closed; and
- financial hardship.

As of December 31, 2016, we have 13 hospitals in California totaling investments of \$542.9 million. Exclusive of four hospitals granted extensions by OSHPD, all of our California buildings are seismically compliant through 2030 as determined by OSHPD. For our hospitals that were granted extensions, three (representing a total investment of \$173.3 million) completed their seismic retro upgrades in 2016 and are currently awaiting final OSHPD reclassification. Our fourth hospital (with a total investment of \$20 million) that was granted an extension began retrofit planning this year, and we expect full compliance by their 2020 deadline.

Under our current agreements, our tenants are responsible for capital expenditures in connection with seismic laws. We do not expect California seismic standards to have a negative impact on our financial condition

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or cash flows. We also do not expect compliance with California seismic standards to materially impact the financial condition of our tenants.

### **Competition**

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

- we may have less knowledge than our competitors of certain markets in which we seek to invest in or develop facilities;
- some of our competitors may have greater financial and operational resources than we have;
- some of our competitors may have lower costs of capital than we do;
- our competitors or other entities may pursue a strategy similar to ours; and
- some of our competitors may have existing relationships with our potential customers.

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

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

### **Insurance**

Our leases and mortgage loans require our tenants to carry property, loss of income, general liability, professional liability, and other insurance coverages in order to protect our interests. We monitor the adequacy of such coverages on an ongoing basis. In addition, we maintain separate insurance that provides coverage for bodily injury and property damage to third parties arising from our ownership of the healthcare facilities that are leased to and occupied by our tenants, as well as contingent business interruption insurance. At December 31, 2016, we believe that the policy specifications and insured limits are appropriate given the relative risk of loss, the cost of the coverage, and standard industry practice.

### **Healthcare Regulatory Matters**

The following discussion describes certain material federal healthcare laws and regulations that may affect our operations and those of our tenants. The discussion, however, does not address all applicable federal healthcare laws, and does not address state healthcare laws and regulations, except as otherwise indicated. These state laws and regulations, like the federal healthcare laws and regulations, could affect the operations of our tenants and, accordingly, our operations. In addition, in some instances we own a minority interest in our tenants’ operations and, in addition to the effect on our tenant’s ability to meet its financial obligations to us, our ownership and investment returns may also be negatively impacted by such laws and regulations. Moreover, the discussion relating to reimbursement for healthcare services addresses matters that are subject to frequent review and revision by Congress and the agencies responsible for administering federal payment programs. Consequently, predicting future reimbursement trends or changes, along with the potential impact to us, is inherently difficult.

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

#### ***Applicable Laws***

*Anti-Kickback Statute.* The federal Anti-Kickback Statute (codified at 42 U.S.C. § 1320a-7b(b)) prohibits, among other things, the offer, payment, solicitation, or acceptance of remuneration, directly or indirectly, in return for referring an individual to a provider of items or services for which payment may be made in whole, or in part, under a federal healthcare program, including the Medicare or Medicaid programs. Violation of the Anti-Kickback Statute is a crime, punishable by fines of up to \$25,000 per violation, five years imprisonment, or both. Violations may also result in civil sanctions, including civil monetary penalties of up to \$50,000 per violation, exclusion from participation in federal healthcare programs, including Medicare and Medicaid, and additional monetary penalties in amounts treble to the underlying remuneration.

The Office of Inspector General of the Department of Health and Human Services ("OIG") has issued "Safe Harbor Regulations" that describe practices that will not be considered violations of the Anti-Kickback Statute. Nonetheless, the fact that a particular arrangement does not meet safe harbor requirements does not also mean that the arrangement violates the Anti-Kickback Statute. Rather, the safe harbor regulations simply provide a guaranty that qualifying arrangements will not be prosecuted under the Anti-Kickback Statute. We intend to use commercially reasonable efforts to structure our arrangements involving facilities, so as to satisfy, or meet as closely as possible, all safe harbor conditions. We cannot assure you, however, that we will meet all the conditions for an applicable safe harbor.

*Physician Self-Referral Statute ("Stark Law").* Any physicians investing in us or our subsidiary entities could also be subject to the Ethics in Patient Referrals Act of 1989, or the Stark Law (codified at 42 U.S.C. § 1395nn). Unless subject to an exception, the Stark Law prohibits a physician from making a referral to an "entity" furnishing "designated health services," including certain inpatient and outpatient hospital services, clinical laboratory services, and radiology services, paid by Medicare or Medicaid if the physician or a member of his immediate family has a "financial relationship" with that entity. A reciprocal prohibition bars the entity from billing Medicare or Medicaid for any services furnished pursuant to a prohibited referral. Sanctions for violating the Stark Law include denial of payment, refunding amounts received for services provided pursuant to prohibited referrals, civil monetary penalties of up to \$15,000 per prohibited service provided, and exclusion from the participation in federal healthcare programs. The statute also provides for a penalty of up to \$100,000 for a circumvention scheme.

There are exceptions to the self-referral prohibition for many of the customary financial arrangements between physicians and providers, including employment contracts, leases, and recruitment agreements. Unlike safe harbors under the Anti-Kickback Statute, the Stark Law imposes strict liability on the parties to an arrangement and an arrangement must comply with every requirement of a Stark Law exception or the arrangement is in violation of the Stark Law.

The CMS has issued multiple phases of final regulations implementing the Stark Law and continues to make changes to these regulations. While these regulations help clarify the exceptions to the Stark Law, it is unclear

how the government will interpret many of these exceptions for enforcement purposes. Although our lease agreements require lessees to comply with the Stark Law, and we intend for facilities to comply with the Stark Law where we own an interest in our tenants' operations, we cannot offer assurance that the arrangements entered into by us and our facilities will be found to be in compliance with the Stark Law, as it ultimately may be implemented or interpreted. In addition, changes to the Stark Law could require our tenants to restructure certain arrangements with physicians, which could impact the business of our tenants.

*False Claims Act.* The federal False Claims Act prohibits the making or presenting of any false claim for payment to the federal government; it is the civil equivalent to federal criminal provisions prohibiting the submission of false claims to federally funded programs. Additionally, *qui tam*, or whistleblower, provisions of the federal False Claims Act allow private individuals to bring actions on behalf of the federal government alleging that the defendant has defrauded the federal government. Whistleblowers may collect a portion of the federal government's recovery — an incentive which increases the frequency of such actions. A successful federal False Claims Act case may result in a penalty of three times the actual damages, plus additional civil penalties payable to the government, plus reimbursement of the fees of counsel for the whistleblower. Many states have enacted similar statutes preventing the presentation of a false claim to a state government, and we expect more to do so because the Social Security Act provides a financial incentive for states to enact statutes establishing state level liability.

*The Civil Monetary Penalties Law.* Among other things, the Civil Monetary Penalties law prohibits the knowing presentation of a claim for certain healthcare services that is false or fraudulent, the presentation of false or misleading information in connection with claims for payment, and other acts involving fraudulent conduct. Penalties include a monetary civil penalty of up to \$10,000 for each item or service, \$15,000 for each individual with respect to whom false or misleading information was given, as well as treble damages for the total amount of remuneration claimed.

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

*EMTALA.* Our tenants that provide emergency care are subject to the Emergency Medical Treatment and Active Labor Act ("EMTALA"). This federal law requires such healthcare facilities to conduct an appropriate medical screening examination of every individual who presents to the hospital's emergency room for treatment and, if the individual is suffering from an emergency medical condition, to either stabilize the condition or make an appropriate transfer of the individual to a facility able to handle the condition. The obligation to screen and stabilize emergency medical conditions exists regardless of an individual's ability to pay for treatment. There are severe penalties under EMTALA if a hospital fails to screen or appropriately stabilize or transfer an individual or if the hospital delays appropriate treatment in order to first inquire about the individual's ability to pay. Liability for violations of EMTALA includes, among other things, civil monetary penalties and exclusion from participation in the federal healthcare programs. Our lease and mortgage loan agreements require our tenants to comply with EMTALA, and we believe our tenants conduct business in substantial compliance with EMTALA.

*Reimbursement Pressures.* Healthcare facility operating margins continue to face significant pressure due to the deterioration in pricing flexibility and payor mix, a shift toward alternative payment models, increases in operating expenses that exceed increases in payments under the Medicare program, reductions in levels of Medicaid funding due to state budget shortfalls, and other similar cost pressures on our tenants. More specifically, LTACHs continue to face reimbursement pressures including those resulting from the passage of the SGR Reform Act of 2013, and CMS is also implementing regulatory restrictions on reimbursement for hospital outpatient departments, which could lead to decreased reimbursement for our tenants. We cannot predict how and

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to what extent these or other initiatives will impact the business of our tenants or whether our business will be adversely impacted.

*Healthcare Reform.* Generally, the Patient Protection and Affordable Care Act ( the “Reform Law”) provides expanded health insurance coverage through tax subsidies and federal health insurance programs, individual and employer mandates for health insurance coverage, and health insurance exchanges. The Reform Law also includes various cost containment initiatives, including quality control and payment system refinements for federal programs, such as pay-for-performance criteria and value-based purchasing programs, bundled provider payments, accountable care organizations, geographic payment variations, comparative effectiveness research, and lower payments for hospital readmissions. The Reform Law also increases health information technology standards for healthcare providers in an effort to improve quality and reduce costs. The Reform Law has led, and will continue to lead, to significant changes in the healthcare system. There are, however, continuing efforts to repeal and replace the Reform Law. We cannot predict the continued impact of the Reform Law, or the impact of its possible repeal and replacement, on our business, as some aspects benefit the operations of our tenants, while other aspects present challenges.

**Employees**

We have 54 employees as of February 24, 2017. As we continue to grow, we expect our head count to increase as well. However, we do not believe that any adjustments to the number of employees will have a material effect on our operations or to general and administrative expenses as a percent of revenues. We believe that our relations with our employees are good. None of our employees are members of any union.

**Available Information**

Our website address is [www.medicalpropertystrust.com](http://www.medicalpropertystrust.com) and provides access in the “Investor Relations” section, free of charge, to our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, including exhibits, and all amendments to these reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (“SEC”). Also available on our website, free of charge, are our Corporate Governance Guidelines, the charters of our Ethics, Nominating and Corporate Governance, Audit and Compensation Committees and our Code of Ethics and Business Conduct. If you are not able to access our website, the information is available in print free of charge to any stockholder who should request the information directly from us at (205) 969-3755. Information on or connected to our website is neither part of nor incorporated by reference into this Annual Report or any other SEC filings.

**ITEM 1A. Risk Factors**

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

**RISKS RELATED TO OUR BUSINESS AND GROWTH STRATEGY (Including Financing Risks)**

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

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

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

As of February 24, 2017, we had \$3.0 billion of debt outstanding, which excludes the €200 million 5.750% Senior Notes due 2020 to be redeemed on March 4, 2017.

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

- require us to use a substantial portion of our cash flow from operations to service our indebtedness, which would reduce the available cash flow to fund working capital, development projects and other general corporate purposes and reduce cash for distributions;
- require payments of principal and interest that may be greater than our cash flow from operations;
- force us to dispose of one or more of our properties, possibly on disadvantageous terms, to make payments on our debt;
- increase our vulnerability to general adverse economic and industry conditions; limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restrict us from making strategic acquisitions or exploiting other business opportunities;
- make it more difficult for us to satisfy our obligations; and
- place us at a competitive disadvantage compared to our competitors that have less debt.

Our future borrowings under our loan facilities may bear interest at variable rates in addition to the \$0.8 billion in variable interest rate debt that we had outstanding as of February 24, 2017. If interest rates increase significantly, our operating results would decline along with the cash available for distributions to our stockholders.

In addition, most of our current debt is, and we anticipate that much of our future debt will be, non-amortizing and payable in balloon payments. Therefore, we will likely need to refinance at least a portion of that debt as it matures. There is a risk that we may not be able to refinance debt maturing in future years or that

the terms of any refinancing will not be as favorable as the terms of the then-existing debt. If principal payments due at maturity cannot be refinanced, extended or repaid with proceeds from other sources, such as new equity capital or sales of facilities, our cash flow may not be sufficient to repay all maturing debt in years when significant balloon payments come due. Additionally, we may incur significant penalties if we choose to prepay the debt. See Item 7 of Part II of this Annual Report on Form 10-K for further information on our current debt maturities.

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

The terms of our unsecured credit facility (“Credit Facility”) and the indentures governing our outstanding unsecured senior notes, and other debt instruments that we may enter into in the future are subject to customary financial and operational covenants. For example, our Credit Facility imposes certain restrictions on us, including restrictions on our ability to: incur debts; create or incur liens; provide guarantees in respect of obligations of any other entity; make redemptions and repurchases of our capital stock; prepay, redeem or repurchase debt; engage in mergers or consolidations; enter into affiliated transactions; dispose of real estate; and change our business. In addition, the agreements governing our unsecured credit facility limit the amount of dividends we can pay as a percentage of normalized adjusted funds from operations, as defined, on a rolling four quarter basis. Through the quarter ending December 31, 2016, the dividend restriction was 95% of normalized adjusted funds from operations (“FFO”). The indentures governing our senior unsecured notes also limit the amount of dividends we can pay based on the sum of 95% of FFO, 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.

From time-to-time, the lenders of our Credit Facility may adjust certain covenants to give us more flexibility to complete a transaction; however, such modified covenants are temporary, and we must be in a position to meet the lowered reset covenants in the future. Our continued ability to incur debt and operate our business is subject to compliance with the covenants in our debt instruments, which limit operational flexibility. Breaches of these covenants could result in defaults under applicable debt instruments and other debt instruments due to cross-default provisions, even if payment obligations are satisfied. Financial and other covenants that limit our operational flexibility, as well as defaults resulting from a breach of any of these covenants in our debt instruments, could have a material adverse effect on our financial condition and results of operations.

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

As of February 24, 2017, we had approximately \$0.8 billion in variable interest rate debt, which constitutes 26.5% of our overall indebtedness and subjects us to interest rate volatility. We may seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements, such as when we entered into the \$125 million of interest rate swaps in 2010 to fix the interest rate on our 2006 Senior Unsecured Notes due 2016, which were paid in full on October 31, 2016. However, even these hedging arrangements involve risk, including the risk that counterparties may fail to honor their obligations under these arrangements, that these arrangements may not be effective in reducing our exposure to interest rate changes and that these arrangements may result in higher interest rates than we would otherwise have. Moreover, no hedging activity can completely insulate us from the risks associated with changes in interest rates. Failure to hedge effectively against interest rate changes may materially adversely affect our results of operations and our ability to make distributions to our stockholders.

***Dependence on our tenants for payments of rent and interest may adversely impact our ability to make distributions to our stockholders.***

We expect to continue to qualify as a REIT and, accordingly, as a REIT operating in the healthcare industry, we are severely limited by current tax law with respect to our ability to operate or manage the businesses conducted in our facilities.

Accordingly, we rely heavily on rent payments from our tenants under leases or interest payments from operators under mortgage or other loans for cash with which to make distributions to our stockholders. We have no control over the success or failure of these tenants' businesses. Significant adverse changes in the operations of our facilities, or the financial condition of our tenants, operators or guarantors, could have a material adverse effect on our ability to collect rent and interest payments and, accordingly, on our ability to make distributions to our stockholders. Facility management by our tenants and their compliance with healthcare and other laws could have a material impact on our tenants' operating and financial condition and, in turn, their ability to pay rent and interest to us.

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

Failure on the part of a tenant to comply materially with the terms of a lease could give us the right to terminate our lease with that tenant, repossess the applicable facility, cross default certain other leases and loans with that tenant and enforce the payment obligations under the lease. The process of terminating a lease with a defaulting tenant and repossessing the applicable facility may be costly and require a disproportionate amount of management's attention. In addition, defaulting tenants or their affiliates may initiate litigation in connection with a lease termination or repossession against us or our subsidiaries. If a tenant-operator defaults and we choose to terminate our lease, we are then required to find another tenant-operator, such as the case was with our Monroe facility in 2014. The transfer of most types of healthcare facilities is highly regulated, which may result in delays and increased costs in locating a suitable replacement tenant. The sale or lease of these properties to entities other than healthcare operators may be difficult due to the added cost and time of refitting the properties. If we are unable to re-let the properties to healthcare operators, we may be forced to sell the properties at a loss due to the repositioning expenses likely to be incurred by non-healthcare purchasers. Alternatively, we may be required to spend substantial amounts to adapt the facility to other uses. There can be no assurance that we would be able to find another tenant in a timely fashion, or at all, or that, if another tenant were found, we would be able to enter into a new lease on favorable terms. Defaults by our tenants under our leases may adversely affect our results of operations, financial condition, and our ability to make distributions to our stockholders. Defaults by our significant tenants under master leases (like Steward, Prime, MEDIAN, Ernest, and RCCH) will have an even greater effect.

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

Failure on the part of a tenant to renew or extend the lease at the end of its fixed term on one of our facilities could result in us having to search for, negotiate with and execute new lease agreements, such as the case with our two South Carolina facilities — Bennettsville and Cheraw in 2015. The process of finding and negotiating with a new tenant along with costs (such as maintenance, property taxes, utilities, etc.) that we will incur while the facility is untenanted may be costly and require a disproportionate amount of management's attention. There can be no assurance that we would be able to find another tenant in a timely fashion, or at all, or that, if another tenant were found, we would be able to enter into a new lease on favorable terms. If we are unable to re-let the properties to healthcare operators, we may be forced to sell the properties at a loss due to the repositioning expenses likely to be incurred by non-healthcare purchasers. Alternatively, we may be required to spend substantial amounts to adapt the facility to other uses. Thus, the non-renewal or extension of leases may adversely affect our results of operations, financial condition, and our ability to make distributions to our stockholders. This risk is even greater for those properties under master leases (like Steward, Prime, MEDIAN, Ernest, and RCCH) because several properties have the same lease ending dates.

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

At December 31, 2016, we have 11 investments in the operations of certain of our healthcare facilities by utilizing RIDEA (or similar investments). These investments include profits interest, equity investments, and equity like loans that generate returns dependent upon the operator's performance. As a result, the cash flow and returns from these investments may be more volatile than that of our traditional triple-net leasing structure. Our business, results of operations, and financial condition may be adversely affected if the related operators fail to successfully operate the facilities efficiently and in a manner that is in our best interest.

***We have limited experience with healthcare facilities in Germany, the United Kingdom, Italy, and Spain or anywhere else outside the U.S.***

We have limited experience investing in healthcare properties or other real estate-related assets located outside the U.S. Investing in real estate located in foreign countries, including Germany, the United Kingdom, Italy, and Spain, creates risks associated with the uncertainty of foreign laws and markets including, without limitation, laws respecting foreign ownership, the enforceability of loan and lease documents and foreclosure laws. German real estate and tax laws are complex and subject to change, and we cannot assure you we will always be in compliance with those laws or that compliance will not expose us to additional expense. The properties we acquired in connection with the MEDIAN acquisition (as more fully described in Note 3 to Item 8 of this Form 10-K) will also face risks in connection with unexpected changes in German or European regulatory requirements, political and economic instability, potential imposition of adverse or confiscatory taxes, possible challenges to the anticipated tax treatment of the structures that allow us to acquire and hold investments, possible currency transfer restrictions, the difficulty in enforcing obligations in other countries and the burden of complying with a wide variety of foreign laws. In addition, to qualify as a REIT, we generally will be required to operate any non-U.S. investments in accordance with the rules applicable to U.S. REITs, which may be inconsistent with local practices. We may also be subject to fluctuations in local real estate values or markets or the European economy as a whole, which may adversely affect our European investments.

In addition, the rents payable under our leases of foreign assets are payable in either euros or British pounds, which could expose us to losses resulting from fluctuations in exchange rates to the extent we have not hedged our position, which in turn could adversely affect our revenues, operating margins and dividends, and may also affect the book value of our assets and the amount of stockholders' equity. Further, any international currency gain recognized with respect to changes in exchange rates may not qualify under the 75% gross income test that we must satisfy annually in order to qualify and maintain our status as a REIT. Although we expect to hedge some of our foreign currency risk, we may not be able to do so successfully and may incur losses on our investments as a result of exchange rate fluctuations. Furthermore, we are subject to laws and regulations, such as the Foreign Corrupt Practices Act and similar local anti-bribery laws, that generally prohibit companies and their employees, agents and contractors from making improper payments to governmental officials for the purpose of obtaining or retaining business. Failure to comply with these laws could subject us to civil and criminal penalties that could materially adversely affect our results of operations, the value of our international investments, and our ability to make distributions to our stockholders.

***Our revenues are dependent upon our relationships with, and success of, our largest tenants, Steward, Prime, MEDIAN, Ernest, RCCH and Adeptus Health.***

For the year ended December 31, 2016, our top tenants were Steward, Prime, MEDIAN, Ernest, RCCH, and Adeptus Health representing 4.8% (based on fourth quarter revenue only when we closed the Steward acquisition), 22.3%, 17.3%, 12.5%, 9.7% and 7.0 %, respectively, of our total revenues. Our relationships 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 and make distributions to our stockholders. We are dependent

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upon the ability of these operators to make rent and loan payments to us, and any failure to meet these obligations could have a material adverse effect on our financial condition and results of operations.

Our tenants operate in the healthcare industry that is highly regulated by federal, state, and local laws and changes in regulations may negatively impact our tenants' operations until they are able to make the appropriate adjustments to their business. For example, recent modifications to regulations concerning patient criteria and reimbursement for LTACHs have resulted in volume and profitability declines in certain facilities operated by Ernest.

We are aware of various federal and state inquiries, investigations and other proceedings currently affecting several of our tenants and would expect such government compliance and enforcement activities to be ongoing at any given time with respect to one or more of our tenants, either on a confidential or public basis. During the second quarter of 2016, the Department of Justice joined a lawsuit against Prime alleging irregular admission practices intended to increase the number of inpatient care admissions of Medicare patients, including unnecessarily classifying some patients as "inpatient" rather than "observation". Other large acute hospital operators have also recently defended similar allegations, sometimes resulting in financial settlements and agreements with regulators to modify admission policies, resulting in lower reimbursements for those patients.

In November 2016, Adeptus Health disclosed that it raised approximately \$57 million in liquidity in order to address a cash shortfall that it reported was a result of inattention to revenue collection and expense controls and changes in its business model. Adeptus Health is a rapidly expanding company and has, during the second half of 2016, replaced its Chief Executive Officer, Chief Financial Officer and Corporate Controller.

An adverse result to Ernest, Prime, Adeptus Health, or one of our larger tenants in regulatory proceedings or financial or operational setbacks may have a material adverse effect on the relevant tenant's operations and financial condition and on its ability to make required lease and loan payments to us, which could negatively affect our ability to service our debt and make distributions to our stockholders. The protections that we have in place to protect against such failure or delay, which can include letters of credit, cross default provisions, parent guarantees, repair reserves and the right to exercise remedies including the termination of the lease and replacement of the operator, may prove to be insufficient, in whole or in part, or may entail further delays. In instances where we have an equity investment in our tenant's operations, in addition to the effect on these tenants' ability to meet their financial obligation to us, our ownership and investment interests may also be negatively impacted.

### ***We have now, and may have in the future, exposure to contingent rent escalators, which could hinder our growth and profitability.***

We receive a significant portion of our revenues by leasing assets under long-term net leases that generally provide for fixed rental rates subject to annual escalations. These annual escalations may be contingent on changes in CPI, typically with specified caps and floors. Certain of our other leases may provide for additional rents contingent upon a percentage of the tenant's revenues in excess of specified threshold. If, as a result of weak economic conditions or other factors, the CPI does not increase or the properties subject to these leases do not generate sufficient revenue to achieve the specified threshold, our growth and profitability may be hindered by these leases. In addition, if strong economic conditions result in significant increases in CPI, but the escalations under our leases are capped, our growth and profitability may be limited.

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

Some of our tenants/investees are, and some of our prospective tenants/investees may be, newly organized, have limited or no operating history and may be dependent on loans from us to acquire the facility's operations and for initial working capital. Any bankruptcy filings by or relating to one of our tenants/investees could bar us

from collecting pre-bankruptcy debts from that tenant or their property, unless we receive an order permitting us to do so from the bankruptcy court. A tenant bankruptcy can be expected to delay our efforts to collect past due balances under our leases and loans, and could ultimately preclude collection of these sums. If a lease is assumed by a tenant in bankruptcy, we expect that all pre-bankruptcy balances due under the lease would be paid to us in full. However, if a lease is rejected by a tenant in bankruptcy, we would have only a general unsecured claim for damages. Any secured claims we have against our tenants may only be paid to the extent of the value of the collateral, which may not cover any or all of our losses. Any unsecured claim (such as our equity interests in our tenants) we hold against a bankrupt entity may be paid only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims. We may recover none or substantially less than the full value of any unsecured claims, which would harm our financial condition.

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

We compete for development opportunities and opportunities to purchase healthcare facilities with, among others:

- private investors, including large private equity funds;
- healthcare providers, including physicians;
- other REITs;
- real estate developers;
- government-sponsored and/or not-for-profit agencies;
- financial institutions; and
- other lenders.

Some of these competitors may have substantially greater financial and other resources than we have and may have better relationships with lenders and sellers. Competition for healthcare facilities from competitors may adversely affect our ability to acquire or develop healthcare facilities and the prices we pay for those facilities. If we are unable to acquire or develop facilities or if we pay too much for facilities, our revenue, earnings growth and financial return could be materially adversely affected. Certain of our facilities, or facilities we may acquire or develop in the future will face competition from other nearby facilities that provide services comparable to those offered at our facilities. Some of those facilities are owned by governmental agencies and supported by tax revenues, and others are owned by tax-exempt corporations and may be supported to a large extent by endowments and charitable contributions. Those types of support are not generally available to our facilities. In addition, competing healthcare facilities located in the areas served by our facilities may provide healthcare services that are not available at our facilities and additional facilities we may acquire or develop. From time to time, referral sources, including physicians and managed care organizations, may change the healthcare facilities to which they refer patients, which could adversely affect our tenants and thus our rental revenues, interest income, and/or our earnings from equity investments.

***Most of our current tenants have, and prospective tenants may have, an option to purchase the facilities we lease to them which could disrupt our operations.***

Most of our current tenants have, and some prospective tenants will have, the option to purchase the facilities we lease to them. There is no assurance that the formulas we have developed for setting the purchase price will yield a fair market value purchase price.

In the event our tenants and prospective tenants determine to purchase the facilities they lease either during the lease term or after their expiration, the timing of those purchases may be outside of our control and we may not be able to re-invest the capital on as favorable terms, or at all. Our inability to effectively manage the turnover of our facilities could materially adversely affect our ability to execute our business plan and our results of operations.

We have 131 leased properties that are subject to purchase options as of December 31, 2016. For 104 of these properties, the purchase option generally allows the lessee to purchase the real estate at the end of the lease term, as long as no default has occurred, at a price equivalent to the greater of (i) fair market value or (ii) our original purchase price (increased, in some cases, by a certain annual rate of return from lease commencement date). The lease agreements provide for an appraisal process to determine fair market value. For 17 of these properties, the purchase option generally allows the lessee to purchase the real estate at the end of the lease term, as long as no default has occurred, at our purchase price (increased, in some cases, by a certain annual rate of return from lease commencement date). For the remaining 10 leases, the purchase options approximate fair value. At December 31, 2016, none of our leases contained any bargain purchase options.

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

***We may not be able to adapt our management and operational systems to manage the net-leased facilities we have acquired or are developing or those that we may acquire or develop in the future without unanticipated disruption or expense.***

There is no assurance that we will be able to adapt our management, administrative, accounting and operational systems, or hire and retain sufficient operational staff, to manage the facilities we have acquired and those that we may acquire or develop, including those properties located in Europe or any future investments outside the U.S. Our failure to successfully manage our current portfolio of facilities or any future acquisitions or developments could have a material adverse effect on our results of operations and financial condition and our ability to make distributions to our stockholders.

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

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

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

We depend on the services of Edward K. Aldag, Jr., R. Steven Hamner, and Emmett E. McLean to carry out our business and investment strategy. If we were to lose any of these executive officers, it may be more difficult for us to locate attractive acquisition targets, complete our acquisitions and manage the facilities that we have

acquired or developed. Additionally, as we expand, we will continue to need to attract and retain additional qualified officers and employees. The loss of the services of any of our executive officers, or our inability to recruit and retain qualified personnel in the future, could have a material adverse effect on our business and financial results.

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

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

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

- actual or anticipated variations in our quarterly operating results or distributions;
- changes in our funds from operations or earnings estimates or publication of research reports about us or the real estate industry;
- increases in market interest rates that lead purchasers of our shares of common stock to demand a higher yield;
- changes in market valuations of similar companies;
- adverse market reaction to any increased indebtedness we incur in the future;
- additions or departures of key management personnel;
- actions by institutional stockholders;
- local conditions such as an oversupply of, or a reduction in demand for, inpatient rehabilitation hospitals, LTACHs, ambulatory surgery centers, medical office buildings, specialty hospitals, skilled nursing facilities, regional and community hospitals, women's and children's hospitals and other single-discipline facilities;
- speculation in the press or investment community; and
- general market and economic conditions.

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

We cannot predict the effect, if any, of future sales of common stock, or the availability of shares for future sales, on the market price of our common stock. Sales of substantial amounts of common stock, or the perception that these sales could occur, may adversely affect prevailing market prices for our common stock. We may issue from time to time additional common stock or units of our operating partnership in connection with the acquisition of facilities and we may grant additional demand or piggyback registration rights in connection with these issuances. Sales of substantial amounts of common stock or the perception that these sales could occur may adversely affect the prevailing market price for our common stock. In addition, the sale of these shares could impair our ability to raise future capital through a sale of additional equity securities.

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

As of February 24, 2017, our corporate credit rating from Standard and Poor's Ratings Service was BB+, and our corporate family rating from Moody's Investors Service was Ba1. There can be no assurance that we will

be able to maintain our current credit ratings. Any downgrades in terms of ratings or outlook by any or all of the rating agencies could have a material adverse effect on our cost and availability of capital, which could in turn have a material adverse effect on our financial condition and results of operations.

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

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

***Changes in currency exchange rates may subject us to risk.***

As our operations have expanded internationally where the U.S. dollar is not the denominated currency, currency exchange rate fluctuations could affect our results of operations and financial position. A significant change in the value of the foreign currency of one or more countries where we have a significant investment may have a material adverse effect on our financial position, debt covenant ratios, results of operations and cash flow.

Although we may enter into foreign exchange agreements with financial institutions and/or obtain local currency mortgage debt in order to reduce our exposure to fluctuations in the value of foreign currencies, we cannot assure you that foreign currency fluctuations will not have a material adverse effect on us.

***The United Kingdom's exit from the European Union could adversely affect us.***

On June 23, 2016, the United Kingdom held a referendum in which a majority of voters voted to exit the European Union, known as Brexit. Negotiations have commenced to determine the future terms of the United Kingdom's relationship with the European Union, including, among other things, the terms of trade between the United Kingdom and the European Union. The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets either during a transitional period or more permanently. Brexit could adversely affect European and global economic or market conditions and could contribute to instability in global financial markets. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. Any of these effects of Brexit, and others we cannot anticipate, may adversely affect us.

We currently hold, and may acquire additional, interests in healthcare facilities located in the United Kingdom and Europe, as well as other investments that are denominated in British pounds and euros. In addition, our operating partnership has issued, and may issue in the future, senior unsecured notes denominated in euros. Any of the effects of Brexit described above, and others we cannot anticipate, could have a material adverse effect on our business, the value of our real estate and other investments, and our potential growth in Europe, and could amplify the currency risks faced by us.

**RISKS RELATING TO REAL ESTATE INVESTMENTS**

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

We acquire, develop, and make mortgage investments in healthcare real estate. In addition, we selectively make RIDEA investments in healthcare operators. We are subject to risks inherent in concentrating investments

in real estate. The risks resulting from a lack of diversification become even greater as a result of our business strategy to invest solely in healthcare facilities. A downturn in the real estate industry could materially adversely affect the value of our facilities. A downturn in the healthcare industry could negatively affect our tenants' ability to make lease or loan payments to us as well as our return on our equity investments. Consequently, our ability to meet debt service obligations or make distributions to our stockholders are dependent on the real estate and healthcare industries. These adverse effects could be more pronounced than if we diversified our investments outside of real estate or outside of healthcare facilities.

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

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

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

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

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

We have developed and constructed facilities in the past and are currently developing six facilities. We will develop additional facilities in the future as opportunities present themselves. Our development and related construction activities may subject us to the following risks:

- we may have to compete for suitable development sites;
- our ability to complete construction is dependent on there being no title, environmental or other legal proceedings arising during construction;
- we may be subject to delays due to weather conditions, strikes and other contingencies beyond our control;
- we may be unable to obtain, or suffer delays in obtaining, necessary zoning, land-use, building, occupancy healthcare regulatory and other required governmental permits and authorizations, which could result in increased costs, delays in construction, or our abandonment of these projects;
- we may incur construction costs for a facility which exceed our original estimates due to increased costs for materials or labor or other costs that we did not anticipate; and
- we may not be able to obtain financing on favorable terms, which may render us unable to proceed with our development activities.

We expect to fund our development projects over time. The time frame required for development and construction of these facilities means that we may have to wait for some time to earn significant cash returns. In addition, our tenants may not be able to obtain managed care provider contracts in a timely manner or at all. Finally, there is no assurance that future development projects will occur without delays and cost overruns. Risks associated with our development projects may reduce anticipated rental revenue which could affect the timing of, and our ability to make, distributions to our stockholders.

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

We may be subject to risks in connection with our acquisition of healthcare real estate, including without limitation the following:

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

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

***Our facilities may not achieve expected results or we may be limited in our ability to finance future acquisitions, which may harm our financial condition and operating results and our ability to make the distributions to our stockholders required to maintain our REIT status.***

Acquisitions and developments entail risks that investments will fail to perform in accordance with expectations and that estimates of the costs of improvements necessary to acquire and develop facilities will prove inaccurate, as well as general investment risks associated with any new real estate investment. Newly-developed or newly-renovated facilities may not have operating histories that are helpful in making objective pricing decisions. The purchase prices of these facilities will be based in part upon projections by management as to the expected operating results of the facilities, subjecting us to risks that these facilities may not achieve anticipated operating results or may not achieve these results within anticipated time frames.

We anticipate that future acquisitions and developments will largely be financed through externally generated funds such as borrowings under credit facilities and other secured and unsecured debt financing and from issuances of equity securities. Because we must distribute at least 90% of our REIT taxable income, excluding net capital gains, each year to maintain our qualification as a REIT, our ability to rely upon income from operations or cash flows from operations to finance our growth and acquisition activities will be limited.

If our facilities do not achieve expected results and generate ample cash flows from operations or if we are unable to obtain funds from borrowings or the capital markets to finance our acquisition and development activities, amounts available for distribution to stockholders could be adversely affected and we could be required to reduce distributions, thereby jeopardizing our ability to maintain our status as a REIT.

***If we suffer losses that are not covered by insurance or that are in excess of our insurance coverage limits, we could lose investment capital and anticipated profits.***

Our leases generally require our tenants to carry property, general liability, professional liability, loss of earnings, all risk and extended coverage insurance in amounts sufficient to permit the replacement of the facility

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

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

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

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

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

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

Our operating expenses could be higher than anticipated due to the cost of complying with existing and future environmental laws and regulations. Various environmental laws may impose liability on the current or prior owner or operator of real property for removal or remediation of hazardous or toxic substances. Current or prior owners or operators may also be liable for government fines and damages for injuries to persons, natural resources and adjacent property. These environmental laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence or disposal of the hazardous or toxic substances. The cost of complying with environmental laws could materially adversely affect amounts available for distribution to our stockholders and could exceed the value of all of our facilities. In addition, the presence of hazardous or toxic substances, or the failure of our tenants to properly manage, dispose of or remediate such substances, including medical waste generated by physicians and our other healthcare tenants, may adversely affect our tenants or our

ability to use, sell or rent such property or to borrow using such property as collateral which, in turn, could reduce our revenue and our financing ability. We typically obtain Phase I environmental assessments (or similar studies) on facilities we acquire or develop or on which we make mortgage loans, and intend to obtain on future facilities we acquire. However, even if the Phase I environmental assessment reports do not reveal any material environmental contamination, it is possible that material environmental contamination and liabilities may exist, of which we are unaware.

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

***Our interests in facilities through ground leases expose us to the loss of the facility upon breach or termination of the ground lease and may limit our use of the facility.***

We have acquired interests in 33 of our facilities, at least in part, by acquiring leasehold interests in the land on which the facility is located rather than an ownership interest in the property, and we may acquire additional facilities in the future through ground leases. As lessee under ground leases, we are exposed to the possibility of losing the property upon termination, or an earlier breach by us, of the ground lease. Ground leases may also restrict our use of facilities, which may limit our flexibility in renting the facility and may impede our ability to sell the property.

***Our acquisitions may not prove to be successful.***

We are exposed to the risk that some of our acquisitions may not prove to be successful. We could encounter unanticipated difficulties and expenditures relating to any acquired properties, including contingent liabilities, and acquired properties might require significant management attention that would otherwise be devoted to our ongoing business. In addition, we might be exposed to undisclosed and unknown liabilities related to any acquired properties. If we agree to provide construction funding to an operator/tenant and the project is not completed, we may need to take steps to ensure completion of the project. Moreover, if we issue equity securities or incur additional debt, or both, to finance future acquisitions, it may reduce our per share financial results. These costs may negatively affect our results of operations.

**RISKS RELATING TO THE HEALTHCARE INDUSTRY**

***Reductions in reimbursement from third-party payors and shift towards alternative payment models, could adversely affect the profitability of our tenants and hinder their ability to make payments to us.***

Sources of revenue for our tenants and operators may include the Medicare and Medicaid programs, private insurance carriers, and health maintenance organizations, among others. Efforts by such payors to reduce healthcare costs could continue, which may result in reductions or slower growth in reimbursement for certain services provided by some of our tenants. In addition, the failure of any of our tenants to comply with various laws and regulations could jeopardize their ability to continue participating in Medicare, Medicaid, and other government-sponsored payment programs.

The U.S. healthcare industry continues to face various challenges, including increased government and private payor pressure on healthcare providers to control or reduce costs. For example, we believe that our tenants will continue to experience a shift in payor mix away from fee-for-service payors, which would result in an increase in the percentage of revenues attributable to alternative payment models implemented by private and

government payors. CMS is particularly focused on transitioning Medicare from its traditional fee-for-service model to models that employ one or more capitated, value-based, or bundled payment approaches, and private payors are continuing to explore and implement similar types of alternative payment models. Such efforts from private and government payors, in addition to general industry trends, continue to place pressures on our tenants to control healthcare costs. Furthermore, pressures to control healthcare costs and a shift away from traditional health insurance reimbursement have resulted in an increase in the number of patients whose healthcare coverage is provided under managed care plans, such as health maintenance organizations and preferred provider organizations. These shifts place further cost pressures on our tenants. We also continue to believe that, due to the aging of the population and the expansion of governmental payor programs, there will be a marked increase in the number of patients relying on healthcare coverage provided by governmental payors. All of these changes could have a material adverse effect on the financial condition of some or all of our tenants, which could have a material adverse effect on our financial condition and results of operations and could negatively affect our ability to make distributions to our stockholders. In instances where we have an equity investment in our tenants' operations, in addition to the effect on these tenants' ability to meet their financial obligations to us, our ownership and investment interests may also be negatively impacted.

CMS's increased regulatory restrictions on reimbursement for LTACH and inpatient rehabilitation facilities ("IRFs"), has reduced reimbursement for some tenants that operate LTACHs and IRFs, and CMS has also begun to implement regulatory restrictions on reimbursement for hospital outpatient departments ("HOPD"), which may also lead to reduced reimbursement for our tenants that operate HOPDs. CMS is likely to continue exploring other restrictions on LTACH, IRF, and HOPD reimbursement and possibly develop more restrictive facility and patient level criteria for these types of facilities or departments. These changes could have a material adverse effect on the financial condition of some of our tenants, which could have a material adverse effect on our financial condition and results of operations and could negatively affect our ability to make distributions to our stockholders.

The Reform Law represented a major shift in the U.S. healthcare industry by, among other things, allowing millions of formerly uninsured individuals to obtain health insurance coverage and by significantly expanding Medicaid. The Reform Law, however, remains controversial, and there are continuing efforts to repeal and replace the Reform Law. In the event the Reform Law is repealed, this could have a material adverse effect on the financial condition of some or all of our tenants.

***The U.S. healthcare industry is heavily regulated and loss of licensure or certification or failure to obtain licensure or certification could negatively impact our financial condition and results of operations.***

The U.S. healthcare industry is highly regulated by federal, state, and local laws (as discussed on pages 10-13) and is directly affected by federal conditions of participation, state licensing requirements, facility inspections, state and federal reimbursement policies, regulations concerning capital and other expenditures, certification requirements and other such laws, regulations, and rules. We are aware of various federal and state inquiries, investigations, and other proceedings currently affecting several of our tenants and would expect such governmental compliance and enforcement activities to be ongoing at any given time with respect to one or more of our tenants, either on a confidential or public basis. As discussed in further detail below, an adverse result to our tenants in one or more such governmental proceedings may have a material adverse effect on the relevant tenant's operations and financial condition and on its ability to make required lease and/or mortgage payments to us. In instances where we have an equity investment in our tenants' operations, in addition to the effect on these tenants' ability to meet their financial obligation to us, our ownership and investment interests may also be negatively impacted.

Licensed health care facilities must comply with minimum health and safety standards and are subject to survey and inspection by state and federal agencies and their agents or affiliates, including CMS, the Joint Commission, and state departments of health. CMS develops Conditions of Participation and Conditions for Coverage that health care organizations must meet in order to begin and continue participating in the Medicare

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and Medicaid programs and receive payment under such programs. These minimum health and safety standards are aimed at improving quality and protecting the health and safety of beneficiaries, and there are several common criteria that exist across health entities. The failure to comply with any of these standards could jeopardize a healthcare organization's Medicare certification and, in turn, its right to receive payment under the Medicare and Medicaid programs.

Further, many hospitals and other institutional providers are accredited by accrediting agencies such as the Joint Commission, a national healthcare accrediting organization. The Joint Commission was created to accredit healthcare organizations that meet its minimum health and safety standards. A national accrediting organization, such as the Joint Commission, enforces standards that meet or exceed such requirements. Surveyors for the Joint Commission, prior to the opening of a facility and approximately every three years thereafter, conduct on site surveys of facilities for compliance with a multitude of patient safety, treatment, and administrative requirements. Facilities may lose accreditation for failure to meet such requirements, which in turn may result in the loss of license or certification including under the Medicare and Medicaid programs. For example, a facility may lose accreditation for failing to maintain proper medication in the operating room to treat potentially fatal reactions to anesthesia or for failure to maintain safe and sanitary medical equipment.

Finally, healthcare facility reimbursement practices and quality of care issues may result in loss of license or certification. For instance, the practice of "upcoding," whereby services are billed for higher procedure codes than were actually performed, may lead to the revocation of a hospital's license. An event involving poor quality of care, such as that which leads to the serious injury or death of a patient, may also result in loss of license or certification. Prime continues certain litigation against the Service Employees International Union ("SEIU") relating to allegations that SEIU and other defendants conspired to drive Prime out of certain markets, primarily by lobbying for governmental action relating to alleged fraudulent billing practices. Prime has addressed these fraudulent billing practice allegations publicly and has provided clinical and other data to us refuting these allegations. Prime has also informed us that SEIU regularly attempts to organize certain Prime employees. Prime has also disclosed a complaint filed against it by the U.S. Department of Justice relating to alleged improper admitting practices. Prime has addressed this complaint publicly and denied the allegations.

The failure of any tenant to comply with such laws, requirements, and regulations resulting in a loss of its license would affect its ability to continue its operation of the facility and would adversely affect the tenant's ability to make lease and/or principal and interest payments to us. This, in turn, could have a material adverse effect on our financial condition and results of operations and could negatively affect our ability to make distributions to our stockholders. In instances where we have an equity investment in our tenants' operations, in addition to the effects on these tenants' ability to meet their financial obligations to us, our ownership and investment interests would be negatively impacted.

In addition, establishment of healthcare facilities and transfers of operations of healthcare facilities are subject to regulatory approvals not required for establishment, or transfers, of other types of commercial operations and real estate including, but not limited to, state certificate of need laws. Restrictions and delays in transferring the operations of healthcare facilities, in obtaining new third-party payor contracts, including Medicare and Medicaid provider agreements, and in receiving licensure and certification approval from appropriate state and federal agencies by new tenants, may affect our ability to terminate lease agreements, remove tenants that violate lease terms, and replace existing tenants with new tenants. Furthermore, these matters may affect a new tenant's ability to obtain reimbursement for services rendered, which could adversely affect their ability to pay rent to us and/or to pay principal and interest on their loans from us. In instances where we have an equity investment in our tenants' operations, in addition to the effect on these tenants' ability to meet their financial obligations to us, our ownership and investment interests may also be negatively impacted.

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

As noted earlier, the federal government and numerous state governments have passed laws and regulations that attempt to eliminate healthcare fraud and abuse by prohibiting business arrangements that induce patient referrals or the ordering of specific ancillary services. In addition, federal and state governments continue to investigate and conduct enforcement activity to detect and eliminate fraud and abuse in the Medicare and Medicaid programs. It is anticipated that the trend toward increased investigation and enforcement activity in the areas of fraud and abuse and patient self-referrals will continue in future years. Violations of these laws may result in the imposition of criminal and civil penalties, including possible exclusion from federal and state healthcare programs. Imposition of any of these penalties upon any of our tenants could jeopardize a tenant's ability to operate a facility or to make lease and/or loan payments, thereby potentially adversely affecting us. In instances where we have an equity investment in our tenants' operations, in addition to the effect on the tenants' ability to meet their financial obligations to us, our ownership and investment interests may also be negatively impacted.

Some of our tenants have accepted, and prospective tenants may accept, an assignment of the previous operator's Medicare provider agreement. Such operators and other new-operator tenants that take assignment of Medicare provider agreements might be subject to liability for federal or state regulatory, civil, and criminal investigations of the previous owner's operations and claims submissions. While we conduct due diligence in connection with the acquisition of such facilities, these types of issues may not be discovered prior to purchase. Adverse decisions, fines, or recoupments might negatively impact our tenants' financial condition, and in turn their ability to make lease and/or loan payments to us. In instances where we have an equity investment in our tenants' operations, in addition to the effect on these tenants' ability to meet their financial obligations to us, our ownership and investment interests may also be negatively impacted.

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

Although no such investment exists today, physician investment in our operating partnership or our subsidiaries that own our facilities could subject our lease arrangements to scrutiny under fraud and abuse and physician self-referral laws. Under the Stark Law, and its implementing regulations, if our lease arrangements do not satisfy the requirements of an applicable exception, the ability of our tenants to bill for services provided to Medicare beneficiaries pursuant to referrals from physician investors could be adversely impacted and subject us and our tenants to fines, which could impact our tenants' ability to make lease and loan payments to us. In instances where we have an equity investment in our tenants' operations, in addition to the effect on the tenants' ability to meet their financial obligations to us, our ownership and investment interests may also be negatively impacted.

We intend to use our good faith efforts to structure our lease arrangements to comply with these laws; however, if we are unable to do so, this failure may restrict our ability to permit physician investment or, where such physicians do participate, may restrict the types of lease arrangements into which we may enter, including our ability to enter into percentage rent arrangements.

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

Healthcare facilities are typically highly customized and may not be easily adapted to non-healthcare-related uses. The improvements generally required to conform a property to healthcare use can be costly and at times tenant-specific. A new or replacement operator or tenant may require different features in a property, depending on that operator's or tenant's particular business. If a current operator or tenant is unable to pay rent and/or vacates a property, we may incur substantial expenditures to modify a property before we are able to secure another operator or tenant. Also, if the property needs to be renovated to accommodate multiple operators or tenants, we may incur substantial expenditures before we are able to re-lease the space. These expenditures or renovations may have a material adverse effect on our business, results of operations, and financial condition.

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

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

**RISKS RELATING TO OUR ORGANIZATION AND STRUCTURE**

***Maryland law and our charter and bylaws contain provisions which may prevent or deter changes in management and third-party acquisition proposals that you may believe to be in your best interest, depress the price of Medical Properties common stock or cause dilution.***

Our charter contains ownership limitations that may restrict business combination opportunities, inhibit change of control transactions and reduce the value of our common stock. To qualify as a REIT under the Internal Revenue Code of 1986, as amended, or the Code, no more than 50% in value of our outstanding stock, after taking into account options to acquire stock, may be owned, directly or indirectly, by five or fewer persons during the last half of each taxable year. Our charter generally prohibits direct or indirect ownership by any person of more than 9.8% in value or in number, whichever is more restrictive, of outstanding shares of any class or series of our securities, including our common stock. Generally, our common stock owned by affiliated owners will be aggregated for purposes of the ownership limitation. The ownership limitation could have the effect of delaying, deterring or preventing a change in control or other transaction in which holders of common stock might receive a premium for their common stock over the then-current market price or which such holders otherwise might believe to be in their best interests. The ownership limitation provisions also may make our common stock an unsuitable investment vehicle for any person seeking to obtain, either alone or with others as a group, ownership of more than 9.8% of either the value or number of the outstanding shares of our common stock.

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

***Our UPREIT structure may result in conflicts of interest between our stockholders and the holders of our operating partnership units.***

We are organized as an umbrella partnership real estate investment trust, "UPREIT", which means that we hold our assets and conduct substantially all of our operations through an operating limited partnership, and may issue operating partnership units to employees and/or third parties. Persons holding operating partnership units

would have the right to vote on certain amendments to the partnership agreement of our operating partnership, as well as on certain other matters. Persons holding these voting rights may exercise them in a manner that conflicts with the interests of our stockholders. Circumstances may arise in the future, such as the sale or refinancing of one of our facilities, when the interests of limited partners in our operating partnership conflict with the interests of our stockholders. As the sole member of the general partner of the operating partnership, we have fiduciary duties to the limited partners of the operating partnership that may conflict with fiduciary duties that our officers and directors owe to its stockholders. These conflicts may result in decisions that are not in the best interest of our stockholders.

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

We rely on information technology networks and systems, including the Internet, to process, transmit and store electronic information, and to manage or support a variety of business processes, including financial transactions and records, and maintaining personal identifying information and tenant and lease data. We purchase or license some of our information technology from vendors, on whom our systems depend. We rely on commercially available systems, software, tools and monitoring to provide security for the processing, transmission and storage of confidential tenant data. Although we have taken steps to protect the security of our information systems and the data maintained in those systems, it is possible that our safety and security measures will not prevent the systems' improper functioning or the improper access or disclosure of our or our tenant's information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorized disclosure of confidential information. The risk of security breaches has generally increased as the number, intensity and sophistication of attacks have increased. In some cases, it may be difficult to anticipate or immediately detect such incidents and the damage they cause. Any failure to maintain proper function, security and availability of our information systems could interrupt our operations, damage our reputation, subject us to liability claims or regulatory penalties and could have a materially adverse effect on our business, financial condition and results of operations.

***Changes in accounting pronouncements could adversely affect our operating results, in addition to the reported financial performance of our tenants.***

Uncertainties posed by various initiatives of accounting standard-setting by the Financial Accounting Standards Board ("FASB") and the Securities and Exchange Commission ("SEC"), which create and interpret applicable accounting standards for U.S. companies, may change the financial accounting and reporting standards or their interpretation and application of these standards that govern the preparation of our financial statements. Proposed changes include, but are not limited to, changes in lease accounting, revenue recognition and the adoption of accounting standards likely to require the increased use of "fair-value" measures.

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

**TAX RISKS ASSOCIATED WITH OUR STATUS AS A REIT**

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

We believe that we qualify as a REIT for federal income tax purposes and have elected to be taxed as a REIT under the federal income tax laws commencing with our taxable year that began on April 6, 2004, and

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ended on December 31, 2004. The REIT qualification requirements are extremely complex, and interpretations of the federal income tax laws governing qualification as a REIT are limited. Accordingly, there is no assurance that we will be successful in operating so as to qualify as a REIT. At any time, new laws, regulations, interpretations or court decisions may change the federal tax laws relating to, or the federal income tax consequences of, qualification as a REIT. It is possible that future economic, market, legal, tax or other considerations may cause our board of directors to revoke the REIT election, which it may do without stockholder approval.

If we lose or revoke our REIT status, we will face serious tax consequences that will substantially reduce the funds available for distribution because:

- we would not be allowed a deduction for distributions to stockholders in computing our taxable income; therefore, we would be subject to federal income tax at regular corporate rates, and we might need to borrow money or sell assets in order to pay any such tax;
- we also could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and
- unless we are entitled to relief under statutory provisions, we also would be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify.

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

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

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

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

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

To qualify as a REIT for U.S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of our stock. In order to meet these tests, we may be required to forego attractive business or investment opportunities. Currently, no more than 25% of the value of our assets may consist of securities of one or more TRSs and no more than 25% of the value of our assets may consist of securities that are not qualifying assets under the test requiring that 75% of a REIT's assets consist of real estate and other related assets. In addition, at least 75% of our gross income must be generated from either rents from real estate or interest on loans secured by real estate (i.e. mortgage loans). Further, a TRS may not directly or indirectly operate or manage a healthcare facility. For purposes of this definition a "healthcare facility" means a hospital, nursing facility, assisted living facility, congregate care facility, qualified continuing care facility, or

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other licensed facility which extends medical or nursing or ancillary services to patients and which is operated by a service provider that is eligible for participation in the Medicare program under Title XVIII of the Social Security Act with respect to the facility. Compliance with current and future changes to REIT requirements may limit our flexibility in executing our business plan.

***If certain sale-leaseback transactions are not characterized by the Internal Revenue Service (“IRS”) as “true leases,” we may be subject to adverse tax consequences.***

We have purchased certain properties and leased them back to the sellers of such properties, and we may enter into similar transactions in the future. We intend for any such sale-leaseback transaction to be structured in a manner that the lease will be characterized as a “true lease,” thereby allowing us to be treated as the owner of the property for U.S. federal income tax purposes. However, depending on the terms of any specific transaction, the IRS might take the position that the transaction is not a “true lease” but is more properly treated in some other manner. In the event any sale-leaseback transaction is challenged and successfully re-characterized, we might fail to satisfy the REIT asset tests or income test and, consequently could lose our REIT status effective with the year of re-characterizations.

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

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

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

In connection with the acquisition in 2004 of certain Vibra Healthcare, LLC (“Vibra”) facilities, one of our TRSs made a loan to Vibra to acquire the operations at those Vibra facilities. The acquisition loan bore interest at an annual rate of 10.25%. Our operating partnership loaned the funds to the TRS to make this loan. The loan from our operating partnership to the TRS bore interest at an annual rate of 9.25%.

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

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

From time to time, we may transfer or otherwise dispose of some of our properties, including by contributing properties to our co-investment ventures. Under the Code, any gain resulting from transfers of

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

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

We are headquartered in the U.S. with subsidiaries and investments globally and are subject to income taxes in these jurisdictions. Significant judgment is required in determining our provision for income taxes. Although we believe that we have adequately assessed and accounted for our potential tax liabilities, and that our tax estimates are reasonable, there can be no assurance that additional taxes will not be due upon audit of our tax returns or as a result of changes to applicable tax laws. The U.S. government (particularly with the recent presidential election coupled with a Republican-controlled Congress) as well as the governments of many of the countries in which we operate (such as Germany, the United Kingdom, and Luxembourg, which is where our Europe entities are domiciled) are actively discussing changes to the corporate recognition and taxation of worldwide income. The nature and timing of any changes to each jurisdiction's tax laws and the impact on our future tax liabilities both in the U.S. and abroad cannot be predicted with any accuracy but could materially and adversely impact our results of operations and cash flows.

***Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.***

Income from "qualified dividends" payable to U.S. stockholders that are individuals, trusts and estates are generally subject to tax at preferential rates. Dividends payable by REITs, however, generally are not eligible for the preferential tax rates applicable to qualified dividend income. Although these rules do not adversely affect the taxation of REITs or dividends payable by REITs, to the extent that the preferential rates continue to apply to regular corporate qualified dividends, investors who are individuals, trusts and estates may perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could materially and adversely affect the value of the shares of REITs, including the per share trading price of our capital stock.

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

None.

**ITEM 2. Properties**

At December 31, 2016, our portfolio consisted of 231 properties: 213 facilities (of the 219 facilities that we owned) were in operation and leased to 30 operators, 12 assets were in the form of first mortgage loans to four operators, and six properties were under construction. Our owned facilities consisted of 125 general acute care hospitals, 75 inpatient rehabilitation hospitals, 16 LTACHs, and three medical office buildings. The 12 non-owned facilities consisted of eight general acute care facilities, three inpatient rehabilitation hospitals, and one LTACH.

	<u>Total Properties</u>	<u>Total 2016 Revenue</u>	<u>Total Assets (A)</u>
	(Dollars in thousands)		
<b>United States:</b>			
Alabama	2	\$ 763	\$ 8,614
Arizona	13	23,798	286,847(B)
Arkansas	1	14,457	90,335(F)
California	13	66,197	542,889
Colorado	13	12,684	100,298
Connecticut	—	90	1,500(D)
Florida	1	2,250	25,810
Idaho	4	12,581	103,059
Indiana	2	4,806	52,003
Kansas	3	11,177	98,356
Louisiana	5	11,124	128,687(E)
Massachusetts	9	26,098	1,250,000
Michigan	2	4,367	40,743
Missouri	4	19,621	210,921
Montana	1	2,589	21,821
Nevada	1	9,949	84,601
New Jersey	8	39,084	417,436
New Mexico	2	6,027	55,960
Ohio	2	1,936	20,388(B)
Oklahoma	1	12,283	58,743(F)
Oregon	2	15,146	133,503
Pennsylvania	1	4,492	38,204
South Carolina	6	15,618	172,996
Texas	58	96,992	877,315(B)(C)(E)
Utah	3	9,943	107,151
Virginia	1	1,072	10,915
Washington	1	5,942	103,168
West Virginia	1	2,756	23,792
Wisconsin	1	2,936	29,062
Wyoming	1	2,754	23,229
Other Assets	—	—	27,623
<b>Total United States</b>	<u>162</u>	<u>\$439,532</u>	<u>\$5,145,969</u>
<b>International:</b>			
Germany	59	\$ 97,382	\$1,098,002
United Kingdom	1	3,871	34,861
Italy	8	—	89,511(G)
Spain	1	352	18,800
Other Assets	—	—	31,393
<b>Total International</b>	<u>69</u>	<u>\$101,605</u>	<u>\$1,272,567</u>
<b>Total</b>	<u>231</u>	<u>\$541,137</u>	<u>\$6,418,536</u>

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- (A) Represents total assets at December 31, 2016.  
 (B) Includes development projects still under construction at December 31, 2016.  
 (C) Includes our Twelve Oaks facility that is 55% occupied. Our total gross investment in the facility is \$63 million.  
 (D) We do not own any property in this state as of December 31, 2016; however, we hold a \$1.5 million note related to a property disposed of in 2015.  
 (E) Includes revenue in the amount of \$10.9 million related to properties that were disposed during 2016.  
 (F) Includes revenue in the amount of \$7.3 million related to mortgage loans repaid during 2016.  
 (G) Includes our equity investment in eight facilities that is included in other assets on the balance sheet at December 31, 2016.

<b>Type of Property</b> <i>(includes properties subject to leases and mortgage loans)</i>	<b>Number of Properties</b>	<b>Number of Square Feet</b>	<b>Number of Licensed Beds(C)</b>
General Acute Care Hospitals(A)	136	20,216,265	11,646
Inpatient Rehabilitation Hospitals(B)	78	8,831,567	12,018
Long-Term Acute Care Hospitals	17	1,002,664	1,043
	<u>231</u>	<u>30,050,496</u>	<u>24,707</u>

- (A) One of our general acute care hospitals, currently under development, with 387,500 square feet and 183 beds, is located in Spain. One of our general acute care hospitals, with 69,965 square feet and 28 beds, is located in the United Kingdom. Eight of our general acute care hospitals, with 822,000 square feet and 807 beds, are located in Italy. Two of our general acute care hospitals, with 238,732 square feet and 233 beds, are located in Germany.  
 (B) 57 of our rehabilitation facilities, with 7.8 million square feet and 11,097 beds, are located in Germany.  
 (C) Excludes our six facilities that are under development.

The following table shows lease and mortgage loan expirations, for the next 10 years and thereafter, assuming that none of the tenants/borrowers exercise any of their renewal options (dollars in thousands):

<b>Total Lease and Mortgage Loan Portfolio(2)</b>	<b>Total Leases/Mortgage Loans</b>	<b>Base Rent/Interest(1)</b>	<b>% of Total Base Rent/Interest</b>	<b>Total Square Footage</b>	<b>Total Licensed Beds</b>
2017	—	\$ —	—	—	—
2018	1	2,016	0.4%	66,459	62
2019	2	5,017	0.9%	307,706	306
2020	5	10,662	1.9%	1,205,908	590
2021	3	13,125	2.3%	422,679	338
2022	15	72,532	12.9%	3,543,907	2,571
2023	4	12,630	2.2%	912,652	851
2024	1	2,237	0.4%	183,545	204
2025	7	21,927	3.9%	1,293,953	812
2026	5	24,598	4.4%	969,349	892
Thereafter	188	396,662	70.7%	21,050,715	19,453
Total	<u>231</u>	<u>\$561,406</u>	<u>100.0%</u>	<u>29,956,873</u>	<u>26,079</u>

- (1) The most recent monthly base rent and mortgage loan interest annualized. This does not include tenant recoveries, additional rents and other lease/loan-related adjustments to revenue (i.e., straight-line rents and deferred revenues).  
 (2) Excludes six of our facilities that are under development, our Twelve Oaks facility that is not fully occupied, and the nine properties that we own through joint venture arrangements. In addition, the schedule

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reflects post December 31, 2016 transactions and commitments, including the acquisition of two RCCH facilities and the remaining 14 facilities in Germany — see Note 8 to Item 8 of the Annual Report on Form 10-K for details of our commitments at December 31, 2016.

**ITEM 3.      *Legal Proceedings***

From time to time, there are various legal proceedings pending to which we are a party or to which some of our properties are subject to arising in the normal course of business. At this time, we do not believe that the ultimate resolution of these proceedings will have a material adverse effect on our consolidated financial position or results of operations.

**ITEM 4.      *Mine Safety Disclosures***

None.

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

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

	<u>High</u>	<u>Low</u>	<u>Dividends</u>
<b>Year ended December 31, 2016</b>			
First Quarter	\$13.29	\$ 9.61	\$ 0.22
Second Quarter	15.50	12.61	0.23
Third Quarter	15.92	13.64	0.23
Fourth Quarter	15.04	11.54	0.23
<b>Year ended December 31, 2015</b>			
First Quarter	\$15.62	\$13.81	\$ 0.22
Second Quarter	15.42	13.04	0.22
Third Quarter	13.98	10.79	0.22
Fourth Quarter	12.21	10.59	0.22

On February 24, 2017, the closing price for our common stock, as reported on the New York Stock Exchange, was \$13.36 per share. As of February 24, 2017, there were 75 holders of record of our common stock. This figure does not reflect the beneficial ownership of shares held in nominee name.

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

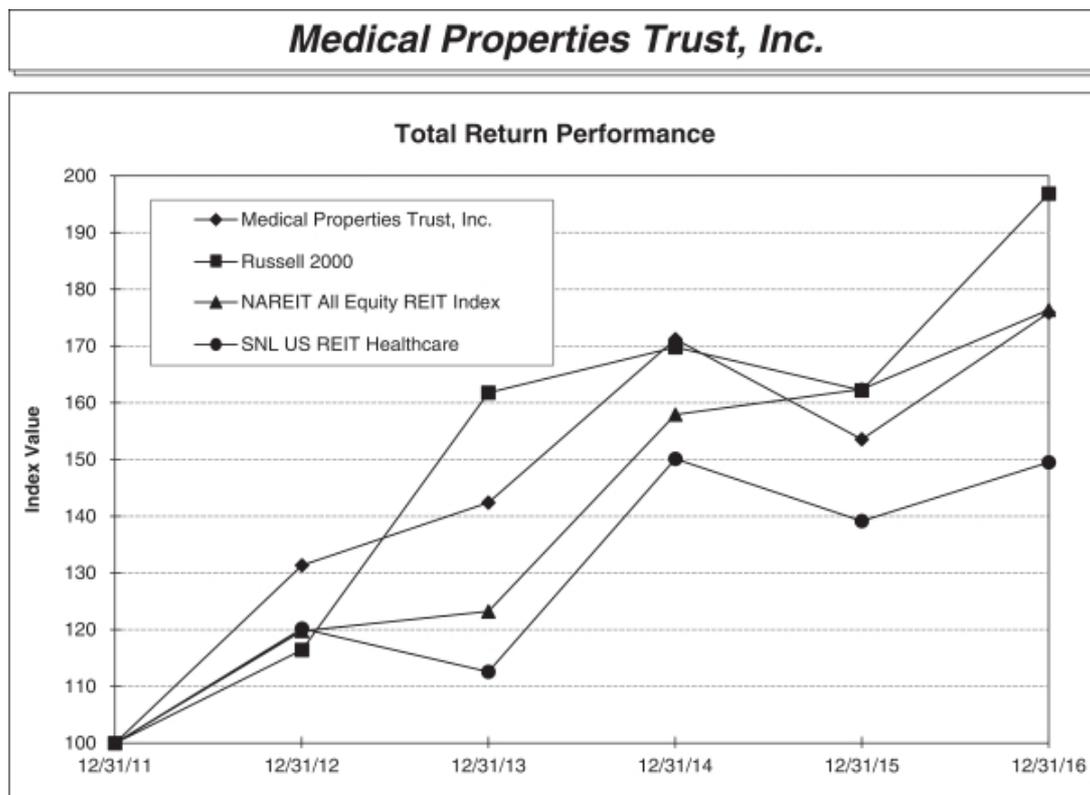
**Recent Sales of Unregistered Securities**

As previously disclosed, we issued an aggregate of 10.3 shares of common stock in a private placement on October 7, 2016, in connection with our acquisition of the Steward portfolio, for total proceeds of \$150 million. The shares were issued pursuant to a Stock Purchase Agreement between us and an affiliate of Cerberus Capital Management (“Cerberus”), the controlling member of Steward. Prior to issuance, Cerberus assigned a portion of its rights to acquire the shares under the Stock Purchase Agreement to certain members of the management of Steward. The private placement was conducted in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

(b) Not applicable.

(c) None.

The following graph provides comparison of cumulative total stockholder return for the period from December 31, 2011 through December 31, 2016, among us, the Russell 2000 Index, NAREIT All Equity REIT Index, and SNL US REIT Healthcare Index. The stock performance graph assumes an investment of \$100 in us and the three indices, and the reinvestment of dividends. The historical information below is not indicative of future performance.



Index	Period Ending					
	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16
Medical Properties Trust, Inc.	100.00	131.19	142.19	170.84	153.28	175.50
Russell 2000	100.00	116.35	161.52	169.43	161.95	196.45
NAREIT All Equity REIT Index	100.00	119.70	123.12	157.63	162.08	176.07
SNL US REIT Healthcare	100.00	120.06	112.53	149.86	138.96	149.27

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

**ITEM 6. Selected Financial Data**

The following tables set forth are selected consolidated financial and operating data for Medical Properties Trust, Inc. and MPT Operating Partnership, L.P. and their respective subsidiaries. You should read the following selected financial data in conjunction with the consolidated historical financial statements and notes thereto of each of Medical Properties Trust, Inc. and MPT Operating Partnership, L.P. and their respective subsidiaries included in Item 8, in this Annual Report on Form 10-K, along with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Item 7, in this Annual Report on Form 10-K.

**Medical Properties Trust, Inc.**

The consolidated operating data and balance sheets have been derived from our audited consolidated financial statements. As of December 31, 2016, Medical Properties Trust, Inc. had a 99.9% equity ownership interest in the Operating Partnership. Medical Properties Trust, Inc. has no significant operations other than as the sole member of its wholly owned subsidiary, Medical Properties Trust, LLC, which is the sole general partner of the Operating Partnership, and no material assets, other than its direct and indirect investment in the Operating Partnership.

	2016(1)	2015(1)	2014(1)	2013(1)	2012(1)
	(In thousands except per share data)				
<b>OPERATING DATA</b>					
Total revenue	\$ 541,137	\$ 441,878	\$ 312,532	\$ 242,523	\$ 198,125
Real estate depreciation and amortization (expense)	(94,374)	(69,867)	(53,938)	(36,978)	(32,815)
Property-related and general and administrative (expenses)	(51,623)	(47,431)	(39,125)	(32,513)	(30,039)
Acquisition expenses(2)	(46,273)	(61,342)	(26,389)	(19,494)	(5,420)
Impairment (charge)	(7,229)	—	(50,128)	—	—
Gain on sale of real estate and other asset dispositions, net	61,224	3,268	2,857	7,659	16,369
Interest and other (expense) income	(1,618)	175	5,183	(4,424)	(15,088)
Unutilized financing fees/ debt refinancing costs	(22,539)	(4,367)	(1,698)	—	—
Interest (expense)	(159,597)	(120,884)	(98,156)	(66,746)	(58,243)
Income tax benefit (expense)(3)	6,830	(1,503)	(340)	(726)	(19)
Income from continuing operations	225,938	139,927	50,798	89,301	72,870
Income (loss) from discontinued operations	(1)	—	(2)	7,914	17,207
Net income	225,937	139,927	50,796	97,215	90,077
Net income attributable to non-controlling interests	(889)	(329)	(274)	(224)	(177)
Net income attributable to MPT common stockholders	<u>\$ 225,048</u>	<u>\$ 139,598</u>	<u>\$ 50,522</u>	<u>\$ 96,991</u>	<u>\$ 89,900</u>
Income from continuing operations attributable to MPT common stockholders per diluted share	\$ 0.86	\$ 0.63	\$ 0.29	\$ 0.58	\$ 0.54
Income from discontinued operations attributable to MPT common stockholders per diluted share	—	—	—	0.05	0.13
Net income attributable to MPT common stockholders per diluted share	<u>\$ 0.86</u>	<u>\$ 0.63</u>	<u>\$ 0.29</u>	<u>\$ 0.63</u>	<u>\$ 0.67</u>
Weighted average number of common shares — diluted	261,072	218,304	170,540	152,598	132,333
<b>OTHER DATA</b>					
Dividends declared per common share	\$ 0.91	\$ 0.88	\$ 0.84	\$ 0.81	\$ 0.80

	<b>December 31,</b>				
	<b>2016(1)</b>	<b>2015(1)</b>	<b>2014(1)</b>	<b>2013(1)</b>	<b>2012(1)</b>
	<b>(In thousands)</b>				
<b>BALANCE SHEET DATA</b>					
Real estate assets — at cost	\$4,965,968	\$3,924,701	\$2,612,291	\$2,296,479	\$1,591,189
Real estate accumulated depreciation/amortization	(325,125)	(257,928)	(202,627)	(159,776)	(122,796)
Mortgage and other loans	1,216,121	1,422,403	970,761	549,746	527,893
Cash and equivalents	83,240	195,541	144,541	45,979	37,311
Other assets	478,332	324,634	195,364	147,915	128,393
<b>Total assets</b>	<b><u>\$6,418,536</u></b>	<b><u>\$5,609,351</u></b>	<b><u>\$3,720,330</u></b>	<b><u>\$2,880,343</u></b>	<b><u>\$2,161,990</u></b>
Debt, net	\$2,909,341	\$3,322,541	\$2,174,648	\$1,397,329	\$1,008,264
Other liabilities	255,967	179,545	163,635	138,806	103,912
Total Medical Properties Trust, Inc. Stockholders' Equity	3,248,378	2,102,268	1,382,047	1,344,208	1,049,814
Non-controlling interests	4,850	4,997	—	—	—
<b>Total equity</b>	<b><u>3,253,228</u></b>	<b><u>2,107,265</u></b>	<b><u>1,382,047</u></b>	<b><u>1,344,208</u></b>	<b><u>1,049,814</u></b>
<b>Total liabilities and equity</b>	<b><u>\$6,418,536</u></b>	<b><u>\$5,609,351</u></b>	<b><u>\$3,720,330</u></b>	<b><u>\$2,880,343</u></b>	<b><u>\$2,161,990</u></b>

- (1) Cash paid for acquisitions and other related investments totaled \$1.5 billion, \$1.8 billion, \$767.7 million, \$654.9 million, and \$621.5 million in 2016, 2015, 2014, 2013, and 2012, respectively. The results of operations resulting from these investments are reflected in our consolidated financial statements from the dates invested. See Note 3 in Item 8 of this Annual Report on Form 10-K for further information on acquisitions of real estate, new loans, and other investments. We funded these investments generally from issuing common stock, utilizing additional amounts of our revolving facility, incurring additional debt, or from the sale of facilities. See Notes 4, 9, and 3, in Item 8 on this Annual Report on Form 10-K for further information regarding our debt, common stock and property disposals, respectively.
- (2) Includes \$30.1 million, \$37.0 million, \$5.8 million and \$12.0 million in transfer and capital gains taxes in 2016, 2015, 2014 and 2013, respectively, related to our property acquisitions in foreign jurisdictions.
- (3) Includes \$9.1 million tax benefit generated from the reversal of foreign valuation allowances and acquisition expenses incurred by certain international subsidiaries in 2016.

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

The consolidated operating data and balance sheets presented below have been derived from the Operating Partnership's audited consolidated financial statements.

	2016(4)	2015(4)	2014(4)	2013(4)	2012(4)
	(In thousands except per unit data)				
<b>OPERATING DATA</b>					
Total revenue	\$ 541,137	\$ 441,878	\$ 312,532	\$ 242,523	\$ 198,125
Real estate depreciation and amortization (expense)	(94,374)	(69,867)	(53,938)	(36,978)	(32,815)
Property-related and general and administrative (expenses)	(51,623)	(47,431)	(39,125)	(32,513)	(30,039)
Acquisition expenses(5)	(46,273)	(61,342)	(26,389)	(19,494)	(5,420)
Impairment (charge)	(7,229)	—	(50,128)	—	—
Gain on sale of real estate and other asset dispositions, net	61,224	3,268	2,857	7,659	16,369
Interest and other (expense) income	(1,618)	175	5,183	(4,424)	(15,088)
Unutilized financing fees/ debt refinancing costs	(22,539)	(4,367)	(1,698)	—	—
Interest (expense)	(159,597)	(120,884)	(98,156)	(66,746)	(58,243)
Income tax benefit (expense)(6)	6,830	(1,503)	(340)	(726)	(19)
Income from continuing operations	225,938	139,927	50,798	89,301	72,870
Income (loss) from discontinued operations	(1)	—	(2)	7,914	17,207
Net income	225,937	139,927	50,796	97,215	90,077
Net income attributable to non-controlling interests	(889)	(329)	(274)	(224)	(177)
Net income attributable to MPT Operating Partnership, L.P. partners	<u>\$ 225,048</u>	<u>\$ 139,598</u>	<u>\$ 50,522</u>	<u>\$ 96,991</u>	<u>\$ 89,900</u>
Income from continuing operations attributable to MPT Operating Partnership, L.P. partners per diluted unit	\$ 0.86	\$ 0.63	\$ 0.29	\$ 0.58	\$ 0.54
Income from discontinued operations attributable to MPT Operating Partnership, L.P. partners per diluted unit	—	—	—	0.05	0.13
Net income, attributable to MPT Operating Partnership, L.P. partners per diluted unit	<u>\$ 0.86</u>	<u>\$ 0.63</u>	<u>\$ 0.29</u>	<u>\$ 0.63</u>	<u>\$ 0.67</u>
Weighted average number of units — diluted	261,072	218,304	170,540	152,598	132,333
<b>OTHER DATA</b>					
Dividends declared per unit	\$ 0.91	\$ 0.88	\$ 0.84	\$ 0.81	\$ 0.80

	<b>December 31,</b>				
	<b>2016(4)</b>	<b>2015(4)</b>	<b>2014(4)</b>	<b>2013(4)</b>	<b>2012(4)</b>
	<b>(In thousands)</b>				
<b>BALANCE SHEET DATA</b>					
Real estate assets — at cost	\$4,965,968	\$3,924,701	\$2,612,291	\$2,296,479	\$1,591,189
Real estate accumulated depreciation/amortization	(325,125)	(257,928)	(202,627)	(159,776)	(122,796)
Mortgage and other loans	1,216,121	1,422,403	970,761	549,746	527,893
Cash and equivalents	83,240	195,541	144,541	45,979	37,311
Other assets	478,332	324,634	195,364	147,915	128,393
<b>Total assets</b>	<b><u>\$6,418,536</u></b>	<b><u>\$5,609,351</u></b>	<b><u>\$3,720,330</u></b>	<b><u>\$2,880,343</u></b>	<b><u>\$2,161,990</u></b>
Debt, net	\$2,909,341	\$3,322,541	\$2,174,648	\$1,397,329	\$1,008,264
Other liabilities	255,577	179,155	163,245	138,416	103,522
Total MPT Operating Partnership, L.P. capital	3,248,768	2,102,658	1,382,437	1,344,598	1,050,204
Non-controlling interests	4,850	4,997	—	—	—
<b>Total capital</b>	<b><u>3,253,618</u></b>	<b><u>2,107,655</u></b>	<b><u>1,382,437</u></b>	<b><u>1,344,598</u></b>	<b><u>1,050,204</u></b>
<b>Total liabilities and capital</b>	<b><u>\$6,418,536</u></b>	<b><u>\$5,609,351</u></b>	<b><u>\$3,720,330</u></b>	<b><u>\$2,880,343</u></b>	<b><u>\$2,161,990</u></b>

- (4) Cash paid for acquisitions and other related investments totaled \$1.5 billion, \$1.8 billion, \$767.7 million, \$654.9 million, and \$621.5 million in 2016, 2015, 2014, 2013, and 2012, respectively. The results of operations resulting from these investments are reflected in our consolidated financial statements from the dates invested. See Note 3 in Item 8 of this Annual Report on Form 10-K for further information on acquisitions of real estate, new loans, and other investments. We funded these investments generally from issuing units, utilizing additional amounts of our revolving facility, incurring additional debt, or from the sale of facilities. See Notes 4, 9, and 3, in Item 8 on this Annual Report on Form 10-K for further information regarding our debt, partners' capital and property disposals, respectively.
- (5) Includes \$30.1 million, \$37.0 million, \$5.8 million and \$12.0 million in transfer and capital gains taxes in 2016, 2015, 2014 and 2013, respectively, related to our property acquisitions in foreign jurisdictions.
- (6) Includes \$9.1 million tax benefit generated from the reversal of foreign valuation allowances and acquisition expenses incurred by certain international subsidiaries in 2016.

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

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

**Overview**

We were incorporated in Maryland on August 27, 2003, primarily for the purpose of investing in and owning net-leased healthcare facilities. We also make real estate mortgage loans and other loans to our tenants. We conduct our business operations in one segment. We have healthcare investments in the U.S. and Europe. We have operated as a REIT since April 6, 2004, and accordingly, elected REIT status upon the filing of our calendar year 2004 U.S. federal income tax return. Our existing tenants are, and our prospective tenants will generally be, healthcare operating companies and other healthcare providers that use substantial real estate assets in their operations. We offer financing for these operators' real estate through 100% lease and mortgage financing and generally seek lease and loan terms on a long-term basis ranging from 10 to 15 years with a series of shorter renewal terms at the option of our tenants and borrowers. We also have included and intend to include in our lease and loan agreements annual contractual minimum rate increases. Our existing portfolio's minimum escalators range from 0.5% to 5%, while a limited number of our properties do not have an escalator. Most of our leases and loans also include rate increases based on the general rate of inflation if greater than the minimum contractual increases. In addition to rent or mortgage interest, our leases and loans typically require our tenants to pay all operating costs and expenses associated with the facility. Some leases also may require our tenants to pay percentage rents, which are based on the tenant's revenues from their operations. Finally, we may acquire a profits or other equity interest in our tenants that gives us a right to share in the tenant's income or loss.

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

At December 31, 2016, our portfolio consisted of 231 properties leased or loaned to 30 operators, of which six are under development and 12 are in the form of mortgage loans.

**2016 Highlights**

In 2016, we invested or committed to invest approximately \$1.8 billion in healthcare real estate assets. These significant investments enhanced the size and quality of our healthcare portfolio, while improving our tenant concentration and expanding our geographic footprint in the U.S. Furthermore, we strategically sold assets for proceeds totaling more than \$800 million, refinanced \$1 billion of debt, and sold 82.7 million shares generating proceeds of approximately \$1.2 billion in order to strengthen our balance sheet, reduce leverage, and fund acquisitions.

A summary of our 2016 highlights is as follows:

- Acquired real estate assets (or committed to acquire real estate assets), entered into development agreements, entered into leases and made new loan investments, totaling more than \$1.8 billion as noted below:
  - Acquired a portfolio of five acute care hospitals and completed mortgage financing on four acute care hospitals in Massachusetts and invested in a minority equity contribution in Steward for an aggregate investment of \$1.25 billion;
  - Acquired 12 inpatient rehabilitation hospitals in Germany for a combined purchase price of €85.2 million and committed €174.6 million to acquire 14 additional inpatient rehabilitation hospitals. These facilities are leased or will be leased to MEDIAN or its affiliates;

- Acquired an acute care hospital in Newark, New Jersey, from Prime for an aggregate purchase price of \$63.0 million and committed to advance an additional \$30 million to Prime over a three-year period to be used solely for capital additions to the real estate; any such addition will be added to the basis upon which the lessee will pay us rents;
- Closed on the final MEDIAN property, as part of the initial MEDIAN transaction, for a purchase price of €41.6 million. See “2015 Activity” for a description of the initial MEDIAN Transaction;
- Completed the sale leaseback transaction with Prime converting our existing mortgage loan on three general acute care hospitals and one free-standing emergency department in New Jersey to real estate, for an aggregate investment of \$115 million;
- Completed the sale leaseback transaction converting the remaining \$93.3 million RCCH acquisition loan on the Olympia, Washington property to real estate, including funding an additional \$7 million; and
- Committed to purchase two acute care hospitals in Washington and Idaho for an aggregate purchase price of \$105 million, which will be leased to RCCH.

After these new investments, our largest tenant made up 17.5% of our gross assets as of December 31, 2016, slightly down from 17.6% as of December 31, 2015.

- Sold investments in real estate and equity interests and received payments in full on loans for proceeds of more than \$800 million as noted below:
  - Completed the Capella Healthcare, Inc. (“Capella”) Disposal Transaction (as fully described in Note 3 to Item 8 of this Annual Report on Form 10-K) in which we sold our equity investment, received \$395 million to settle outstanding acquisition loans and received \$210 million in prepayment of two mortgage loans for hospitals in Russellville, Arkansas and Lawton, Oklahoma, resulting in net proceeds of approximately \$600 million;
  - Sold the real estate of five properties (three of which were in Texas and two in Louisiana), received payment in full for outstanding loans, and recovered our investment in operations for proceeds of \$71 million, resulting in a net gain of approximately \$15 million;
  - Sold the real estate of a long-term acute care facility in Corinth, Texas, for proceeds of \$28 million; and
  - Sold the real estate of three inpatient rehabilitation hospitals located in Texas, for proceeds of \$111.5 million, resulting in a net gain of approximately \$45 million.
- Refinanced \$1 billion of debt and sold 82.7 million shares generating proceeds of approximately \$1.2 billion:
  - Completed a \$500 million senior unsecured notes offering in February 2016 and used the proceeds to reduce our outstanding balance on our revolving credit facility;
  - Completed a \$500 million senior unsecured notes offering in July 2016 and used the proceeds to redeem our \$450 million 6.875% Senior Unsecured Notes due 2021;
  - Sold the remaining 14.9 million shares under our January 2014 at-the-market equity offering program resulting in net proceeds of approximately \$224 million;
  - Completed an underwritten public offering of 57.5 million shares of our common stock, resulting in net proceeds of \$799.5 million, after deducting estimated offering expenses; and
  - Sold 10.3 million shares of common stock in a private placement, generating total proceeds of \$150 million.

With these transactions, our net debt to gross assets at December 31, 2016, improved to 43.1% versus 56.6% at December 31, 2015.

### **2015 Highlights**

In 2015, we invested or committed to invest approximately \$1.8 billion in healthcare real estate assets. These significant investments greatly strengthened our portfolio through geographic, tenant and property type diversification. We expanded total assets by 51%, increased revenues by 41%, and lowered our general and administrative expense as a percentage of revenue to less than 10%.

A summary of our 2015 highlights is as follows:

- Acquired (or committed to acquire) real estate assets, entered into development agreements, entered into leases and made new loan investments, totaling more than \$1.8 billion as noted below:
  - Acquired the original Capella hospital portfolio (now RCCH) including seven acute care hospitals throughout the U.S. and obtained a stake in their operations for a combined total of approximately \$900 million. Also, acquired an eighth facility (Kershaw) for \$35 million later in the year.
  - Completed the sale-leaseback transaction (step 2 of the initial transaction in 2014) of 31 MEDIAN facilities in Germany for an aggregate purchase price of €646 million;
  - Initiated long term relationship with AXA Real Estate Investment Managers to co-invest with AXA-advised accounts for the acquisition of acute care hospitals in Spain and Italy via a joint venture arrangement;
  - Executed a \$19 million agreement to develop an inpatient rehabilitation hospital in Toledo, Ohio, acquired an inpatient rehabilitation facility and a long-term acute care hospital in Lubbock, Texas for an aggregate purchase price of \$31.5 million, and acquired an inpatient rehabilitation hospital in Weslaco, Texas for \$10.7 million all leased to Ernest;
  - Completed \$30 million mortgage financing to Prime for a general acute care hospital in Port Huron, Michigan and subsequently converted a portion of the loan to real estate for \$20 million, which reduced the mortgage loan accordingly;
  - Provided \$100 million mortgage financing to Prime for three general acute care hospitals and one free-standing emergency department in New Jersey and acquired two general acute care hospitals in the Kansas City area for \$110 million;
  - Acquired a 266-bed outpatient rehabilitation clinic located in Hannover, Germany from MEDIAN for €18.7 million;
  - Executed an additional \$250 million agreement with Adeptus Health for the development of acute care hospitals and free-standing emergency departments; and
  - Completed construction and began recording rental income on 17 acute care facilities in Texas, Arizona, and Colorado with Adeptus Health totaling approximately \$102.6 million and an acute care facility and a medical office building in Birmingham, Alabama with UAB Medical West totaling \$8.6 million.
- Sold the real estate of a long-term acute care facility in Luling, Texas, and real estate of six wellness centers in the U.S. for a net gain; and
- Increased our senior Credit Facility to \$1.95 billion comprised of a \$1.3 billion senior unsecured revolving credit facility and a \$250 million senior unsecured term loan facility along with a \$400 million accordion feature, issued €500 million of unsecured notes, and raised \$817 million in equity to fund the acquisition activity mentioned above.

### **2014 Highlights**

In 2014, we invested or committed to invest approximately \$1.4 billion in healthcare real estate assets. These significant investments greatly strengthened our portfolio through geographic, tenant and property type diversification.

A summary of our 2014 highlights is as follows:

- Acquired (or committed to acquire) real estate assets, entered into development agreements, entered into leases and made new loan investments, totaling more than \$1.4 billion as noted below:
  - Completed Step 1 of the two step acquisition of 32 MEDIAN facilities for €688 million by loaning €425 million to Waterland Private Equity Fund VC.V.(“Waterland”) and MEDIAN;
  - Completed the acquisition of three MEDIAN (formally RHM) facilities located in Germany for a transaction valued at approximately €64 million incurring approximately €3 million of transfer and other taxes that have been expensed as acquisition costs;
  - Acquired an acute care hospital in Fairmont, West Virginia for an aggregate purchase price of \$15 million from Alecto Healthcare Services (“Alecto”), made a \$5 million working capital loan to the tenant and a commitment to fund up to \$5 million in capital improvements;
  - Acquired an acute care hospital in Sherman, Texas for an aggregate purchase price of \$32.5 million from Alecto and funded a \$7.5 million working capital loan to the tenant;
  - Entered the United Kingdom healthcare market by acquiring an acute care hospital in Peasedown St. John, United Kingdom from Circle Health Ltd., through its subsidiary Circle Hospital (Bath) Ltd. valued at approximately £28.3 million incurring approximately £1.1 million of transfer and other taxes that have been expensed as acquisition costs;
  - 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;
  - Executed an additional \$150 million agreement with Adeptus Health for the development of acute care hospitals and free-standing emergency departments; and
  - Completed construction and began recording rental income on the following facilities:
    - Northern Utah Rehabilitation Hospital — \$19 million inpatient rehabilitation facility located in South Ogden, Utah leased to Ernest;
    - Oakleaf Surgical Hospital — \$30.5 million acute care facility located in Altoona, Wisconsin leased to National Surgical Hospitals; and
    - Adeptus Health — Completed 17 acute care facilities totaling approximately \$80.3 million.
- Sold the real estate of La Palma Community Hospital to Prime recognizing a gain on sale of \$2.9 million;
- Sold the real estate of our Bucks facility pursuant to a purchase option, resulting in a \$3.1 million impairment charge;
- Restructured our investment in Monroe Hospital by entering into a lease with an affiliate of Prime which had acquired the operations of the facility;
- Completed a \$1.15 billion senior unsecured credit facility comprised of a \$1.025 billion senior unsecured revolving credit facility and a \$125 million senior unsecured term loan facility, issued \$300 million of unsecured notes, and raised \$138 million in equity to fund the acquisition activity mentioned above; and
- Received investment grade rating on our unsecured debt of BBB- and a corporate credit rating upgrade from Standard & Poor’s Ratings Services to BB+.

### **Critical Accounting Policies**

In order to prepare financial statements in conformity with generally accepted accounting principles (“GAAP”) in the U.S., we must make estimates about certain types of transactions and account balances. We

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believe that our estimates of the amount and timing of our revenues, credit losses, fair values (either as part of a purchase price allocation, impairment analysis or in valuing certain of our equity investments), periodic depreciation of our real estate assets, and stock compensation expense, along with our assessment as to whether an entity that we do business with should be consolidated with our results, have significant effects on our financial statements. Each of these items involves estimates that require us to make subjective judgments. We rely on our experience, collect historical and current market data, and develop relevant assumptions to arrive at what we believe to be reasonable estimates. Under different conditions or assumptions, materially different amounts could be reported related to the critical accounting policies described below. In addition, application of these critical accounting policies involves the exercise of judgment on the use of assumptions as to future uncertainties and, as a result, actual results could materially differ from these estimates. See Note 2 to Item 8 of this Annual Report on Form 10-K for more information regarding our critical accounting policies and recent accounting developments. Our accounting estimates include the following:

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

Certain leases may provide for additional rents contingent upon a percentage of the tenant's revenues in excess of specified base amount/threshold (percentage rents). Percentage rents are recognized in the period in which revenue thresholds are met. Rental payments received prior to their recognition as income are classified as deferred revenue. We also receive additional rent (contingent rent) under some leases based on increases in the CPI or where the CPI exceeds the annual minimum percentage increase in the lease. Contingent rents are recorded as rent billed revenue in the period earned.

We use direct financing lease ("DFL") accounting to record rent on certain leases deemed to be financing leases, per accounting rules, rather than operating leases. For leases accounted for as DFLs, future minimum lease payments are recorded as a receivable. The difference between the future minimum lease payments and the estimated residual values less the cost of the properties is recorded as unearned income. Unearned income is deferred and amortized to income over the lease terms to provide a constant yield when collectability of the lease payments is reasonably assured. Investments in DFLs are presented net of unearned income.

In instances where we have a profits or equity interest in our tenants' operations, we record income equal to our percentage interest of the tenants' profits, as defined in the lease or tenants' operating agreements, once annual thresholds, if any, are met.

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

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

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

*Investments in Real Estate:* We maintain our investments in real estate at cost, and we capitalize improvements and replacements when they extend the useful life or improve the efficiency of the asset. While our tenants are generally responsible for all operating costs at a facility, to the extent that we incur costs of repairs and maintenance, we expense those costs as incurred. We compute depreciation using the straight-line method over the weighted-average useful life of approximately 38.8 years for buildings and improvements.

When circumstances indicate a possible impairment of the value of our real estate investments, we review the recoverability of the facility's carrying value. The review of the recoverability is generally based on our estimate of the future undiscounted cash flows, excluding interest charges, from the facility's use and eventual disposition. Our forecast of these cash flows considers factors such as expected future operating income, market and other applicable trends, and residual value, as well as the effects of leasing demand, competition and other factors. If impairment exists due to the inability to recover the carrying value of a facility on an undiscounted basis, such as was the case with our Monroe and Bucks facilities in 2014, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the facility. We do not believe that the value of any of our facilities was impaired at December 31, 2016; however, given the highly specialized aspects of our properties no assurance can be given that future impairment charges will not be taken.

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

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

We measure the aggregate value of other lease intangible assets to be acquired based on the difference between (i) the property valued with new or in-place leases adjusted to market rental rates and (ii) the property valued as if vacant when acquired. Management's estimates of value are made using methods similar to those used by independent appraisers (*e.g.*, discounted cash flow analysis). Factors considered by management in our analysis include an estimate of carrying costs during hypothetical expected lease-up periods, considering current market conditions, and costs to execute similar leases. We also consider information obtained about each targeted

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facility as a result of our pre-acquisition due diligence, marketing, and leasing activities in estimating the fair value of the intangible assets acquired. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods, which we expect to be about six months (based on experience) depending on specific local market conditions. Management also estimates costs to execute similar leases including leasing commissions, legal costs, and other related expenses to the extent that such costs are not already incurred in connection with a new lease origination as part of the transaction.

Other intangible assets acquired may include customer relationship intangible values, which are based on management's evaluation of the specific characteristics of each prospective tenant's lease and our overall relationship with that tenant. Characteristics to be considered by management in allocating these values include the nature and extent of our existing business relationships with the tenant, growth prospects for developing new business with the tenant, the tenant's credit quality, and expectations of lease renewals, including those existing under the terms of the lease agreement, among other factors. At December 31, 2016, we have assigned no value to customer relationship intangibles.

We amortize the value of lease intangibles to expense over the term of the respective leases, which have a weighted average useful life of 17.9 years at December 31, 2016. If a lease is terminated, the unamortized portion of the lease intangible is charged to expense as was the case with our Twelve Oaks property in 2015.

*Losses from Rent Receivables:* For all leases, we continuously monitor the performance of our existing tenants including, but not limited to: admission levels and surgery/procedure volumes by type; current operating margins; ratio of our tenants' operating margins both to facility rent and to facility rent plus other fixed costs; trends in revenue and patient mix; and the effect of evolving healthcare regulations on tenants' profitability and liquidity.

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

*Losses on DFL Receivables:* Allowances are established for DFLs based upon an estimate of probable losses on a property-by-property basis. DFLs are impaired when it is deemed probable that we will be unable to collect all amounts due in accordance with the contractual terms of the lease. Like operating lease receivables, the need for an allowance is based upon our assessment of the lessee's overall financial condition; economic resources and payment record; the prospects for support from any financially responsible guarantors; and, if appropriate, the realizable value of any collateral. These estimates consider all available evidence including the expected future cash flows discounted at the DFL's effective interest rate, fair value of collateral, and other relevant factors, as appropriate. DFLs are placed on non-accrual status when we determine that the collectability of contractual amounts is not reasonably assured. If on non-accrual status, we generally account for the DFLs on a cash basis, in which income is recognized only upon receipt of cash.

*Loans:* Loans consist of mortgage loans, working capital loans and other long-term loans. Mortgage loans are collateralized by interests in real property. Working capital and other long-term loans are generally collateralized by interests in receivables and corporate and individual guarantees. We record loans at cost. We evaluate the collectability of both interest and principal on a loan-by-loan basis (using the same process as we do for assessing the collectability of rents as discussed above) to determine whether they are impaired. A loan is considered impaired when, based on current information and events, it is probable that we will be unable to collect all amounts due according to the existing contractual terms. When a loan is considered to be impaired, the amount of the allowance is calculated by comparing the recorded investment to either the value determined by

discounting the expected future cash flows using the loans effective interest rate or to the fair value of the collateral, if the loan is collateral dependent.

*Stock-Based Compensation:* During the years ended December 31, 2016, 2015, and 2014, we recorded \$7.9 million, \$11.1 million, and \$9.2 million, respectively, of expense for share-based compensation related to grants of restricted common stock and other stock-based awards. Starting in 2010, we granted annual performance-based restricted share awards that vest based on the achievement of certain market conditions as defined by the accounting rules. Typical market conditions for our awards are based on our total shareholder return (factoring in stock price appreciation and dividends paid) including comparisons of our total shareholder returns to an index of other REIT stocks. Because these awards are earned based on the achievement of these market conditions, we must initially evaluate and estimate the probability of achieving these market conditions in order to determine the fair value of the award and over what period we should recognize stock compensation expense. Because of the complexities inherently involved with these awards, we work with an independent consultant to assist us in modeling both the value of the award and the various periods over which each tranche of an award will be earned. We use what is termed a Monte Carlo simulation model, which determines a value and earnings periods based on multiple outcomes and their probabilities. We record expense over the expected or derived vesting periods using the calculated value of the awards. We record expense over these vesting periods even though the awards have not yet been earned and, in fact, may never be earned — such as was the case with our 2014 performance awards in which 500,000 shares were forfeited because the related market conditions were not achieved for the period of January 1, 2014 through December 31, 2016. If awards vest faster than our original estimate, we will record a catch-up of expense, which we did in the 2014 and 2013 fourth quarters due to our 2012 and 2011 stock awards being earned earlier than expected.

*Fair Value Option Election:* We elected to account for certain investments acquired on February 29, 2012, as part of the Ernest transaction, using the fair value option method, which means we mark these investments to fair market value on a recurring basis. Any changes in the fair value of these investments are non-cash adjustments that will not impact our financial condition or cash flows unless we decided to liquidate these investments.

These investments include the following at December 31, 2016 (in thousands):

<u>Asset (Liability)</u>	<u>Total Fair Value</u>
Mortgage loans	\$ 112,836
Acquisition and other loans	116,298
Equity investment	3,300
Total	<u>\$ 232,434</u>

We measure the estimated fair value of most of these investments utilizing Level 2 and 3 of the fair value hierarchy. Under current accounting guidance, Level 3 represents fair value measurements derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Our mortgage and acquisition loans with Ernest are recorded at fair value based on Level 2 inputs by discounting the estimated cash flows using the market rates which similar loans would be made to borrowers with similar credit ratings and the same remaining maturities. Our equity investment in Ernest is recorded at fair value based on Level 3 inputs, by using a discounted cash flow model, which requires significant estimates of our investee such as projected revenue and expenses and appropriate consideration of the underlying risk profile of the forecasted assumptions associated with the investee. We classify the equity investment 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 the cash flow model, our observable inputs include use of a capitalization rate, discount rate (which is based on a weighted-

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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 December 31, 2016.

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 their historical results, meetings with key members of management, and our understanding of trends and developments within the healthcare industry.

In arriving at the DLOM, we started with a DLOM range based on the results of studies supporting valuation discounts for other transactions or structures without a public market. To select the appropriate DLOM within the range, we then considered many qualitative factors including the percent of control, the nature of the underlying investee’s business along with our rights as an investor pursuant to the operating agreement, the size of investment, expected holding period, number of shareholders, access to 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):

<b>Basis Point Change in Marketability Discount</b>	<b>Estimated Increase (Decrease) In Fair Value</b>
+100 basis points	\$ (49)
- 100 basis points	49

Because the fair value of Ernest investments noted above approximate their original cost, we did not recognize any unrealized gains/losses during 2016.

In 2015, we held an equity investment in Capella (now RCCH) similar to our Ernest equity investment. We accounted for this investment under the fair value option election as well. Similar to Ernest, we recorded no unrealized gain/loss on this investment in 2015 and through April 2016. In April 2016, we sold our Capella equity investment at cost resulting in no recognized gain/loss.

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

We continually evaluate all of our transactions and investments to determine if they represent variable interests in a variable interest entity. If we determine that we have a variable interest in a variable interest entity, we then evaluate if we are the primary beneficiary of the variable interest entity. The evaluation is a qualitative assessment as to whether we have the ability to direct the activities of a variable interest entity that most significantly impact the entity’s economic performance. We consolidate each variable interest entity in which we, by virtue of or transactions with our investments in the entity, are considered to be the primary beneficiary. At December 31, 2016 and 2015, we determined that we were not the primary beneficiary of any of our variable interest entities because we do not control the activities (such as the day-to-day operations of the hospital) that most significantly impact the economic performance of these entities.

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The following table summarizes known material contractual obligations (including interest) as of December 31, 2016, excluding the impact of subsequent events (amounts in thousands):

<b>Contractual Obligations</b>	<b>Less Than 1 Year</b>	<b>1-3 Years</b>	<b>3-5 Years</b>	<b>After 5 Years</b>	<b>Total</b>
6.375% Senior Unsecured Notes due 2022	\$ 22,313	\$ 44,625	\$ 44,625	\$ 361,156	\$ 472,719
5.750% Senior Unsecured Notes due 2020(1)	12,095	24,189	220,419	—	256,703
4.000% Senior Unsecured Notes due 2022(1)	21,034	42,047	42,089	539,104	644,274
5.500% Senior Unsecured Notes due 2024	16,500	33,000	33,000	341,250	423,750
6.375% Senior Unsecured Notes due 2024	31,875	63,750	63,750	579,688	739,063
5.250% Senior Unsecured Notes due 2026	26,906	52,500	52,500	631,250	763,156
Revolving credit facility(2)	10,190	294,755	—	—	304,945
Term loans	7,117	271,617	—	—	278,734
Operating lease commitments(3)	7,328	14,176	12,968	251,982	286,454
Purchase obligations(4)	464,592	43,638	—	—	508,230
<b>Totals</b>	<b>\$ 619,950</b>	<b>\$ 884,297</b>	<b>\$ 469,351</b>	<b>\$ 2,704,430</b>	<b>\$ 4,678,028</b>

- (1) Our 5.750% Senior Unsecured Notes due 2020 and 4.000% Senior Unsecured Notes due 2022 are euro-denominated. We used the exchange rate at December 31, 2016, (or 1.0517) in preparing this table.
- (2) As of December 31, 2016, we have a \$1.3 billion revolving credit facility. However, this table assumes the balance outstanding under the revolver and rate in effect at December 31, 2016 (which was \$290 million as of December 31, 2016) remains in effect through maturity.
- (3) Most of our contractual obligations to make operating lease payments are related to ground leases for which we are reimbursed by our tenants along with corporate office and equipment leases.
- (4) Includes approximately \$95.5 million of future expenditures related to development projects.

**Off Balance Sheet Arrangements**

We own interests in certain unconsolidated joint ventures as described under Note 3 to Item 8 of this Annual Report on Form 10-K. Except in limited circumstances, our risk of loss is limited to our investment in the joint venture and any outstanding receivables. We have no other material off-balance sheet arrangements that we expect would materially affect our liquidity and capital resources except those described above under “Disclosure of Contractual Obligations”.

**Liquidity and Capital Resources***2016 Cash Flow Activity*

We generated cash of \$264.7 million from operating activities during 2016, 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 \$218.4 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 approximate \$1.5 billion of acquisitions in 2016 and the remainder of our development activities, we did the following:

- a) On February 22, 2016, we completed a senior unsecured notes offering for \$500 million.
- b) On March 1, 2016, we updated our at-the-market equity program, which gave us the ability to sell up to \$227 million of stock with a commission rate of 1.25%. During 2016, we sold approximately 15 million shares of our common stock under this program, resulting in net proceeds of approximately

\$224 million, after deducting expenses of approximately \$2.8 million of commissions. We have no capacity to sell additional shares under this at-the-market equity offering program.

- c) On April 30, 2016, we closed on the Capella Disposal Transaction (as further discussed in Note 3 to Item 8 of this Annual Report on Form 10-K) resulting in net proceeds of \$550 million along with an additional \$50 million once we sold our investment in RegionalCare Hospital Partners, Inc. (“RegionalCare”) bonds in June 2016.
- d) On May 23, 2016, we sold our investment in five properties leased and operated by Post Acute Medical (“Post Acute”) for \$71 million.
- e) On June 17, 2016, we sold our investment in one property leased and operated by Corinth Investor Holdings for \$28 million.
- f) On July 13, 2016, we completed a new \$500 million senior unsecured notes offering. We used the net proceeds from this offering to redeem our \$450 million 6.875% Senior Unsecured Notes due 2021, which was completed on August 12, 2016. Net proceeds from the notes offering and redemption approximated \$19 million, and we incurred a one-time charge of \$22.5 million related to the redemption (see Note 4 to Item 8 of this Annual Report on Form 10-K for further details).
- g) On July 20, 2016, we sold three facilities leased to HealthSouth Corporation (“HealthSouth”) for \$111.5 million.
- h) On September 30, 2016, we completed a public offering of 57.5 million shares of our common stock, resulting in net proceeds of \$799.5 million, after deducting offering expenses.
- i) On October 7, 2016, we sold 10.3 million shares of common stock in a private placement to Cerberus, and certain members of Steward management. We sold these shares at a price per share of \$14.50, equal to the public offering price of our September 2016 equity offering, generating total proceeds of \$150 million.
- j) Subsequent to December 31, 2016, we replaced our credit facility with a new credit facility that includes a \$1.3 billion unsecured revolving loan facility, a \$200 million unsecured term loan facility, and a €200 million unsecured term loan facility. We plan to use the proceeds of the €200 million unsecured notes along with cash on hand to redeem the 5.750% Senior Unsecured Notes due 2020 in the same principal amounts. On February 2, 2017, we delivered an irrevocable notice of full redemption to the holders of these notes and set a redemption date of March 4, 2017. With the new credit facility and bond redemption, we expect to incur a one-time charge of approximately \$13 million in the 2017 first quarter of which \$9 million relates to a prepayment penalty. See Note 13 to Item 8 of this Annual Report on Form 10-K for further discussion of the subsequent event activities.

#### *2015 Cash Flow Activity*

We generated cash of \$207.0 million from operating activities during 2015, 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 \$183.0 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 approximate \$1.8 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 of 4.00% senior unsecured notes. In addition, on September 30, 2015, we entered into an amendment to our 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.

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- b) On August 11, 2015, we completed an underwritten public offering of 28.75 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 of our common stock, resulting in net proceeds of approximately \$480 million, after deducting estimated offering expenses.

#### *2014 Cash Flow Activity*

We generated cash of \$150.4 million from operating activities during 2014, primarily consisting of rent and interest from mortgage and other loans, which with cash on-hand, was principally used to fund our dividends of \$144.4 million and certain of our investing activities including the additional funding of our development properties.

In regards to other financing activities in which we used such net proceeds to ultimately fund our \$767.7 million of acquisitions in 2014 and to fund other investment activities, 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 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 October 17, 2014, we entered into an amendment to our revolving credit and term loan agreement to increase the aggregate committed size of the facility to \$1.15 billion with an additional \$400 million accordion available increasing the total aggregate capacity to \$1.55 billion. The amendment also increased the alternative currency sublimit under the facility to €500 million and amended certain covenants in order to permit us to consummate and finance the MEDIAN transaction.
- d) We established an at-the-market equity offering program in January 2014, which gave us the ability to sell up to \$250 million in shares. In 2014, we sold 1.7 million shares resulting in net proceeds of \$22.6 million.

#### *Debt Restrictions and Covenants*

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

In addition to these restrictions, the Credit Facility contains customary financial and operating covenants, including covenants relating to our total leverage ratio, fixed charge coverage ratio, secured leverage ratio, unsecured leverage ratio, consolidated adjusted net worth, and unsecured interest coverage ratio. This facility also contains customary events of default, including among others, nonpayment of principal or interest, material inaccuracy of representations and failure to comply with our covenants. If an event of default occurs and is continuing under the facility, the entire outstanding balance may become immediately due and payable. At December 31, 2016, we were in compliance with all such financial and operating covenants.

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

### *Short-term Liquidity Requirements:*

As of February 24, 2017, we have less than \$0.4 million in debt principal payments due in 2017 — see debt maturity schedule below. At February 24, 2017, our availability under our revolving credit facility plus cash on-hand (after adjusting for the redemption of the €200 million 5.750% Senior Unsecured Notes due 2020) approximated \$1.2 billion. We believe this liquidity and our current monthly cash receipts from rent and loan interest is sufficient to fund our operations, debt and interest obligations, our purchase obligations as disclosed in the “Contractual Obligations” schedule earlier, and dividends in order to comply with REIT requirements for the next twelve months.

### *Long-term Liquidity Requirements:*

As of February 24, 2017, after adjusting for the new credit facility and notes redemption discussed above, we have less than \$15 million in debt and principal payment due between now and January 2020. With our liquidity as of February 24, 2017 of approximately \$1.2 billion, along with our current monthly cash receipts from rent and loan interest, we believe we have the liquidity available for us to fund our operations, debt and interest obligations, dividends in order to comply with REIT requirements, and our purchase obligations included in the “Contractual Obligations” schedule for the foreseeable future.

However, in order to fund our investment strategies and to fund debt maturities coming due in later years, we believe the following sources of capital are generally available in the market and we may access one or a combination of them:

- amending or entering into new bank term loans,
- issuance of new USD or EUR denominated debt securities, including senior unsecured notes,
- placing new secured loans on real estate located in the U.S. and/or Europe,
- entering into joint venture arrangements,
- proceeds from strategic property sales, and/or
- sale of equity securities.

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

Principal payments due on our debt (which is adjusted for the closing of the February 1, 2017 credit facility and the redemption of the €200 million 5.750% Senior Unsecured Notes due 2020 and exclude the effects of any discounts, premiums, or debt issue costs recorded) are as follows (in thousands):

2017	\$	320
2018		12,781
2019		—
2020		210,340
2021		340,000
Thereafter		2,375,850
Total	\$	<u>2,939,291</u>

## Results of Operations

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

### *Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015*

Net income for the year ended December 31, 2016, was \$225.0 million compared to net income of \$139.6 million for the year ended December 31, 2015. This increase is primarily due to additional revenue generated from our new investments and from completed development projects, \$61.2 million of gains on real estate and other disposals, and a \$15 million reduction in acquisition expenses, partially offset by higher debt refinancing costs and interest expense in 2016. FFO, after adjusting for certain items (as more fully described in Reconciliation of Non-GAAP Financial Measures), was \$334.8 million, or \$1.28 per diluted share for 2016 as compared to \$274.8 million, or \$1.26 per diluted share for 2015, a 2% increase on a per share basis. This increase in FFO per share is primarily due to additional revenue from new investments, partially offset by the loss of income from properties disposed of in 2016, higher interest costs and an increase in the number of shares outstanding during 2016 to fund such new investments.

A comparison of revenues for the years ended December 31, 2016 and 2015 is as follows (dollar amounts in thousands):

	2016	(Dollar amounts in thousands)		2015	Change
Rent billed	\$327,269	60.5%	\$247,604	56.0%	\$79,665
Straight-line rent	41,067	7.6%	23,375	5.3%	17,692
Income from direct financing leases	64,307	11.9%	58,715	13.3%	5,592
Interest and fee income	108,494	20.0%	112,184	25.4%	(3,690)
Total revenues	<u>\$541,137</u>	<u>100.0%</u>	<u>\$441,878</u>	<u>100.0%</u>	<u>\$99,259</u>

Our total revenue for 2016 is up \$99.3 million or 22.5% over the prior year. This increase is made up of the following:

- Operating lease revenue (including rent billed and straight-line rent) — up \$97.4 million over the prior year of which \$0.2 million is from our annual escalation provisions in our leases, \$69.6 million is from incremental revenue from acquisitions made in 2016 (including \$15.0 million related to Steward), \$20.2 million is incremental revenue from development properties that were completed and put into service in 2016 and 2015, and \$2.1 million is from capital additions at our existing facilities during 2016. The increase is also attributable to \$15.0 million earned on our Capella properties after lease reclassification from DFL to operating lease accounting as part of the April 29, 2016 amendments. These increases are partially offset by \$10.3 million of lower revenues from the 2016 dispositions.
- Income from direct financing leases — up \$5.6 million over the prior year of which \$0.8 million is from annual escalation provisions in our leases and \$6.7 million is from incremental revenue from acquisitions made in 2016. This increase is also attributable to \$0.3 million of incremental revenue on the Capella properties prior to lease reclassification. The increase was partially offset by the \$2.6 million write-off of DFL non-cash income in connection with the Capella lease reclassification (see Note 3 to Item 8 of this Annual Report on Form 10-K for details).
- Interest and fee income — down \$3.7 million over the prior year, which was attributable to \$22.9 million in interest earned in 2015 from loans that were converted to real estate on or before December 31, 2016,

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in connection with the MEDIAN Transaction and \$1.1 million related to loan pay downs in 2016. The decrease was partially offset by \$18.0 million of additional interest from other loans made during 2016, including the Prime mortgage loans, \$2.1 million of interest on the Capella mortgage and acquisition loans that were outstanding longer in 2016 than in 2015, and \$0.4 million in annual escalation provisions of our loans.

Real estate depreciation and amortization during 2016 was \$94.4 million compared to \$69.9 million in 2015 primarily due to the incremental depreciation/amortization from the facilities acquired in 2016 and the development properties completed in 2015 and 2016. In the 2016 second quarter, we accelerated the amortization of the lease intangible asset related to our Corinth facility resulting in \$1.1 million of additional expense. This was offset by a similar \$1.1 million of expense in 2015 to accelerate the amortization of lease intangible assets associated with Twelve Oaks, Luling, and Healthtrax properties.

Property expenses for 2016 decreased \$1.1 million compared to 2015. This decrease is primarily due to the reimbursement of \$0.8 million from the tenant of our Twelve Oaks facility for property expenses incurred in previous periods.

Acquisition expenses decreased from \$61.3 million in 2015 to \$46.3 million in 2016 primarily as a result of \$31.7 million in lower real estate transfer taxes associated with our international acquisitions. This decrease was partially offset by \$24.8 million of acquisition expenses incurred in 2016 associated with contingent consideration adjustments involving the seller's capital gains taxes on our MEDIAN transaction in 2015.

General and administrative expenses in 2016 totaled \$48.9 million, which is 9.0% of revenues, down from 9.9% 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 headcount and related expense at the same rate. On a dollar basis, general and administrative expenses were up \$5.3 million from the prior year due to higher international administrative expenses, and to a lesser extent personnel and travel costs, which are up as a result of the growth and expansion of our company.

Interest expense for 2016 and 2015 totaled \$159.6 million and \$120.9 million, respectively. This increase is related to higher average debt balances in the current year associated with our 4.000% Senior Unsecured Notes due 2022 entered into in August 2015 and our 6.375% Senior Unsecured Notes due 2024 entered into in February 2016 and our expanded credit facility. In addition, we incurred \$1.7 million in additional interest expense in 2016 between the time we issued the \$500 million 5.250% Senior Unsecured Notes due 2026 in July 2016 and when we were able to redeem the \$450 million 6.875% Senior Unsecured Notes due 2021 in August 2016. Our weighted average interest rate was 4.9% for 2016, up from 4.3% in 2015 due to more permanent debt financing in 2016 and higher LIBOR rates. See Note 4 to our consolidated financial statements in Item 8 to this Annual Report on Form 10-K for further information on our debt activities.

During the year ended December 31, 2016, we had various dispositions resulting in a net gain on sale of real estate and other asset dispositions of \$61.2 million and impairment charges of \$7.2 million (see Note 3 to Item 8 of this Annual Report on Form 10-K for further details).

Earnings from our equity interests declined from \$2.8 million of income in the 2015 to a loss of \$1.1 million in 2016. The loss in 2016 includes approximately \$5.4 million of one-time acquisition expenses, representing our share of such expenses incurred by our Italian joint venture to acquire its eight hospital properties. Excluding these acquisition expenses, our earnings from our equity interest would have been \$4.3 million, an increase over 2015 due to \$3.4 million of income from our Italian joint venture (no such income was recorded in 2015).

With the redemption of the \$450 million in senior unsecured notes, we incurred \$22.5 million in debt refinancing charges (\$15.5 million of which was a redemption premium) during 2016. During 2015, we incurred \$4.4 million of charges primarily related to structuring and underwriting fees associated with the bridge loan entered into as a back stop on financing the original Capella acquisition.

Income tax expense includes U.S. federal and state income taxes on our TRS entities, as well as non-U.S. income based taxes and withholding taxes on certain investments located in jurisdictions outside the U.S. The provision for income taxes was a benefit of \$6.8 million for 2016 compared to expense of \$1.5 million for 2015. As discussed in Note 5 to Item 8 of this Annual Report on Form 10-K, the income tax benefit recognized for 2016 was primarily due to acquisition costs associated with our European investments (approximately \$5.1 million) and the release of valuation allowances on foreign deferred tax assets of approximately \$4 million. The reversal of the valuation allowances on these foreign deferred tax assets is expected to result in higher income tax expense related to our European investments in future periods. We continue to reflect a valuation allowance against our U.S. and certain foreign net deferred tax assets at December 31, 2016.

#### **Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014**

Net income for the year ended December 31, 2015, was \$139.6 million compared to net income of \$50.5 million for the year ended December 31, 2014. This increase is primarily due to additional income generated from our 2015 acquisitions and from completed development projects. In addition, we incurred \$50.1 million of impairment charges in 2014 — see Note 3 to Item 8 of this Annual Report on Form 10-K for further details. FFO, after adjusting for certain items (as more fully described in “Reconciliation of Non-GAAP Financial Measures”), was \$274.8 million, or \$1.26 per diluted share for 2015 as compared to \$181.7 million, or \$1.06 per diluted share for 2014, a 19% increase on a per share basis. This increase in FFO was primarily due to the increase in revenue from acquisitions and the completion of development projects during 2015.

A comparison of revenues for the years ended December 31, 2015 and 2014 is as follows (dollar amounts in thousands):

	2015		2014		Change
	(Dollar amounts in thousands)				
Rent billed	\$247,604	56.0%	\$187,018	59.9%	\$ 60,586
Straight-line rent	23,375	5.3%	13,507	4.3%	9,868
Income from direct financing leases	58,715	13.3%	49,155	15.7%	9,560
Interest and fee income	112,184	25.4%	62,852	20.1%	49,332
Total revenues	<u>\$441,878</u>	<u>100.0%</u>	<u>\$312,532</u>	<u>100.0%</u>	<u>\$129,346</u>

Our total revenue for 2015 is up \$129.3 million or 41.4% over the prior year. This increase is made up of the following:

- Operating lease revenue (including rent billed and straight-line rent) — up \$70.5 million over the prior year of which \$0.4 million is from our annual escalation provisions in our leases, \$69.6 million is from incremental revenue from acquisitions made in 2015, \$16.4 million is incremental revenue from development properties that were completed and put into service in 2015, and \$2.0 million is net incremental revenue from properties where we changed operators and began recording straight-line rent on the respective leases. This increase is partially offset by \$12.7 million attributable to the decline in the euro and a \$3.1 million write-off of straight-line rent related to our Luling and Twelve Oaks properties. In addition, approximately \$2.7 million of base rents were recorded in 2014 related to our disposed properties but none was recorded in 2015.
- Income from direct financing leases — up \$9.6 million over the prior year of which \$1.0 million is from annual escalation provisions in our leases and \$8.5 million is from incremental revenue from acquisitions made in 2015.
- Interest and fee income — up \$49.3 million over the prior period of which \$1.8 million is from our annual escalation provisions in our loans and \$52.6 million is primarily from new loans, partially offset by \$0.1 million due to the repayment of loans in 2015 and \$5.0 million attributable to the decline in the euro.

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Real estate depreciation and amortization during 2015 was \$69.9 million compared to \$53.9 million in 2014 primarily due to the incremental depreciation/amortization from the facilities acquired in 2015 and the development properties completed in 2014 and 2015. In addition, we accelerated the related lease intangible of our Twelve Oaks, Luling, and Healthtrax properties resulting in an additional \$1.1 million of expense in 2015.

During 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 — see Note 3 to Item 8 of this Annual Report on Form 10-K for further details.

Acquisition expenses increased from \$26.4 million in 2014 to \$61.3 million in 2015 primarily as a result of the completion of the MEDIAN and Capella acquisitions. Included in the 2015 and 2014 acquisition expenses are \$37.0 million and \$5.8 million, respectively, of real estate transfer taxes associated with our international properties.

General and administrative expenses in 2015 totaled \$43.6 million, which is 9.9% of revenues, down from 11.9% of revenues in the prior year. The decline in general and administrative expenses as a percentage of revenue is primarily due to our business model as we can generally increase our revenue significantly without increasing our headcount and related expense at the same rate. On a dollar basis, general and administrative expenses were up \$6.4 million from the prior year 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 2015 and 2014 totaled \$120.9 million and \$98.2 million, respectively. This increase is related to higher average debt balances in the current year associated with our 5.500% Senior Unsecured Notes due 2024 (entered into in April 2014), our 4.000% Senior Unsecured Notes due 2022 and the expansion of our credit facility in 2015. Our weighted average interest rate was 4.3% for 2015, down from 5.4% in 2014, due to the issuance of our 4.000% Senior Unsecured Notes due 2022 and a higher outstanding balance on the revolving credit facility in 2015.

With the expansion of our credit facility in 2015, along with a bridge loan entered into in the 2015 third quarter to fund the Capella transaction, we incurred \$4.4 million of unutilized financing fees/debt refinancing costs compared to \$1.7 million in 2014.

Gain on sale of real estate increased slightly from 2014 due to the \$1.7 million and \$1.5 million gains on the Healthtrax and Luling property sales in 2015, respectively, compared to the \$2.9 million gain on the La Palma property sale in 2014.

Earnings from equity and other interests increased slightly from 2014 due to increased investee earnings, partially offset by lower income from our interest in Bucks as the property was sold in August 2014 — this interest generated about \$1 million of income annually.

Other income (expense) was down \$5.2 million in 2015 primarily due to \$4.9 million of foreign currency transaction gains in 2014.

Income tax expense was \$1.5 million for 2015 — up from \$0.3 million in 2014, primarily due to the increase in income in certain of our European entities.

### **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.

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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 potentially less meaningful to investors and analysts.

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

The following table presents a reconciliation of net income attributable to MPT common stockholders to FFO and normalized FFO for the years ended December 31, 2016, 2015, and 2014 (\$ amounts in thousands except per share data):

	For the Year Ended		
	December 31, 2016	December 31, 2015	December 31, 2014
<b>FFO information:</b>			
Net income attributable to MPT common stockholders	\$ 225,048	\$ 139,598	\$ 50,522
Participating securities' share in earnings	(559)	(1,029)	(895)
Net income, less participating securities' share in earnings	\$ 224,489	\$ 138,569	\$ 49,627
Depreciation and amortization	96,157	69,867	53,938
Gain on sale of real estate	(67,168)	(3,268)	(2,857)
Real estate impairment charge	—	—	5,974
Funds from operations	\$ 253,478	\$ 205,168	\$ 106,682
Write-off of straight line rent and other	3,063	3,928	2,818
Transaction costs from non-real estate dispositions	5,944	—	—
Acquisition expenses, net of tax benefit	46,529	61,342	26,389
Release of valuation allowance	(3,956)	—	—
Impairment charges	7,229	—	44,154
Unutilized financing fees/ debt refinancing costs	22,539	4,367	1,698
Normalized funds from operations attributable to MPT common stockholders	<u>\$ 334,826</u>	<u>\$ 274,805</u>	<u>\$ 181,741</u>
<b>Per diluted share data:</b>			
Net income, less participating securities' share in earnings	\$ 0.86	\$ 0.63	\$ 0.29
Depreciation and amortization	0.37	0.32	0.31
Gain on sale of real estate	(0.26)	(0.01)	(0.01)
Real estate impairment charge	—	—	0.04
Funds from operations	\$ 0.97	\$ 0.94	\$ 0.63
Write-off of straight line rent and other	0.01	0.02	0.02
Transaction costs from non-real estate dispositions	0.02	—	—
Acquisition expenses, net of tax benefit	0.18	0.28	0.15
Release of valuation allowance	(0.02)	—	—
Impairment charges	0.03	—	0.26
Unutilized financing fees/ debt refinancing costs	0.09	0.02	—
Normalized funds from operations attributable to MPT common stockholders	<u>\$ 1.28</u>	<u>\$ 1.26</u>	<u>\$ 1.06</u>

**Distribution Policy**

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

The table below is a summary of our distributions declared for the three year period ended December 31, 2016:

<u>Declaration Date</u>	<u>Record Date</u>	<u>Date of Distribution</u>	<u>Distribution per Share</u>
November 10, 2016	December 8, 2016	January 12, 2017	\$ 0.23
August 18, 2016	September 15, 2016	October 13, 2016	\$ 0.23
May 19, 2016	June 16, 2016	July 14, 2016	\$ 0.23
February 19, 2016	March 17, 2016	April 14, 2016	\$ 0.22
November 12, 2015	December 10, 2015	January 14, 2016	\$ 0.22
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

On February 16, 2017, we announced that our Board of Directors declared a regular quarterly cash dividend of \$0.24 per share of common stock to be paid on April 13, 2017, to stockholders of record on March 16, 2017.

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

**ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk**

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. We seek to mitigate the effects of fluctuations in interest rates by matching the terms of new investments with new long-term fixed rate borrowings to the extent possible. We may or may not elect to use financial derivative instruments to hedge interest rate or foreign currency exposure. For interest rate hedging, these decisions are principally based on our policy to match 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. For foreign currency, these decisions are principally based on how our investments are financed, the long-term nature of our investments, the need to repatriate earnings back to the U.S. and the general trend in foreign currency exchange rates.

In addition, the value of our facilities will be subject to fluctuations based on changes in local and regional economic conditions and changes in the ability of our tenants to generate profits, 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 December 31, 2016, our outstanding debt totaled \$2.9 billion, which consisted of fixed-rate debt of \$2.4 billion and variable rate debt of \$0.5 billion. If market interest rates increase by one-percent, the fair value of our debt at December 31, 2016 would decrease by approximately \$5.8 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 markets.

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 \$0.1 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 \$0.1 million per year. This assumes that the average amount outstanding under our variable rate debt for a year is \$0.5 billion, the balance of our revolver and term loan at December 31, 2016.

**Foreign Currency Sensitivity**

With our investments in Germany, the United Kingdom, Spain, and Italy, we are subject to fluctuations in the euro and British pound to U.S. dollar currency exchange rates. Increases or decreases in the value of the euro to U.S. dollar and the British pound to U.S. dollar exchange rates may impact our financial condition and/or our results of operations. Based solely on operating results for 2016 and on an annualized basis, if the euro exchange rate were to change by 5%, our FFO would change by approximately \$3.5 million. Based solely on operating results for 2016 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 8. Financial Statements and Supplementary Data**

**Report of Independent Registered Public Accounting Firm**

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

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a) present fairly, in all material respects, the financial position of Medical Properties Trust, Inc. and its subsidiaries at December 31, 2016 and December 31, 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index under Item 15(a) present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9a. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

/s/ PricewaterhouseCoopers LLP

Birmingham, AL  
March 1, 2017

**Report of Independent Registered Public Accounting Firm**

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

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a) present fairly, in all material respects, the financial position of MPT Operating Partnership, L.P. and its subsidiaries at December 31, 2016 and December 31, 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index under Item 15(a) present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9a. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

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

/s/ PricewaterhouseCoopers LLP

Birmingham, AL  
March 1, 2017

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

	December 31,	
	2016	2015
(Amounts in thousands, except for per share data)		
<b>ASSETS</b>		
Real estate assets		
Land	\$ 417,368	\$ 315,787
Buildings and improvements	3,550,674	2,675,803
Construction in progress and other	53,648	49,165
Intangible lease assets	296,176	256,950
Net investment in direct financing leases	648,102	626,996
Mortgage loans	1,060,400	757,581
Gross investment in real estate assets	6,026,368	4,682,282
Accumulated depreciation	(292,786)	(232,675)
Accumulated amortization	(32,339)	(25,253)
Net investment in real estate assets	5,701,243	4,424,354
Cash and cash equivalents	83,240	195,541
Interest and rent receivables	57,698	46,939
Straight-line rent receivables	116,861	82,155
Other loans	155,721	664,822
Other assets	303,773	195,540
<b>Total Assets</b>	<b>\$6,418,536</b>	<b>\$5,609,351</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Debt, net	\$2,909,341	\$3,322,541
Accounts payable and accrued expenses	207,711	137,356
Deferred revenue	19,933	29,358
Lease deposits and other obligations to tenants	28,323	12,831
Total Liabilities	3,165,308	3,502,086
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 — 320,514 shares at December 31, 2016 and 236,744 shares at December 31, 2015	321	237
Additional paid-in capital	3,775,336	2,593,827
Distributions in excess of net income	(434,114)	(418,650)
Accumulated other comprehensive loss	(92,903)	(72,884)
Treasury shares, at cost	(262)	(262)
Total Medical Properties Trust, Inc. Stockholders' Equity	3,248,378	2,102,268
Non-controlling interests	4,850	4,997
Total Equity	3,253,228	2,107,265
<b>Total Liabilities and Equity</b>	<b>\$6,418,536</b>	<b>\$5,609,351</b>

See accompanying notes to consolidated financial statements.

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

	For the Years Ended December 31,		
	2016	2015	2014
	(Amounts in thousands, except for per share data)		
<b>Revenues</b>			
Rent billed	\$ 327,269	\$ 247,604	\$ 187,018
Straight-line rent	41,067	23,375	13,507
Income from direct financing leases	64,307	58,715	49,155
Interest and fee income	108,494	112,184	62,852
Total revenues	<u>541,137</u>	<u>441,878</u>	<u>312,532</u>
<b>Expenses</b>			
Real estate depreciation and amortization	94,374	69,867	53,938
Impairment charges	7,229	—	50,128
Property-related	2,712	3,792	1,851
Acquisition expenses	46,273	61,342	26,389
General and administrative	48,911	43,639	37,274
Total operating expenses	<u>199,499</u>	<u>178,640</u>	<u>169,580</u>
Operating income	341,638	263,238	142,952
<b>Other income (expense)</b>			
Interest expense	(159,597)	(120,884)	(98,156)
Gain on sale of real estate and other asset dispositions, net	61,224	3,268	2,857
Earnings from equity and other interests	(1,116)	2,849	2,559
Unutilized financing fees/ debt refinancing costs	(22,539)	(4,367)	(1,698)
Other income (expense)	(502)	(2,674)	2,624
Income tax benefit (expense)	6,830	(1,503)	(340)
Net other expenses	<u>(115,700)</u>	<u>(123,311)</u>	<u>(92,154)</u>
<b>Income from continuing operations</b>	<u>225,938</u>	<u>139,927</u>	<u>50,798</u>
Loss from discontinued operations	(1)	—	(2)
Net income	225,937	139,927	50,796
Net income attributable to non-controlling interests	(889)	(329)	(274)
<b>Net income attributable to MPT common stockholders</b>	<u><u>\$ 225,048</u></u>	<u><u>\$ 139,598</u></u>	<u><u>\$ 50,522</u></u>
<b>Earnings per share — basic</b>			
Income from continuing operations attributable to MPT common stockholders	\$ 0.86	\$ 0.64	\$ 0.29
Income from discontinued operations attributable to MPT common stockholders	—	—	—
<b>Net income attributable to MPT common stockholders</b>	<u><u>\$ 0.86</u></u>	<u><u>\$ 0.64</u></u>	<u><u>\$ 0.29</u></u>
<b>Weighted average shares outstanding — basic</b>	<u><u>260,414</u></u>	<u><u>217,997</u></u>	<u><u>169,999</u></u>
<b>Earnings per share — diluted</b>			
Income from continuing operations attributable to MPT common stockholders	\$ 0.86	\$ 0.63	\$ 0.29
Income from discontinued operations attributable to MPT common stockholders	—	—	—
<b>Net income attributable to MPT common stockholders</b>	<u><u>\$ 0.86</u></u>	<u><u>\$ 0.63</u></u>	<u><u>\$ 0.29</u></u>
<b>Weighted average shares outstanding — diluted</b>	<u><u>261,072</u></u>	<u><u>218,304</u></u>	<u><u>170,540</u></u>

See accompanying notes to consolidated financial statements.

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

(In thousands)	For the Years Ended December 31,		
	2016	2015	2014
Net income	\$225,937	\$139,927	\$ 50,796
Other comprehensive income (loss):			
Unrealized gain on interest rate swap	2,904	3,139	2,964
Foreign currency translation loss	(22,923)	(54,109)	(15,937)
Total comprehensive income	205,918	88,957	37,823
Comprehensive income attributable to non-controlling interests	(889)	(329)	(274)
Comprehensive income attributable to MPT common stockholders	<u>\$205,029</u>	<u>\$ 88,628</u>	<u>\$ 37,549</u>

See accompanying notes to consolidated financial statements.

**MEDICAL PROPERTIES TRUST, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Equity**  
**For the Years Ended December 31, 2016, 2015 and 2014**  
**(Amounts in thousands, except per share data)**

	Preferred		Common		Additional Paid-in Capital	Distributions in Excess of Net Income	Accumulated Other Comprehensive Loss	Treasury Stock	Non- Controlling Interests	Total Equity
	Shares	Par Value	Shares	Par Value						
<b>Balance at December 31, 2013</b>	—	\$ —	161,310	\$ 161	\$ 1,618,054	\$ (264,804)	\$ (8,941)	\$ (262)	\$ —	\$ 1,344,208
Net income	—	—	—	—	—	50,522	—	—	274	50,796
Unrealized gain on interest rate swap	—	—	—	—	—	—	2,964	—	—	2,964
Foreign currency translation loss	—	—	—	—	—	—	(15,937)	—	—	(15,937)
Stock vesting and amortization of stock-based compensation	—	—	777	—	9,165	—	—	—	—	9,165
Distributions to non-controlling interests	—	—	—	—	—	—	—	—	(274)	(274)
Proceeds from offering (net of offering costs)	—	—	10,656	11	138,162	—	—	—	—	138,173
Dividends declared (\$0.84 per common share)	—	—	—	—	—	(147,048)	—	—	—	(147,048)
<b>Balance at December 31, 2014</b>	—	\$ —	172,743	\$ 172	\$ 1,765,381	\$ (361,330)	\$ (21,914)	\$ (262)	\$ —	\$ 1,382,047
Net income	—	—	—	—	—	139,598	—	—	329	139,927
Sale of non-controlling interests	—	—	—	—	—	—	—	—	5,000	5,000
Unrealized gain on interest rate swap	—	—	—	—	—	—	3,139	—	—	3,139
Foreign currency translation loss	—	—	—	—	—	—	(54,109)	—	—	(54,109)
Stock vesting and amortization of stock-based compensation	—	—	751	2	11,120	—	—	—	—	11,122
Distributions to non-controlling interests	—	—	—	—	—	—	—	—	(332)	(332)
Proceeds from offering (net of offering costs)	—	—	63,250	63	817,326	—	—	—	—	817,389
Dividends declared (\$0.88 per common share)	—	—	—	—	—	(196,918)	—	—	—	(196,918)
<b>Balance at December 31, 2015</b>	—	\$ —	236,744	\$ 237	\$ 2,593,827	\$ (418,650)	\$ (72,884)	\$ (262)	\$ 4,997	\$ 2,107,265
Net income	—	—	—	—	—	225,048	—	—	889	225,937
Unrealized gain on interest rate swap	—	—	—	—	—	—	2,904	—	—	2,904
Foreign currency translation loss	—	—	—	—	—	—	(22,923)	—	—	(22,923)
Stock vesting and amortization of stock-based compensation	—	—	1,021	1	7,941	—	—	—	—	7,942
Distributions to non-controlling interests	—	—	—	—	—	—	—	—	(1,036)	(1,036)
Proceeds from offering (net of offering costs)	—	—	82,749	83	1,173,568	—	—	—	—	1,173,651
Dividends declared (\$0.91 per common share)	—	—	—	—	—	(240,512)	—	—	—	(240,512)
<b>Balance at December 31, 2016</b>	—	\$ —	320,514	\$ 321	\$ 3,775,336	\$ (434,114)	\$ (92,903)	\$ (262)	\$ 4,850	\$ 3,253,228

See accompanying notes to consolidated financial statements.

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

	For the Years Ended December 31,		
	2016	2015	2014
	(Amounts in thousands)		
<b>Operating activities</b>			
Net income	\$ 225,937	\$ 139,927	\$ 50,796
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	97,601	71,827	55,162
Amortization of deferred financing costs and debt discount	7,613	6,085	5,105
Direct financing lease interest accretion	(9,120)	(8,032)	(6,701)
Straight-line rent revenue	(41,567)	(26,187)	(16,325)
Share-based compensation	7,942	11,122	9,165
Gain from sale of real estate and other asset dispositions, net	(61,224)	(3,268)	(2,857)
Impairment charges	7,229	—	50,128
Straight-line rent and other write-off	3,063	2,812	2,818
Unutilized financing fees/ debt refinancing costs	22,539	4,367	1,698
Other adjustments	3,563	(6,334)	(1,178)
Decrease (increase) in:			
Interest and rent receivable	(13,247)	(5,599)	(3,856)
Other assets	(18,357)	(8,297)	764
Accounts payable and accrued expenses	41,583	26,540	6,209
Deferred revenue	(8,872)	2,033	(485)
Net cash provided by operating activities	264,683	206,996	150,443
<b>Investing activities</b>			
Cash paid for acquisitions and other related investments	(1,682,409)	(2,218,869)	(767,696)
Net proceeds from sale of real estate	198,767	19,175	34,649
Principal received on loans receivable	906,757	771,785	11,265
Investment in loans receivable	(109,027)	(354,001)	(12,782)
Construction in progress and other	(171,209)	(146,372)	(102,333)
Investment in unsecured senior notes	(50,000)	—	—
Proceeds from sale of unsecured notes	50,000	—	—
Other investments, net	(69,423)	(17,339)	(13,126)
Net cash used for investing activities	(926,544)	(1,945,621)	(850,023)
<b>Financing activities</b>			
Proceeds from term debt	1,000,000	681,000	425,000
Payments of term debt	(575,299)	(283)	(100,266)
Payment of deferred financing costs	(15,468)	(7,686)	(14,496)
Revolving credit facilities, net	(810,000)	509,415	490,625
Distributions paid	(218,393)	(182,980)	(144,365)
Lease deposits and other obligations to tenants	14,557	(10,839)	7,892
Proceeds from sale of common shares, net of offering costs	1,173,651	817,389	138,173
Other financing activities	(16,485)	(5,326)	—
Net cash provided by financing activities	552,563	1,800,690	802,563
Increase in cash and cash equivalents for the year	(109,298)	62,065	102,983
Effect of exchange rate changes	(3,003)	(11,065)	(4,421)
Cash and cash equivalents at beginning of year	195,541	144,541	45,979
<b>Cash and cash equivalents at end of year</b>	<b>\$ 83,240</b>	<b>\$ 195,541</b>	<b>\$ 144,541</b>
Interest paid, including capitalized interest of \$2,320 in 2016, \$1,425 in 2015, and \$1,860 in 2014	\$ 138,770	\$ 107,228	\$ 91,890
Supplemental schedule of non-cash investing activities:			
Mortgage loan issued from sale of real estate	\$ —	\$ —	\$ 12,500
Increase in development project construction costs incurred, not paid	15,857	2,684	—
Supplemental schedule of non-cash financing activities:			
Dividends declared, not paid	\$ 74,521	\$ 52,402	\$ 38,461

See accompanying notes to consolidated financial statements.

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

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(Amounts in thousands, except for per unit data)</b>	
<b>ASSETS</b>		
Real estate assets		
Land	\$ 417,368	\$ 315,787
Buildings and improvements	3,550,674	2,675,803
Construction in progress and other	53,648	49,165
Intangible lease assets	296,176	256,950
Net investment in direct financing leases	648,102	626,996
Mortgage loans	1,060,400	757,581
Gross investment in real estate assets	6,026,368	4,682,282
Accumulated depreciation	(292,786)	(232,675)
Accumulated amortization	(32,339)	(25,253)
Net investment in real estate assets	5,701,243	4,424,354
Cash and cash equivalents	83,240	195,541
Interest and rent receivables	57,698	46,939
Straight-line rent receivables	116,861	82,155
Other loans	155,721	664,822
Other assets	303,773	195,540
<b>Total Assets</b>	<b>\$6,418,536</b>	<b>\$5,609,351</b>
<b>LIABILITIES AND CAPITAL</b>		
Liabilities		
Debt, net	\$2,909,341	\$3,322,541
Accounts payable and accrued expenses	132,868	84,628
Deferred revenue	19,933	29,358
Lease deposits and other obligations to tenants	28,323	12,831
Payable due to Medical Properties Trust, Inc.	74,453	52,338
Total Liabilities	3,164,918	3,501,696
Commitments and Contingencies		
Capital		
General partner — issued and outstanding — 3,204 units at December 31, 2016 and 2,363 units at December 31, 2015	33,436	21,773
Limited Partners:		
Common units — issued and outstanding — 317,310 units at December 31, 2016 and 234,381 units at December 31, 2015	3,308,235	2,153,769
LTIP units — issued and outstanding — 292 units at December 31, 2016 and December 31, 2015	—	—
Accumulated other comprehensive loss	(92,903)	(72,884)
Total MPT Operating Partnership, L.P. capital	3,248,768	2,102,658
Non-controlling interests	4,850	4,997
Total Capital	3,253,618	2,107,655
<b>Total Liabilities and Capital</b>	<b>\$6,418,536</b>	<b>\$5,609,351</b>

See accompanying notes to consolidated financial statements.

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

	For the Years Ended December 31,		
	2016	2015	2014
	(Amounts in thousands, except for per unit data)		
<b>Revenues</b>			
Rent billed	\$ 327,269	\$ 247,604	\$ 187,018
Straight-line rent	41,067	23,375	13,507
Income from direct financing leases	64,307	58,715	49,155
Interest and fee income	108,494	112,184	62,852
Total revenues	541,137	441,878	312,532
<b>Expenses</b>			
Real estate depreciation and amortization	94,374	69,867	53,938
Impairment charges	7,229	—	50,128
Property-related	2,712	3,792	1,851
Acquisition expenses	46,273	61,342	26,389
General and administrative	48,911	43,639	37,274
Total operating expense	199,499	178,640	169,580
Operating income	341,638	263,238	142,952
<b>Other income (expense)</b>			
Interest expense	(159,597)	(120,884)	(98,156)
Gain on sale of real estate and other asset dispositions, net	61,224	3,268	2,857
Earnings from equity and other interests	(1,116)	2,849	2,559
Unutilized financing fees/ debt refinancing costs	(22,539)	(4,367)	(1,698)
Other income (expense)	(502)	(2,674)	2,624
Income tax benefit (expense)	6,830	(1,503)	(340)
Net other expenses	(115,700)	(123,311)	(92,154)
<b>Income from continuing operations</b>	<b>225,938</b>	<b>139,927</b>	<b>50,798</b>
Loss from discontinued operations	(1)	—	(2)
Net income	225,937	139,927	50,796
Net income attributable to non-controlling interests	(889)	(329)	(274)
<b>Net income attributable to MPT Operating Partnership partners</b>	<b>\$ 225,048</b>	<b>\$ 139,598</b>	<b>\$ 50,522</b>
<b>Earnings per unit — basic</b>			
Income from continuing operations attributable to MPT Operating Partnership partners	\$ 0.86	\$ 0.64	\$ 0.29
Income from discontinued operations attributable to MPT Operating Partnership partners	—	—	—
<b>Net income attributable to MPT Operating Partnership partners</b>	<b>\$ 0.86</b>	<b>\$ 0.64</b>	<b>\$ 0.29</b>
<b>Weighted average units outstanding — basic</b>	<b>260,414</b>	<b>217,997</b>	<b>169,999</b>
<b>Earnings per unit — diluted</b>			
Income from continuing operations attributable to MPT Operating Partnership partners	\$ 0.86	\$ 0.63	\$ 0.29
Income from discontinued operations attributable to MPT Operating Partnership partners	—	—	—
<b>Net income attributable to MPT Operating Partnership partners</b>	<b>\$ 0.86</b>	<b>\$ 0.63</b>	<b>\$ 0.29</b>
<b>Weighted average units outstanding — diluted</b>	<b>261,072</b>	<b>218,304</b>	<b>170,540</b>

See accompanying notes to consolidated financial statements.

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

(In thousands)	For the Years Ended December 31,		
	2016	2015	2014
Net income	\$225,937	\$139,927	\$ 50,796
Other comprehensive income (loss):			
Unrealized gain on interest rate swap	2,904	3,139	2,964
Foreign currency translation loss	(22,923)	(54,109)	(15,937)
Total comprehensive income	205,918	88,957	37,823
Comprehensive income attributable to non-controlling interests	(889)	(329)	(274)
Comprehensive income attributable to MPT Operating Partnership partners	\$205,029	\$ 88,628	\$ 37,549

See accompanying notes to consolidated financial statements.

**MPT OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES**  
**Consolidated Statements of Capital**  
**For the Years Ended December 31, 2016, 2015 and 2014**  
**(Amounts in thousands, except per unit data)**

	General Partner		Limited Partners				Accumulated Other Comprehensive Loss	Non-Controlling Interests	Total Capital
	Units	Unit Value	Common		LTIPs				
	Units	Unit Value	Units	Unit Value	Units	Unit Value			
<b>Balance at December 31, 2013</b>	<u>1,608</u>	<u>\$13,541</u>	<u>159,702</u>	<u>\$1,339,998</u>	<u>292</u>	<u>\$ —</u>	<u>\$ (8,941)</u>	<u>\$ —</u>	<u>\$ 1,344,598</u>
Net income	—	508	—	49,769	—	245	—	274	50,796
Unrealized gain on interest rate swap	—	—	—	—	—	—	2,964	—	2,964
Foreign currency translation loss	—	—	—	—	—	—	(15,937)	—	(15,937)
Unit vesting and amortization of unit-based compensation	8	92	769	9,073	—	—	—	—	9,165
Distributions to non- controlling interests	—	—	—	—	—	—	—	(274)	(274)
Proceeds from offering (net of offering costs)	106	1,382	10,550	136,791	—	—	—	—	138,173
Distributions declared (\$0.84 per unit)	—	(1,468)	—	(145,335)	—	(245)	—	—	(147,048)
<b>Balance at December 31, 2014</b>	<u>1,722</u>	<u>\$14,055</u>	<u>171,021</u>	<u>\$1,390,296</u>	<u>292</u>	<u>\$ —</u>	<u>\$ (21,914)</u>	<u>\$ —</u>	<u>\$ 1,382,437</u>
Net income	—	1,399	—	138,199	—	—	—	329	139,927
Sale of non-controlling interests	—	—	—	—	—	—	—	5,000	5,000
Unrealized gain on interest rate swap	—	—	—	—	—	—	3,139	—	3,139
Foreign currency translation loss	—	—	—	—	—	—	(54,109)	—	(54,109)
Unit vesting and amortization of unit-based compensation	8	111	743	11,011	—	—	—	—	11,122
Distributions to non- controlling interests	—	—	—	—	—	—	—	(332)	(332)
Proceeds from offering (net of offering costs)	633	8,175	62,617	809,214	—	—	—	—	817,389
Distributions declared (\$0.88 per unit)	—	(1,967)	—	(194,951)	—	—	—	—	(196,918)
<b>Balance at December 31, 2015</b>	<u>2,363</u>	<u>\$21,773</u>	<u>234,381</u>	<u>\$2,153,769</u>	<u>292</u>	<u>\$ —</u>	<u>\$ (72,884)</u>	<u>\$ 4,997</u>	<u>\$ 2,107,655</u>
Net income	—	2,251	—	222,797	—	—	—	889	225,937
Unrealized gain on interest rate swap	—	—	—	—	—	—	2,904	—	2,904
Foreign currency translation loss	—	—	—	—	—	—	(22,923)	—	(22,923)
Unit vesting and amortization of unit-based compensation	10	80	1,011	7,862	—	—	—	—	7,942
Distributions to non- controlling interests	—	—	—	—	—	—	—	(1,036)	(1,036)
Proceeds from offering (net of offering costs)	831	11,737	81,918	1,161,914	—	—	—	—	1,173,651
Distributions declared (\$0.91 per unit)	—	(2,405)	—	(238,107)	—	—	—	—	(240,512)
<b>Balance at December 31, 2016</b>	<u>3,204</u>	<u>\$33,436</u>	<u>317,310</u>	<u>\$3,308,235</u>	<u>292</u>	<u>\$ —</u>	<u>\$ (92,903)</u>	<u>\$ 4,850</u>	<u>\$ 3,253,618</u>

See accompanying notes to consolidated financial statements.

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

	For the Years Ended December 31,		
	2016	2015	2014
	(Amounts in thousands)		
<b>Operating activities</b>			
Net income	\$ 225,937	\$ 139,927	\$ 50,796
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	97,601	71,827	55,162
Amortization of deferred financing costs and debt discount	7,613	6,085	5,105
Direct financing lease interest accretion	(9,120)	(8,032)	(6,701)
Straight-line rent revenue	(41,567)	(26,187)	(16,325)
Unit-based compensation	7,942	11,122	9,165
Gain from sale of real estate and other asset dispositions, net	(61,224)	(3,268)	(2,857)
Impairment charges	7,229	—	50,128
Straight-line rent and other write-off	3,063	2,812	2,818
Unutilized financing fees/ debt refinancing costs	22,539	4,367	1,698
Other adjustments	3,563	(6,334)	(1,178)
Decrease (increase) in:			
Interest and rent receivable	(13,247)	(5,599)	(3,856)
Other assets	(18,357)	(8,297)	764
Accounts payable and accrued expenses	41,583	26,540	6,209
Deferred revenue	(8,872)	2,033	(485)
Net cash provided by operating activities	264,683	206,996	150,443
<b>Investing activities</b>			
Cash paid for acquisitions and other related investments	(1,682,409)	(2,218,869)	(767,696)
Net proceeds from sale of real estate	198,767	19,175	34,649
Principal received on loans receivable	906,757	771,785	11,265
Investment in loans receivable	(109,027)	(354,001)	(12,782)
Construction in progress and other	(171,209)	(146,372)	(102,333)
Investment in unsecured senior notes	(50,000)	—	—
Proceeds from sale of unsecured senior notes	50,000	—	—
Other investments, net	(69,423)	(17,339)	(13,126)
Net cash used for investing activities	(926,544)	(1,945,621)	(850,023)
<b>Financing activities</b>			
Proceeds from term debt	1,000,000	681,000	425,000
Payments of term debt	(575,299)	(283)	(100,266)
Payment of deferred financing costs	(15,468)	(7,686)	(14,496)
Revolving credit facilities, net	(810,000)	509,415	490,625
Distributions paid	(218,393)	(182,980)	(144,365)
Lease deposits and other obligations to tenants	14,557	(10,839)	7,892
Proceeds from sale of units, net of offering costs	1,173,651	817,389	138,173
Other financing activities	(16,485)	(5,326)	—
Net cash provided by financing activities	552,563	1,800,690	802,563
Increase in cash and cash equivalents for the year	(109,298)	62,065	102,983
Effect of exchange rate changes	(3,003)	(11,065)	(4,421)
Cash and cash equivalents at beginning of year	195,541	144,541	45,979
<b>Cash and cash equivalents at end of year</b>	<b>\$ 83,240</b>	<b>\$ 195,541</b>	<b>\$ 144,541</b>
Interest paid, including capitalized interest of \$2,320 in 2016, \$1,425 in 2015, and \$1,860 in 2014	\$ 138,770	\$ 107,228	\$ 91,890
Supplemental schedule of non-cash investing activities:			
Mortgage loan issued from sale of real estate	\$ —	\$ —	\$ 12,500
Increase in development project construction costs incurred, not paid	15,857	2,684	—
Supplemental schedule of non-cash financing activities:			
Dividends declared, not paid	\$ 74,521	\$ 52,402	\$ 38,461

See accompanying notes to consolidated financial statements.

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

**1. Organization**

Medical Properties Trust, Inc., a Maryland corporation, was formed on August 27, 2003, under the General Corporation Law of Maryland for the purpose of engaging in the business of investing in, owning, and leasing healthcare real estate. Our operating partnership subsidiary, MPT Operating Partnership, L.P., 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 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.

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 U.S. and Europe.

**2. Summary of Significant Accounting Policies**

*Use of Estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

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

At December 31, 2016, we had loans and/or equity investments in certain VIEs, which are also tenants of our facilities, (including but not limited to Ernest and Vibra). 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 December 31, 2016 (in thousands):

<u>VIE Type</u>	<u>Maximum Loss Exposure(1)</u>	<u>Asset Type Classification</u>	<u>Carrying Amount(2)</u>
Loans, net	\$ 316,179	Mortgage and other loans	\$ 235,613
Equity investments	\$ 13,223	Other assets	\$ 140

- (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 represent 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 borrowers or investees) that most significantly impact the VIE's economic performance. As of December 31, 2016, we were not required to provide 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 and 10 for additional description of the nature, purpose and activities of some of our VIEs and interests therein.

*Investments in Unconsolidated Entities:* Investments in entities in which we have the ability to influence (but not control) are typically accounted for by the equity method. Under the equity method of accounting, our share of the investee's earnings or losses are included in our consolidated statements of net income, and we have elected to record our share of such investee's earnings or losses on a 90-day lag basis. The initial carrying value of investments in unconsolidated entities is based on the amount paid to purchase the interest in the investee entity. Subsequently, our investments are increased/decreased by our share in the investees' earnings and decreased by cash distributions from our investees. To the extent that our cost basis is different from the basis reflected at the investee entity level, the basis difference is generally amortized over the lives of the related assets and liabilities, and such amortization is included in our share of equity in earnings of the investee.

Investments in entities in which we do not control nor do we have the ability to influence (such as our investments in Steward and MEDIAN) are accounted for using the cost method. The initial carrying value of such investments is based on the amount paid to purchase the interest in the investee entity. No income is recorded on our cost method investments until distributions are received.

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

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

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

Certain leases may provide for additional rents contingent upon a percentage of the tenant's revenue in excess of specified base amounts/thresholds (percentage rents). Percentage rents are recognized in the period in which revenue thresholds are met. Rental payments received prior to their recognition as income are classified as deferred revenue. We also receive additional rent (contingent rent) under some leases based on increases in the CPI or when the CPI exceeds the annual minimum percentage increase in the lease. Contingent rents are recorded as rent billed revenue in the period earned.

We use DFL accounting to record rent on certain leases deemed to be financing leases, per accounting rules, rather than operating leases. For leases accounted for as DFLs, the future minimum lease payments are recorded as a receivable. The difference between the future minimum lease payments and the estimated residual values less the cost of the properties is recorded as unearned income. Unearned income is deferred and amortized to income over the lease terms to provide a constant yield when collectability of the lease payments is reasonably assured. Investments in DFLs are presented net of unearned income.

In instances where we have a profits or equity interest in our tenants' operations, we record income equal to our percentage interest of the tenants' profits, as defined in the lease or tenants' operating agreements, once annual thresholds, if any, are met.

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

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

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

Tenant payments for certain taxes, insurance, and other operating expenses related to our facilities (most of which are paid directly by our tenants to the government or appropriate third party vendor) are recorded net of the respective expense as generally our leases are "triple-net" leases, with terms requiring such expenses to be

paid by our tenants. Failure on the part of our tenants to pay such expense or to pay late would result in a violation of the lease agreement, which could lead to an event of default, if not cured.

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

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

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

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

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

*Goodwill:* Goodwill is deemed to have an indefinite economic life and is not subject to amortization. Goodwill is tested annually for impairment and is tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. The impairment testing involves a two-step approach. The first step determines if goodwill is impaired by comparing the fair value of the reporting unit as a whole to its book value. If a deficiency exists, the second step measures the amount of the impairment loss as the difference between the implied fair value of goodwill and its carrying value.

*Real Estate and Depreciation:* Real estate, consisting of land, buildings and improvements, are maintained at cost. Although typically paid by our tenants, any expenditure for ordinary maintenance and repairs that we pay

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

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

Depreciation is calculated on the straight-line method over the estimated useful lives of the related real estate and other assets. Our weighted-average useful lives at December 31, 2016 are as follows:

Buildings and improvements	38.8 years
Tenant lease intangibles	23.9 years
Leasehold improvements	17.9 years
Furniture, equipment and other	9.5 years

**Losses from Rent Receivables:** For all leases, we continuously monitor the performance of our existing tenants including, but not limited to: admission levels and surgery/procedure volumes by type; current operating margins; ratio of our tenants' operating margins both to facility rent and to facility rent plus other fixed costs; trends in cash collections; trends in revenue and patient mix; and the effect of evolving healthcare regulations on tenants' profitability and liquidity.

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

**Losses on DFL Receivables:** Allowances are established for DFLs based upon an estimate of probable losses on a property-by-property basis. DFLs are impaired when it is deemed probable that we will be unable to collect all amounts due in accordance with the contractual terms of the lease. Like operating lease receivables, the need for an allowance is based upon our assessment of the lessee's overall financial condition; economic resources and payment record; the prospects for support from any financially responsible guarantors; and, if appropriate, the realizable value of any collateral. These estimates consider all available evidence including the expected future cash flows discounted at the DFL's effective interest rate, fair value of collateral, and other relevant factors, as appropriate. DFLs are placed on non-accrual status when we determine that the collectability of contractual amounts is not reasonably assured. If on non-accrual status, we generally account for the DFLs on a cash basis, in which income is recognized only upon receipt of cash.

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*Loans:* Loans consist of mortgage loans, working capital loans and other long-term loans. Mortgage loans are collateralized by interests in real property. Working capital and other long-term loans are generally collateralized by interests in receivables and corporate and individual guarantees. We record loans at cost. We evaluate the collectability of both interest and principal on a loan-by-loan basis (using the same process as we do for assessing the collectability of rents) to determine whether they are impaired. A loan is considered impaired when, based on current information and events, it is probable that we will be unable to collect all amounts due according to the existing contractual terms. When a loan is considered to be impaired, the amount of the allowance is calculated by comparing the recorded investment to either the value determined by discounting the expected future cash flows using the loan's effective interest rate or to the fair value of the collateral, if the loan is collateral dependent. If a loan is deemed to be impaired, we generally place the loan on non-accrual status and record interest income only upon receipt of cash.

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

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

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

Our financial statements include the operations of TRSs, including MPT Development Services, Inc. ("MDS"), along with many other entities, which are single member LLCs that are disregarded for tax purposes and are reflected in the tax returns of MDS. Our TRS entities are not entitled to a dividends paid deduction and are subject to federal, state, and local income taxes. Our TRS entities are authorized to provide property development, leasing, and management services for third-party owned properties, and they may make loans to and/or investments in our lessees.

With the property acquisitions and investments in Europe, we are subject to income taxes internationally. However, we do not expect to incur any additional income taxes in the U.S. as such income from our international properties will flow through our REIT income tax returns. For our TRS and international subsidiaries, we determine deferred tax assets and liabilities based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Any increase or decrease in our deferred tax receivables/liabilities that results from a change in circumstances and that causes us to change our judgment about expected future tax consequences of events, is reflected in our tax provision when such changes occur. Deferred income taxes also reflect the impact of operating loss carryforwards. A valuation allowance is provided if we believe it is more likely than not that all or some portion of our deferred tax assets will not be realized. Any increase or decrease in the valuation allowance that results from a change in circumstances, and that causes us to change our judgment about the realizability of the related deferred tax asset, is reflected in our tax provision when such changes occur.

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

*Stock-Based Compensation:* We adopted the 2013 Equity Incentive Plan (the “Equity Incentive Plan”) during the second quarter of 2013. Awards of restricted stock, stock options and other equity-based awards with service conditions are amortized to compensation expense over the vesting periods (typically three years), using the straight-line method. Awards that contain market conditions are amortized to compensation expense over the derived vesting periods, which correspond to the periods over which we estimate the awards will be earned, which generally range from three to five years, using the straight-line method. Awards with performance conditions are amortized using the straight-line method over the service period in which the performance conditions are measured, adjusted for the probability of achieving the performance conditions. Forfeitures of stock-based awards are recognized as they occur.

*Deferred Costs:* Costs incurred that directly relate to the offerings of stock are deferred and netted against proceeds received from the offering. Leasing commissions and other leasing costs directly attributable to tenant leases are capitalized as deferred leasing costs and amortized on the straight-line method over the terms of the related lease agreements. Costs identifiable with loans made to borrowers are recognized as a reduction in interest income over the life of the loan.

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

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

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

*Derivative Financial Investments and Hedging Activities:* During our normal course of business, we may use certain types of derivative instruments for the purpose of managing interest rate and/or foreign currency risk. We record our derivative and hedging instruments at fair value on the balance sheet. Changes in the estimated fair value of derivative instruments that are not designated as hedges or that do not meet the criteria for hedge

accounting are recognized in earnings. For derivatives designated as cash flow hedges, the change in the estimated fair value of the effective portion of the derivative is recognized in accumulated other comprehensive income (loss), whereas the change in the estimated fair value of the ineffective portion is recognized in earnings. For derivatives designated as fair value hedges, the change in the estimated fair value of the effective portion of the derivatives offsets the change in the estimated fair value of the hedged item, whereas the change in the estimated fair value of the ineffective portion is recognized in earnings.

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

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

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

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

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

*Fair Value Option Election:* For our equity interest in Ernest along with any related loans (as more fully described in Note 3 and 10), 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. Other than the Capella equity investment held at December 31, 2015, we have not made a similar election for other existing equity interest or loans.

*Recent Accounting Developments:*

*Revenue from Contracts with Customers*

In May 2014, the 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.

*Leases*

In February 2016, the FASB issued ASU 2016-02, “Leases”, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU is not effective for us until January 1, 2019, with early adoption permitted. We are continuing to evaluate this standard and the impact to us from both a lessor and lessee perspective.

*Measurement of Credit Losses on Financial Instruments*

In June 2016, the FASB issued ASU 2016-13, “Measurement of Credit Losses on Financial Instruments”, which is intended to improve financial reporting by requiring timely recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. The ASU requires the measurement of all expected credit losses for financial assets not recorded at fair value based on historical experience, current conditions, and reasonable and supportable forecasts. The ASU will be required to be implemented through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the amendments are effective. The ASU is not effective for us until January 1, 2019. We do not expect the adoption of this ASU to have a significant impact on our consolidated financial statements.

*Classification of Certain Cash Receipts and Cash Payments*

In August 2016, the FASB issued ASU No. 2016-15, “Classification of Certain Cash Receipts and Cash Payments”, which clarifies the classification within the statement of cash flows for certain transactions, including debt extinguishment costs, zero-coupon debt, contingent consideration related to business combinations, insurance proceeds, equity method distributions and beneficial interests in securitizations. The standard also clarifies that cash flows with aspects of multiple classes of cash flows or that cannot be separated by source or use should be classified based on the activity that is likely to be the predominant source or use of cash flows for the item. This guidance is effective for us starting January 1, 2018; however, we believe our current cash flow presentation is generally consistent with this standard.

*Clarifying the Definition of a Business*

In January 2017, the FASB issued ASU No. 2017-01, “Clarifying the Definition of a Business” (“ASU 2017-01”). The amendments in ASU 2017-01 provide an initial screen to determine if substantially all of the fair

value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, in which case, the transaction would be accounted for as an asset acquisition. In addition, ASU 2017-01 clarifies the requirements for a set of activities to be considered a business and narrows the definition of an output. ASU 2017-01 is effective for fiscal years, and interim periods within, beginning after December 15, 2017. Early adoption is permitted. A reporting entity must apply the amendments in ASU 2017-01 using a prospective approach. Upon adoption of ASU 2017-01, we expect to recognize a majority of our real estate acquisitions as asset transactions rather than business combinations which will result in the capitalization of related third party transaction costs.

#### Reclassifications and Revisions:

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

### 3. Real Estate and Loans Receivable

#### Acquisitions

We acquired the following assets:

	2016	2015	2014
	(in thousands)		
<b>Assets Acquired</b>			
Land	\$ 91,176	\$ 120,746	\$ 22,569
Building	654,772	741,935	241,242
Intangible lease assets — subject to amortization (weighted average useful life of 28.5 years in 2016, 30.0 years in 2015 and 18.2 years in 2014)	94,614	176,383	22,513
Net investments in direct financing leases	178,000	174,801	—
Mortgage loans	600,000	380,000	—
Other loans	—	523,605	447,664
Equity investments and other assets	70,166	101,716	33,708
Liabilities assumed	(6,319)	(317)	—
Total assets acquired	<u>\$ 1,682,409</u>	<u>\$ 2,218,869</u>	<u>\$ 767,696</u>
Loans repaid(1)	<u>(193,262)</u>	<u>(385,851)</u>	<u>—</u>
Total net assets acquired	<u>\$ 1,489,147</u>	<u>\$ 1,833,018</u>	<u>\$ 767,696</u>

- (1) \$93.3 million loans advanced to Capella in 2015 and repaid in 2016 as a part of the Capella transaction, and \$100.0 million loans advanced to Prime in 2015 and repaid in 2016 as part of the sale leaseback conversion of four properties in New Jersey. \$385.9 million loans advanced to MEDIAN in 2014 and repaid in 2015 as a part of the MEDIAN transaction.

Purchase price allocations attributable to acquisitions made during the 2016 fourth quarter 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.

#### 2016 Activity

#### Acquisition of Steward Portfolio

On October 3, 2016, we closed on a portfolio of nine acute care hospitals in Massachusetts operated by Steward. Our investment in the portfolio includes the acquisition of five hospitals for \$600 million, the making of

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\$600 million in mortgage loans on four facilities, and a \$50 million minority equity contribution in Steward, for a combined investment of \$1.25 billion. The five facilities acquired are being leased to Steward under a master lease agreement that has a 15-year term with three 5-year extension options, plus annual inflation-based escalators. The terms of the mortgage loan are substantially similar to the master lease.

### Other Acquisitions

From October 27, 2016 to December 31, 2016, we acquired 12 rehabilitation hospitals in Germany for an aggregate purchase price to us of €85.2 million. Of these acquisitions, five properties (totaling €35.7 million) are leased to affiliates of MEDIAN, pursuant to a master lease agreement reached with MEDIAN in 2015. (See “2015 Activity” below for further details of this master lease). The remaining seven properties (totaling €49.5 million) are leased to affiliates of MEDIAN, pursuant to a third master lease that has terms similar to the original master lease in 2015.

On October 21, 2016, we acquired three general acute care hospitals and one free-standing emergency department and health center in New Jersey from Prime (as originally contemplated in the agreements) by reducing the \$100 million mortgage loan made in September 2015 and advancing an additional \$15 million. We are leasing these properties to Prime pursuant to a fifth master lease, which has a 15-year term with three five-year extension options, plus consumer-price indexed increases.

On July 22, 2016, we acquired an acute care facility in Olympia, Washington in exchange for a \$93.3 million loan and an additional \$7 million in cash, as contemplated in the initial Capella acquisition transaction in 2015. The terms of the Olympia lease are substantially similar to those of the master lease with Capella post lease amendment. See the Capella Disposal Transaction under the subheading “Disposals” below for further details on the terms of the Capella leases.

On June 22, 2016, we closed on the final property of the initial MEDIAN transaction that began in 2014 for a purchase price of € 41.6 million. See “2015 and 2014 Activity” for a description of the initial MEDIAN Transaction.

On May 2, 2016, we acquired an acute care hospital in Newark, New Jersey for an aggregate purchase price of \$63 million leased to Prime pursuant to the fifth master lease. Furthermore, we committed to advance an additional \$30 million to Prime over a three-year period to be used solely for capital additions to the real estate; any such addition will be added to the basis upon which the lessee will pay us rents.

From the respective acquisition dates in 2016 through year-end, the properties acquired during the year ended December 31, 2016, contributed \$37.4 million and \$31.7 million of revenue and income (excluding related acquisition expenses), respectively, for the year ended December 31, 2016. In addition, we incurred \$12.1 million of acquisition-related costs on the 2016 acquisitions for the year ended December 31, 2016.

### 2015 Activity

#### Acquisition of Capella Portfolio

In July 2015, we entered into definitive agreements to acquire a portfolio of seven acute care hospitals owned and operated by Capella for a combined purchase price and investment of approximately \$900 million, adjusted for any cash on hand. The transaction included our investments in seven acute care hospitals (two of which were in the form of mortgage loans) for an aggregate investment of approximately \$600 million, an acquisition loan for approximately \$290 million and a 49% equity interest in the ongoing operator of the facilities.

In conjunction with the acquisition, MPT Camaro Opco, LLC, a wholly-owned subsidiary of MDS, formed a joint venture limited liability company, Capella Health Holdings, LLC (“Capella Holdings”), with an entity affiliated with the senior management of Capella (“ManageCo”). MPT Camaro Opco, LLC held 49% of the equity interests in Capella Holdings and the ManageCo held the remaining 51%. Capella and its operating subsidiaries were managed and operated by ManageCo pursuant to the terms of one or more management

agreements, the terms of which included base management fees payable to ManageCo and incentive payments tied to agreed benchmarks. Pursuant to the limited liability company agreement of Capella Holdings, ManageCo and MPT Camaro Opco, LLC shared profits and distributions from Capella Holdings according to a distribution waterfall under which, if certain benchmarks were met, after taking into account interest paid on the acquisition loan, ManageCo and MPT Camaro Opco, LLC shared in cash generated by Capella Holdings in a ratio of 35% to ManageCo and 65% to MPT Camaro Opco, LLC. The limited liability company agreement provided that ManageCo managed Capella Holdings and MPT Camaro Opco, LLC had no management authority or control except for certain protective rights consistent with a passive ownership interest, such as a limited right to approve certain components of the annual budgets and the right to approve extraordinary transactions.

On August 31, 2015, we closed on six of the seven Capella properties, two of which were in the form of mortgage loans. We closed on the seventh property on July 22, 2016 (as discussed above). We entered into a master lease, a stand-alone lease, and mortgage loans for the acquired properties providing for 15-year terms with four 5-year extension options, plus consumer price-indexed increases, limited to a 2% floor and a 4% ceiling annually. The acquisition loan had a 15-year term and carried a fixed interest rate of 8%.

On October 30, 2015, we acquired an additional acute hospital in Camden, South Carolina for an aggregate purchase price of \$25.8 million. We leased this hospital to Capella pursuant to the 2015 master lease. In connection with the transaction, we funded an additional acquisition loan to Capella of \$9.2 million.

See the Capella Disposal Transaction under the subheading “Disposals” below for an update to this transaction.

#### MEDIAN Transaction

During early 2015, we made additional loans (as part of the initial MEDIAN transaction discussed below under “2014 Activity”) of approximately € 240 million on behalf of MEDIAN, to complete step one of a two step process to acquire the healthcare real estate of MEDIAN. On April 29, 2015, we entered into a series of definitive agreements with MEDIAN to complete step two, which involved the acquisition of 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 had an initial term of 27 years and provided for annual escalations of rent at the greater of one percent or 70% of the German consumer price index.

At each closing, the purchase price for each facility was reduced and offset against the interim loans made to affiliates of Waterland and MEDIAN and against the amount of any debt assumed or repaid by us in connection with the closing. As part of this transaction, we incurred approximately \$37 million of real estate transfer tax in 2015. As of December 31, 2015, we had closed on 31 of the 32 properties for an aggregate amount of € 646 million, and we had no loans outstanding to MEDIAN.

#### Other Acquisitions

On December 3, 2015, we acquired a 266-bed outpatient rehabilitation clinic located in Hannover, Germany from MEDIAN (formally RHM) for €18.7 million. Upon acquisition, the facility was leased back under the initial master lease with MEDIAN in 2013, providing for a remaining term of 25 years at that time and annual rent increases of 2.0% in 2017 and 0.5% thereafter. On December 31, 2020 and every three years thereafter, rent will also be increased to reflect 70% of cumulative increases in the German CPI.

On November 18, 2015, we acquired seven acute care hospitals and a freestanding clinic in northern Italy for an aggregate purchase price to us of approximately €90 million. The acquisition was effected through a newly-formed joint venture between us and affiliates of AXA Real Estate, in which we own a 50% interest. The facilities are leased to an Italian acute care hospital operator, pursuant to a long-term master lease. We are accounting for our 50% interest in this joint venture under the equity method.

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On September 30, 2015, we provided a \$100 million mortgage financing to Prime for three general acute care hospitals and one free-standing emergency department and health center in New Jersey. The loan had a five-year term and provided for consumer-priced indexed interest increases, subject to a floor. As previously noted above, we acquired these facilities in October 2016 by reducing the mortgage loan and advancing an additional \$15 million.

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. We expect construction to be complete on this facility in the second quarter of 2017.

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 loan provided for consumer-priced indexed interest increases, subject to a floor. The mortgage loan had a five-year term with conversion rights to our standard sale leaseback agreement, which we exercised on December 31, 2015, when we acquired the real estate of Lake Huron Medical Center for \$20 million, which reduced the mortgage loan accordingly. The facility is being leased to Prime under our master lease agreement.

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 LTACH, 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 operates the rehabilitation hospital in a joint venture with Covenant Health System. Effective July 18, 2016, we amended the lease of the rehabilitation hospital to include the long-term acute care hospital. Ernest's plans are to convert the long-term acute care facility into a rehabilitation facility by the second quarter of 2017.

On February 27, 2015, we acquired an inpatient rehabilitation hospital in Weslaco, Texas for \$10.7 million. We have leased this hospital to Ernest pursuant to the 2012 master lease, which had a remaining 17-year fixed term at that time and three extension options of five years each. This lease provides for consumer-priced-indexed annual rent increases, subject to a floor and a cap. In addition, we funded 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 funded a mortgage loan in the amount of \$40 million, which has a 10-year term.

From the respective acquisition dates in 2015 through that year end, the properties and mortgage loans acquired in 2015 contributed \$102.7 million and \$87.7 million of revenue and income (excluding related acquisition expenses), respectively, for the year ended December 31, 2015. In addition, we incurred \$58 million of acquisition related costs on the 2015 acquisitions for the year ended December 31, 2015.

### 2014 Activity

#### MEDIAN Transaction

On October 15, 2014, we entered into definitive agreements pursuant to which we would acquire substantially all the real estate assets of MEDIAN. The transaction was structured using a two step process in

partnership with affiliates of Waterland. In the first step, an affiliate of Waterland acquired 94.9% of the outstanding equity interest in MEDIAN pursuant to a stock purchase agreement with MEDIAN's current owners. We indirectly acquired the remaining 5.1% of the outstanding equity interest and provided or committed to provide interim acquisition loans to Waterland and MEDIAN in aggregate amounts of approximately €425 million, of which €349 million had been advanced at December 31, 2014. These interim loans bore interest at a rate similar to the initial lease rate under the planned sale and leaseback transactions. See "2015 and 2016 Activity" for an update on the second step of this transaction — the sale-leaseback of the real estate.

#### Other Acquisitions

In the fourth quarter of 2014, we acquired three RHM (now MEDIAN) rehabilitation facilities in Germany for an aggregate purchase price of € 63.6 million (approximately \$81 million based on currency exchange rates at that time) including approximately € 3.0 million (or approximately \$3.6 million) of transfer and other taxes that have been expensed as acquisition costs. These facilities included: Bad Mergentheim (211 beds), Bad Tolz (248 beds), and Bad Liebenstein (271 beds). All three properties are included under our initial master lease agreement with MEDIAN in 2013.

On October 31, 2014, we acquired a 237-bed acute care hospital, associated medical office buildings, and a behavioral health facility in Sherman, Texas for \$32.5 million. Alecto is the tenant and operator pursuant to a 15-year lease agreement with three five-year extension options. In addition, we funded a working capital loan of \$7.5 million, and we obtained a 20% interest in the operator of the facility.

On September 19, 2014, we acquired an acute care hospital in Fairmont, West Virginia for an aggregate purchase price of \$15 million from Alecto. 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. Finally, we obtained a 20% interest in the operator of this facility.

On July 1, 2014, we acquired an acute care hospital in Peasedown St. John, United Kingdom from Circle Health Ltd. ("Circle"), through its subsidiary Circle Hospital (Bath) Ltd. The sale/leaseback transaction, excluding any transfer taxes, was valued at approximately £28.3 million (or approximately \$48.0 million based on exchange rates 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) 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 subsequent proposed sale of the facility.

From the respective acquisition dates in 2014 through that year end, the 2014 acquisitions contributed \$12.4 million and \$8.7 million of revenue and income (excluding related acquisition and financing expenses) for the period ended December 31, 2014. In addition, we incurred \$26.4 million of acquisition related expenses in 2014, of which \$25.2 million (including \$5.8 million in transfer taxes as part of our MEDIAN and Circle transactions) related to acquisitions consummated as of December 31, 2014.

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### *Pro Forma Information*

The following unaudited supplemental pro forma operating data is presented below as if each acquisition was completed on January 1, 2015 and January 1, 2014 for the year ended December 31, 2016 and 2015, respectively. The unaudited supplemental pro forma operating data is not necessarily indicative of what the actual 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 Year Ended December 31, (Unaudited)	
	2016	2015
Total revenues	\$ 627,583	\$ 624,443
Net income	310,019	306,756
Net income per share/unit	\$ 0.97	\$ 0.96

### *Development Activities*

#### 2016 Activity

During 2016, we completed construction and began recording rental income on the following facilities:

- Adeptus Health — We completed 19 acute care facilities for this tenant during 2016. These facilities are leased pursuant to the master leases entered into in both 2014 and 2015 and are cross-defaulted with each other and with the original master lease executed in 2013.
- Ernest Toledo — This \$18.4 million inpatient rehabilitation facility located in Toledo, Ohio opened on April 1, 2016 and is being leased to Ernest pursuant to the original 2012 master lease.

On August 23, 2016, we entered into an agreement to finance the development of and lease an inpatient rehabilitation facility in Flagstaff, Arizona, for \$28.1 million, which will be leased to Ernest pursuant to a stand-alone lease, which has terms generally similar to the original master lease. The facility is expected to be completed in the third quarter of 2017.

#### 2015 Activity

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

- Adeptus Health — We completed 17 acute care facilities for this tenant during 2015 totaling \$102.6 million. Fourteen 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 Adeptus Health in 2013. Three properties are leased pursuant to the master lease entered into in 2015 and are cross-defaulted with the master leases entered into in 2014 and 2013.
- UAB Medical West — This \$8.6 million 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, for 15 years and contains four renewal options of five years each. The rent increases 2% annually.

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 and 2015 master lease agreements that have a 15-year initial term with three extension options of five years each that provide for annual rent increases based on changes in the CPI with a 2% minimum. With this commitment, along with similar agreements entered into in 2014 and 2013, we have committed to fund up to \$500 million in acute care facilities with Adeptus Health. At December 31, 2016, we have 54 completed and open facilities and five still under construction. See table below for an update on our remaining commitments to Adeptus Health.

2014 Activity

During 2014, we completed construction and began recording rental income on the following facilities:

- Northern Utah Rehabilitation Hospital — This \$19 million inpatient rehabilitation facility located in South Ogden, Utah is leased to Ernest pursuant to the 2012 master lease.
- Oakleaf Surgical Hospital — This approximately \$30 million acute care facility located in Altoona, Wisconsin. This facility is leased to National Surgical Hospitals for 15 years and contains two renewal options of five years each plus an additional option for nearly another five years, and the rent increases annually based on changes in the consumer price-index.
- Adeptus Health — We completed 17 acute care facilities for this tenant during 2014 totaling approximately \$83.0 million. These facilities are leased pursuant to the master lease entered into in 2013.

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

<u>Operator</u>	<u>Commitment</u>	<u>Costs Incurred as of 12/31/16</u>	<u>Estimated Completion Date</u>
Adeptus Health	\$ 5,848	\$ 2,710	1Q 2017
Adeptus Health	67,185	44,948	2Q 2017
Ernest Health	28,067	4,342	4Q 2017
Adeptus Health	7,804	1,648	1Q 2018
Adeptus Health	53,866	—	Various
	<u>\$ 162,770</u>	<u>\$53,648</u>	

**Disposals**2016 ActivityCapella Disposal Transaction

On March 21, 2016, we entered into definitive agreements with RegionalCare, an affiliate of certain funds managed by affiliates of Apollo Global Management, LLC (together with its consolidated subsidiaries, "Apollo"), under which our investment in the operations of Capella would be merged with RegionalCare, forming RCCH.

On April 29, 2016, this transaction closed and funded, effective April 30, 2016. As part of the transaction, we received net proceeds of approximately \$550 million including approximately \$492 million for our equity investment and loans made as part of the original Capella acquisition that closed on August 31, 2015. In addition, we received \$210 million in prepayment of two mortgage loans for hospitals in Russellville, Arkansas, and Lawton, Oklahoma, that we made to subsidiaries of Capella in connection with the Capella transaction on August 31, 2015. We made a new \$93.3 million loan for a hospital property in Olympia, Washington (which was subsequently converted to real estate on July 22, 2016 as previously disclosed). Additionally, we and an Apollo affiliate invested \$50 million each in unsecured senior notes issued by RegionalCare, which we sold to a large institution on June 20, 2016 at par. The proceeds from this transaction represented the recoverability of our investment in full, except for transaction costs incurred of \$6.3 million.

We maintained our ownership of five Capella hospitals in Hot Springs, Arkansas; Camden, South Carolina; Hartsville, South Carolina; Muskogee, Oklahoma; and McMinnville, Oregon. Pursuant to the transaction described above, the underlying leases, one of which is a master lease covering all but one property, was amended to shorten the initial fixed lease term (to 13.5 years for the master lease and 11.5 years for the other stand-alone lease), increase the security deposit, and eliminate the lessees' purchase option provisions. Due to this lease amendment, we reclassified the lease of the properties under the master lease from a DFL to an operating lease. This reclassification resulted in a write-off of \$2.6 million in unbilled DFL rent in the 2016 second quarter.

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### [Post Acute Transaction](#)

On May 23, 2016, we sold five properties (three of which were in Texas and two in Louisiana) that were leased and operated by Post Acute. As part of this transaction, our outstanding loans of \$4 million were paid in full, and we recovered our investment in the operations. Total proceeds from this transaction were \$71 million, resulting in a net gain of approximately \$15 million.

### [Corinth Transaction](#)

On June 17, 2016, we sold the Atrium Medical Center real estate located in Corinth, Texas, which was leased and operated by Corinth Investor Holdings. Total proceeds from the transaction were \$28 million, resulting in a gain on the sale of real estate of approximately \$8 million. This gain on real estate was offset by approximately \$9 million of non-cash charges that included the write-off of our investment in the operations of the facility, straight-line rent receivables, and a lease intangible.

### [HealthSouth Transaction](#)

On July 20, 2016, we sold three inpatient rehabilitation hospitals located in Texas and operated by HealthSouth for \$111.5 million, resulting in a net gain of approximately \$45 million.

### [Summary of Operations for Disposed Assets in 2016](#)

The properties sold during 2016 did not meet the definition of discontinued operations. However, the following represents the operating results (excluding gain on sale, transaction costs, and impairment or other non-cash charges) from these properties (excluding loans repaid in the Capella Disposal Transaction) for the periods presented (in thousands):

	For the Year Ended December 31,		
	2016	2015	2014
Revenues	\$ 7,851	\$ 18,112	\$ 18,225
Real estate depreciation and amortization	(1,754)	(3,795)	(3,789)
Property-related expenses	(114)	(121)	(60)
Other income (expense)	(23)	1,079	462
Income from real estate dispositions, net	<u>\$ 5,960</u>	<u>\$ 15,275</u>	<u>\$ 14,838</u>

### [2015 Activity](#)

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 U.S. for total proceeds of approximately \$9.5 million (of which \$1.5 million is in the form of a promissory 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.

The sale of the Luling facility and the six wellness centers were not strategic shifts in our operations, and therefore the results of operations related to these facilities were not reclassified as discontinued operations.

### [2014 Activity](#)

On December 31, 2014, we sold our La Palma facility for \$12.5 million, resulting in a gain of \$2.9 million. Due to this sale, we wrote-off \$1.3 million of straight-line rent receivables.

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On May 20, 2014, the tenant of our Bucks facility gave notice of their intent to exercise the lease's purchase option. Pursuant to this purchase option, the tenant acquired the facility on August 6, 2014 for \$35 million. We wrote down this facility to fair market value less cost to sell, resulting in a \$3.1 million real estate impairment charge in the 2014 second quarter.

The sale of the Bucks and La Palma facilities was not a strategic shift in our operations, and therefore the results of the Bucks and La Palma operations were not reclassified as discontinued operations.

### **Intangible Assets**

At December 31, 2016 and 2015, our intangible lease assets were \$296.2 million (\$263.8 million, net of accumulated amortization) and \$257.0 million (\$231.7 million, net of accumulated amortization), respectively.

We recorded amortization expense related to intangible lease assets of \$13.4 million, \$9.1 million, and \$7.0 million in 2016, 2015, and 2014, respectively, and expect to recognize amortization expense from existing lease intangible assets as follows (amounts in thousands):

<b>For the Year Ended December 31:</b>	
2017	\$22,130
2018	22,069
2019	22,021
2020	21,818
2021	21,751

As of December 31, 2016, capitalized lease intangibles have a weighted average remaining life of 22.1 years.

### **Leasing Operations**

All of our leases are accounted for as operating leases, except we are accounting for 15 Ernest facilities and ten Prime facilities as DFLs. The components of our net investment in DFLs consisted of the following (in thousands):

	<b>As of December 31, 2016</b>	<b>As of December 31, 2015</b>
Minimum lease payments receivable	\$ 2,207,625	\$ 2,587,912
Estimated residual values	407,647	393,097
Less unearned income	(1,967,170)	(2,354,013)
Net investment in direct financing leases	<u>\$ 648,102</u>	<u>\$ 626,996</u>

Minimum rental payments due to us in future periods under operating leases and DFLs, which have non-cancelable terms extending beyond one year at December 31, 2016, are as follows (amounts in thousands):

	<b>Total Under Operating Leases</b>	<b>Total Under DFLs</b>	<b>Total</b>
2017	\$ 386,058	\$ 62,419	\$ 448,477
2018	388,808	63,668	452,476
2019	392,577	64,941	457,518
2020	395,339	66,240	461,579
2021	400,607	67,565	468,172
Thereafter	7,077,794	1,673,600	8,751,394
	<u>\$ 9,041,183</u>	<u>\$ 1,998,433</u>	<u>\$ 11,039,616</u>

### Adeptus Health

On November 1, 2016, Adeptus Health announced their 2016 third quarter results showing a decline in net income over the prior year and disclosing collection issues associated with a third party billing agent among other things. At December 31, 2016, we have no outstanding receivables due from this tenant. Furthermore, Adeptus Health is current on its rent obligations to us through February 2017. In addition, we currently hold letters of credit approximating \$12.4 million. At December 31, 2016, we have approximately \$400 million invested in 59 properties (including five properties still under development) that are leased, pursuant to master lease agreements, to Adeptus Health, along with additional funding commitments as disclosed earlier. This investment represents approximately 7% of our total assets at December 31, 2016. At December 31, 2016, we believe this investment is fully recoverable; however, no assurances can be made that we will not have any impairment charges related to this investment in the future.

### 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 consolidated balance sheets.

### Twelve Oaks Facility

In the third quarter of 2015, we sent notice of termination of the lease to the 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 during 2015. This former tenant has continued to occupy the facility. During the third quarter of 2016, the tenant paid us approximately \$2.5 million representing substantially all of amounts owed to us and agreed to general terms of a new lease, which we expect to execute in 2017. The tenant is current on all of its obligations to us through February 2017. Although no assurances can be made that we will not have any impairment charges in the future, we believe our real estate investment in Twelve Oaks at December 31, 2016 is fully recoverable.

### Monroe Facility

During 2014, the previous operator of our Monroe facility continued to underperform and became further behind on payments to us as required by the real estate lease agreement and working capital loan agreement. In August 2014, this operator filed for bankruptcy. Based on these developments and the fair value of our real estate and the underlying collateral of our loan (using Level 2 inputs), we recorded a \$47.0 million impairment charge in 2014. Effective December 31, 2014, the bankruptcy court approved the purchase by Prime of the assets of the prior operator. Prime leases the facility from us pursuant to terms under an existing master lease. Prime has been current on its rent since lease inception. At December 31, 2016, our investment in Monroe is approximately \$36 million, which we believe is fully recoverable.

### **Loans**

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

	<u>As of December 31, 2016</u>		<u>As of December 31, 2015</u>	
	<u>Balance</u>	<u>Weighted Average Interest Rate</u>	<u>Balance</u>	<u>Weighted Average Interest Rate</u>
Mortgage loans	\$1,060,400	8.8%	\$ 757,581	9.5%
Acquisition loans	121,464	13.7%	610,469	9.1%
Working capital and other loans	34,257	9.0%	54,353	10.2%
	<u>\$1,216,121</u>		<u>\$1,422,403</u>	

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Our mortgage loans cover 12 of our properties with four operators. The increase in mortgage loans relates to the loans made to Steward totaling \$600 million for four properties in October 2016, partially offset by the repayment of two loans for \$210 million by RCCH (formally Capella) and the conversion of a \$100 million mortgage loan to Prime into a sale/leaseback of the property — See “2016 Activity” under the Disposal and Acquisition sections for more details.

Other loans typically consist of loans to our tenants for acquisitions and working capital purposes. At December 31, 2016, acquisition loans include our \$115 million of loans to Ernest. The Capella acquisition loans of approximately \$489 million at December 31, 2015 were paid in full during 2016 — See “2016 Activity” under the Disposal section for more details.

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. On October 1, 2016, we converted the remaining \$3.3 million of our convertible note into a 15.1% of equity interest in the operator for a total 25% equity interest in the operator.

**Concentration of Credit Risks****Revenue by Operator****(Dollar amounts in thousands)**

	For the Years Ended December 31,			
	2016		2015	
<u>Operators (A)</u>	<u>Total Revenue</u>	<u>Percentage of Total Revenue</u>	<u>Total Revenue</u>	<u>Percentage of Total Revenue</u>
Prime	\$120,558	22.3%	\$104,325	23.6%
MEDIAN	93,425	17.3%	78,540	17.8%
Ernest	67,742	12.5%	61,988	14.0%
RCCH	52,720	9.7%	28,567	6.4%
Other operators	206,692	38.2%	168,458	38.2%
Total	<u>\$541,137</u>	<u>100.0%</u>	<u>\$441,878</u>	<u>100.0%</u>

(A) Steward is not included herein as the Steward transaction closed on October 3, 2016.

**Revenue by U.S. State and Country****(Dollar amounts in thousands)**

	For the Years Ended December 31,			
	2016		2015	
<u>U.S. States and Other Countries</u>	<u>Total Revenue</u>	<u>Percentage of Total Revenue</u>	<u>Total Revenue</u>	<u>Percentage of Total Revenue</u>
Texas	\$ 96,992	17.9%	\$ 87,541	19.8%
California	66,197	12.2%	66,120	15.0%
New Jersey	39,084	7.2%	27,688	6.3%
Massachusetts	26,098	4.8%	69	0.0%
Arizona	23,798	4.4%	21,188	4.8%
Other States	187,363	34.7%	156,256	35.3%
Total U.S.	<u>\$439,532</u>	<u>81.2%</u>	<u>\$358,862</u>	<u>81.2%</u>
Germany	\$ 97,382	18.0%	\$ 78,540	17.8%
United Kingdom, Italy, and Spain	4,223	0.8%	4,476	1.0%
Total International	<u>\$101,605</u>	<u>18.8%</u>	<u>\$ 83,016</u>	<u>18.8%</u>
Total	<u>\$541,137</u>	<u>100.0%</u>	<u>\$441,878</u>	<u>100.0%</u>

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From an asset perspective, approximately 80% of our total assets are in the U.S., while 20% reside in Europe (primarily Germany) as of December 31, 2016, consistent with December 31, 2015.

**Related Party Transactions**

Lease and interest revenue earned from tenants in which we have an equity interest in were \$282.9 million, \$215.4 million and \$101.8 million in 2016, 2015 and 2014, respectively.

**4. Debt**

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

	As of December 31,	
	2016	2015
Revolving credit facility	\$ 290,000	\$ 1,100,000
Term loans	263,101	263,400
Senior Unsecured Notes due 2016	—	125,000
6.875% Senior Unsecured Notes due 2021	—	450,000
6.375% Senior Unsecured Notes due 2022:		
Principal amount	350,000	350,000
Unamortized premium	1,814	2,168
	351,814	352,168
5.750% Senior Unsecured Notes due 2020 (A)	210,340	217,240
4.000% Senior Unsecured Notes due 2022 (A)	525,850	543,100
5.500% Senior Unsecured Notes due 2024	300,000	300,000
6.375% Senior Unsecured Notes due 2024	500,000	—
5.250% Senior Unsecured Notes due 2026	500,000	—
	\$ 2,941,105	\$ 3,350,908
Debt issue costs, net	(31,764)	(28,367)
	<u>\$ 2,909,341</u>	<u>\$ 3,322,541</u>

As of December 31, 2016, principal payments due on our debt (which exclude the effects of any discounts, premiums, or debt issue costs recorded) are as follows (\$ amounts in thousands):

2017	\$ 320
2018	302,781
2019	250,000
2020	210,340
2021	—
Thereafter	2,175,850
Total	<u>\$ 2,939,291</u>

(A) These notes are Euro-denominated and reflect the exchange rates at December 31, 2016 and 2015, respectively.

**Revolving Credit Facility**

On June 19, 2014, we closed on the Credit Facility for \$900 million. The Credit Facility was comprised of a \$775 million senior unsecured revolving credit facility (the “Revolving credit facility”) and a \$125 million senior unsecured term loan facility (the “Term Loan”). The Credit Facility had an accordion feature that allowed us to expand the size of the facility by up to \$250 million through increases to the Revolving credit facility, Term

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Loan, both or as a separate term loan tranche. The Credit Facility replaced our previous \$400 million unsecured revolving credit facility and \$100 million unsecured term loan. This transaction resulted in a refinancing charge of approximately \$0.3 million in the 2014 second quarter.

On October 17, 2014, we entered into an amendment to our Credit Facility to exercise the \$250 million accordion on the Revolving credit facility. This amendment increased the Credit Facility to \$1.15 billion and added a new accordion feature that allowed us to expand our credit facility by another \$400 million.

On August 4, 2015, we entered into an amendment to our Revolving credit facility and Term Loan agreement to further 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 September 30, 2015, we further amended our Credit Facility to, among other things, increase the aggregate commitment under our Revolving credit facility to \$1.3 billion and increase the Term Loan portion to \$250 million. In addition, this amendment included a new accordion feature that allowed us to expand the 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.

The Revolving credit facility matures in June 2018 and can be extended for an additional 12 months at our option. The Revolving credit facility's interest rate was originally set as (1) the higher of the "prime rate", federal funds rate plus 0.50%, or Eurodollar rate plus 1.00%, plus a spread that was adjustable from 0.70% to 1.25% based on current total leverage, or (2) LIBOR plus a spread that was adjustable from 1.70% to 2.25% based on current total leverage. In addition to interest expense, we were required to pay a quarterly commitment fee on the undrawn portion of the revolving credit facility, ranging from 0.25% to 0.35% per year.

In November 2014, we received an upgrade to our credit rating resulting in an improvement in our interest rate spreads and commitment fee rates. Effective December 10, 2014, the Revolving credit facility's interest rate is (1) the higher of the "prime rate", federal funds rate plus 0.50%, or Eurodollar rate plus 1.00% plus a fixed spread of 0.40% or (2) LIBOR plus a fixed spread of 1.40%. In regards to commitment fees, we now pay based on the total facility at a rate of 0.30% per year.

At December 31, 2016 and 2015, we had \$290 million and \$1.1 billion, respectively, outstanding on the Revolving credit facility.

At December 31, 2016, our availability under our Revolving credit facility was \$1 billion. The weighted average interest rate on this facility was 2.0% and 1.7% for 2016 and 2015, respectively.

See Note 13 for subsequent event activity impacting our Credit Facility.

### ***Term Loans***

As noted above in the Revolving Credit Facility section, we closed on the Term Loan for \$125 million in the second quarter of 2014. Furthermore, as noted above, we amended the credit facility to increase the Term Loan portion to \$250 million in the third quarter of 2015. The Term Loan matures in June 2019. The Term Loan's initial interest rate was (1) the higher of the "prime rate", federal funds rate plus 0.50%, or Eurodollar rate plus 1.00%, plus a spread that was adjustable from 0.60% to 1.20% based on current total leverage, or (2) LIBOR plus a spread that was adjustable from 1.60% to 2.20% based on current total leverage. With the upgrade to our credit rating as discussed above, the Term Loan's interest rate, effective December 10, 2014, improved to (1) the higher of the "prime rate", federal funds rate plus 0.50%, or Euro dollar rate plus 1.00% plus a fixed spread of 0.65%, or (2) LIBOR plus a fixed spread of 1.65%. At December 31, 2016 and 2015, the interest rate in effect on the Term Loan was 2.36% and 2.05%, respectively.

In connection with our acquisition of the Northland LTACH Hospital on February 14, 2011, we assumed a \$14.6 million mortgage. The Northland mortgage loan requires monthly principal and interest payments based on a 30-year amortization period. The Northland mortgage loan has a fixed interest rate of 6.2%, matures on January 1, 2018 and can be prepaid, subject to a certain prepayment premium. At December 31, 2016, the remaining balance on this term loan was \$13.1 million. The loan is collateralized by the real estate of the Northland LTACH Hospital, which had a net book value of \$16.4 million and \$16.9 million at December 31, 2016 and 2015, respectively.

See Note 13 for subsequent activity impacting our Credit Facility.

#### ***Senior Unsecured Notes due 2016***

During 2006, we issued \$125.0 million of senior unsecured notes (the “Senior Unsecured Notes due 2016”). One of the issuances of the Senior Unsecured Notes due 2016 totaling \$65.0 million paid interest quarterly at a floating annual rate of three-month LIBOR plus 2.30% and could be called at par value by us at any time. This portion of the Senior Unsecured Notes due 2016 matured in July 2016. The remaining issuances of Senior Unsecured Notes due 2016 paid interest quarterly at a floating annual rate of three-month LIBOR plus 2.30% and could also be called at par value by us at any time. These remaining notes matured in October 2016.

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 \$125 million Senior Unsecured Notes due 2016, which started July 31, 2011 (date on which the interest rate turned variable) through 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 Senior Unsecured Notes due 2016 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%. At December 31, 2015, the fair value of the interest rate swaps was \$2.9 million, which is reflected in accounts payable and accrued expenses on the consolidated balance sheets. These interest rate swaps expired in 2016 in connection with the maturity of the related notes. We accounted for our interest rate swaps as cash flow hedges. We did not have any hedge ineffectiveness from inception of our interest rate swaps through their expiration in 2016; and therefore, there was no income statement effect recorded during the years ended December 31, 2016, 2015, and 2014.

#### ***6.875% Senior Unsecured Notes due 2021***

On April 26, 2011, we closed on a private placement of \$450 million senior notes (the “6.875% Senior Unsecured Notes due 2021”) to qualified institutional buyers in reliance on Rule 144A under the Securities Act. The notes were subsequently registered under the Securities Act pursuant to an exchange offer. Interest on the notes was payable semi-annually on May 1 and November 1 of each year. The notes paid interest in cash at a rate of 6.875% per year, would have matured on May 1, 2021, and offered a redemption option to redeem some or all of the notes at a premium, plus accrued and unpaid interest to, but not including, the redemption date.

On July 22, 2016, we used the net proceeds from the 5.250% Senior Unsecured Notes due 2026 offering (see discussion below for further details on these notes) to redeem our \$450 million 6.875% Senior Unsecured Notes due 2021. This redemption resulted in a \$22.5 million debt refinancing charge during the 2016 third quarter, consisting of a \$15.5 million redemption premium along with the write-off of deferred debt issuance costs associated with the redeemed notes.

#### ***6.375% Senior Unsecured Notes due 2022***

On February 17, 2012, we completed a \$200 million offering of senior unsecured notes (“6.375% Senior Unsecured Notes due 2022”), and on August 20, 2013, we completed a \$150 million tack on to the notes. These 6.375% Senior Unsecured Notes due 2022 accrue interest at a fixed rate of 6.375% per year and mature on February 15, 2022. The 2013 tack on offering, was issued at a premium (price of 102%), resulting in an effective

rate of 5.998%. Interest on these notes is payable semi-annually on February 15 and August 15 of each year. We may redeem some or all of the notes at a premium that will decrease over time, plus accrued and unpaid interest to, but not including, the redemption date. In the event of a change of control, each holder of the 6.375% Senior Unsecured Notes due 2022 may require us to repurchase some or all of its notes at a repurchase price equal to 101% of the aggregate principal amount plus accrued and unpaid interest to the date of purchase.

#### ***5.750% Senior Unsecured Notes due 2020***

On October 10, 2013, we completed a €200 million offering of senior unsecured notes (“5.750% Senior Unsecured Notes due 2020”). Interest on the notes is payable semi-annually on April 1 and October 1 of each year. The 5.750% Senior Unsecured Notes due 2020 pay interest in cash at a rate of 5.750% per year. The notes mature on October 1, 2020. We may redeem some or all of the notes at any time at a “make-whole” redemption price that will decrease over time. In the event of a change of control, each holder of the notes may require us to repurchase some or all of our notes at a repurchase price equal to 101% of the aggregate principal amount of the notes plus accrued and unpaid interest to the date of purchase. See Note 13 for subsequent event activity related to these notes.

#### ***4.000% Senior Unsecured Notes due 2022***

On August 19, 2015, we completed a €500 million senior unsecured notes offering (“4.000% Senior Unsecured Notes due 2022”). Interest on the notes is payable annually on August 19 of each year. The notes 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 4.000% Senior Unsecured Notes due 2022 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 4.000% Senior Unsecured Notes due 2022 are fully and unconditionally guaranteed on an unsecured basis by us. 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.

#### ***5.500% Senior Unsecured Notes due 2024***

On April 17, 2014, we completed a \$300 million senior unsecured notes offering (“5.500% Senior Unsecured Notes due 2024”). Interest on the notes is payable semi-annually on May 1 and November 1 of each year. The notes pay interest in cash at a rate of 5.50% per year. The notes mature on May 1, 2024. We may redeem some or all of the notes at any time prior to May 1, 2019 at a “make-whole” redemption price. On or after May 1, 2019, we may redeem some or all of the notes at a premium that will decrease over time. In addition, at any time prior to May 1, 2017, we may redeem up to 35% of the aggregate principal amount of the notes using the proceeds of one or more equity offerings. In the event of a change of control, each holder of the notes may require us to repurchase some or all of our notes at a repurchase price equal to 101% of the aggregate principal amount of the notes plus accrued and unpaid interest to the date of purchase.

#### ***6.375% Senior Unsecured Notes due 2024***

On February 22, 2016, we completed a \$500 million senior unsecured notes offering (“6.375% Senior Unsecured Notes due 2024”). Interest on the notes is payable on March 1 and September 1 of each year. Interest on the notes is paid in cash at a rate of 6.375% per year. The notes mature on March 1, 2024. We may redeem some or all of the notes at any time prior to March 1, 2019 at a “make whole” redemption price. On or after March 1, 2019, we may redeem some or all of the notes at a premium that will decrease over time. In addition, at any time prior to March 1, 2019, we may redeem up to 35% of the notes at a redemption price equal to 106.375%

of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, using proceeds from one or more equity offerings. In the event of a change in control, each holder of the notes may require us to repurchase some or all of the notes at a repurchase price equal to 101% of the aggregate principal amount of the notes plus accrued and unpaid interest to the date of purchase.

#### ***5.250% Senior Unsecured Notes due 2026***

On July 22, 2016, we completed a \$500 million senior unsecured notes offering (“5.250% Senior Unsecured Notes due 2026”). Interest on the notes is payable on February 1 and August 1 of each year, commencing on February 1, 2017. Interest on the notes is to be paid in cash at a rate of 5.25% per year. The notes mature on August 1, 2026. We may redeem some or all of the notes at any time prior to August 1, 2021 at a “make whole” redemption price. On or after August 1, 2021, we may redeem some or all of the notes at a premium that will decrease over time. In addition, at any time prior to August 1, 2019, we may redeem up to 35% of the notes at a redemption price equal to 105.25% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, using proceeds from one or more equity offerings. In the event of a change in control, each holder of the notes may require us to repurchase some or all of the notes at a repurchase price equal to 101% of the aggregate principal amount of the notes plus accrued and unpaid interest to the date of purchase.

#### ***Other Financing***

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 2015 third quarter related to the bridge commitment.

#### ***Covenants***

Our debt facilities impose certain restrictions on us, including restrictions on our ability to: incur debts; create or incur liens; provide guarantees in respect of obligations of any other entity; make redemptions and repurchases of our capital stock; prepay, redeem or repurchase debt; engage in mergers or consolidations; enter into affiliated transactions; dispose of real estate or other assets; and change our business. In addition, the credit agreements governing our Credit Facility limit the amount of dividends we can pay as a percentage of normalized adjusted funds from operations, as defined in the agreements, on a rolling four quarter basis. Through 2016, 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 FFO, proceeds of equity issuances and certain other net cash proceeds. Finally, our senior unsecured notes require us to maintain total unencumbered assets (as defined in the related indenture) of not less than 150% of our unsecured indebtedness.

In addition to these restrictions, the Credit Facility contains customary financial and operating covenants, including covenants relating to our total leverage ratio, fixed charge coverage ratio, secured leverage ratio, consolidated adjusted net worth, unsecured leverage ratio, and unsecured interest coverage ratio. This Credit Facility also contains customary events of default, including among others, nonpayment of principal or interest, material inaccuracy of representations and failure to comply with our covenants. If an event of default occurs and is continuing under the Credit Facility, the entire outstanding balance may become immediately due and payable. At December 31, 2016, we were in compliance with all such financial and operating covenants.

## 5. Income Taxes

### *Medical Properties Trust, Inc.*

We have maintained and intend to maintain our election as a REIT under the Code of 1986, as amended. To qualify as a REIT, we must meet a number of organizational and operational requirements, including a requirement to distribute at least 90% of our taxable income to our stockholders. As a REIT, we generally will not be subject to U.S. federal income tax if we distribute 100% of our taxable income to our stockholders and satisfy certain other requirements. Income tax is paid directly by our stockholders on the dividends distributed to them. If our taxable income exceeds our dividends in a tax year, REIT tax rules allow us to designate dividends from the subsequent tax year in order to avoid current taxation on undistributed income. If we fail to qualify as a REIT in any taxable year, we will be subject to federal income taxes at regular corporate rates, including any applicable alternative minimum tax. Taxable income from non-REIT activities managed through our TRSs is subject to applicable U.S. federal, state and local income taxes. Our international subsidiaries are also subject to income taxes in the jurisdictions in which they operate.

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

	For the years ended December 31,		
	2016	2015	2014
<b>Current income tax expense:</b>			
Domestic	\$ 42	\$ 147	\$ 114
Foreign	1,856	1,614	225
	1,898	1,761	339
<b>Deferred income tax (benefit) expense:</b>			
Domestic	147	(360)	(23)
Foreign	(8,875)	102	24
	(8,728)	(258)	1
<b>Income tax (benefit) expense</b>	<b><u>\$ (6,830)</u></b>	<b><u>\$ 1,503</u></b>	<b><u>\$ 340</u></b>

The foreign provision (benefit) for income taxes is based on foreign loss before income taxes of \$23.5 million in 2016 as compared with foreign loss before income taxes of \$29.4 million in 2015, and foreign loss before income taxes of \$7.5 million in 2014.

The domestic provision (benefit) for income taxes is based on a loss before income taxes of \$1.4 million in 2016 from our taxable REIT subsidiaries as compared with income before income taxes of \$7.1 million in 2015, and a loss before income taxes of \$20.9 million in 2014.

At December 31, 2016 and 2015, components of our deferred tax assets and liabilities were as follows (in thousands):

	<u>2016</u>	<u>2015</u>
Deferred tax liabilities:		
Property and equipment	\$ (3,781)	\$ (1,636)
Unbilled rent	(7,045)	(4,495)
Partnership investments	(5,103)	(3,362)
Other	(6,757)	(6,141)
Total deferred tax liabilities	\$ (22,686)	\$ (15,634)
Deferred tax assets:		
Operating loss and interest deduction carry forwards	\$ 28,289	\$ 19,016
Other	10,085	10,314
Total deferred tax assets	38,374	29,330
Valuation allowance	(15,975)	(23,005)
Total net deferred tax assets	\$ 22,399	\$ 6,325
Net deferred tax (liability)	\$ (287)	\$ (9,309)

At December 31, 2016, our U.S. net operating losses (“NOLs”) consisted of \$60 million of federal NOLs and \$113.5 million of state NOLs available as offsets to future years’ taxable income. We have federal and state capital loss carryforwards of \$8.1 million. The NOLs primarily expire between 2021 and 2035 and the capital loss carryforward expires in 2022. We have alternative minimum tax credits of \$0.3 million as of December 31, 2016, which may be carried forward indefinitely. At December 31, 2016, we had foreign NOLs of \$13.3 million that may be carried forward indefinitely.

In the evaluation of the need for a valuation allowance on the U.S. deferred income tax assets, we considered all available positive and negative evidence, including scheduled reversals of deferred income tax liabilities, carryback of future period losses to prior periods, projected future taxable income, tax planning strategies and recent financial performance. Based on our review of all positive and negative evidence, including a three year U.S. cumulative pre-tax loss, we concluded that a valuation allowance should remain against those deferred income tax assets that are not expected to be realized through future sources of taxable income generated from scheduled reversals of deferred income tax liabilities. As a result, a valuation allowance continues to be recorded to reflect the portion of the U.S. federal and state deferred income tax assets that are not likely to be realized based upon all available evidence. If we later determine that we will more likely than not realize all, or a portion, of the deferred income tax assets, we will reverse the valuation allowance in a future period. All future reversals of the valuation allowance would result in a tax benefit in the period recognized.

We also evaluated the need for a valuation allowance on our foreign deferred income tax assets. In doing so, we considered all available evidence to determine whether it is more likely than not that the foreign deferred income tax assets will be realized. When comparing 2016 results to prior periods, we noted a significant increase in positive evidence, which included a strong positive trend in foreign earnings and forecasted foreign income projections in 2017 and future periods. For instance, several of our initial foreign subsidiaries achieved a cumulative pre-tax income position as of the 2016 fourth quarter, and we expect the majority of our remaining foreign subsidiaries to be in a cumulative pre-tax income position within the next 12-18 months. Current year earnings resulted in the use of \$2 million of beginning of the year valuation allowances on deferred tax assets which offset corresponding current tax expense. The positive evidence noted above resulted in our conclusion to make a one-time release of \$4 million of the valuation allowance on our foreign deferred income tax assets in the 2016 fourth quarter. We also noted that sufficient objective positive evidence did not exist for a portion of foreign deferred income tax assets at December 31, 2016 due to the lack of future sources of taxable income to utilize these deferred income tax assets. A valuation allowance of \$2.2 million has remained to reserve against these foreign deferred tax assets.

We have no uncertain tax position liabilities and related interest or penalties recorded at December 31, 2016.

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A reconciliation of the income tax (benefit) expense at the statutory income tax rate and the effective tax rate for income from continuing operations before income taxes for the years ended December 31, 2016, 2015, and 2014 is as follows (in thousands):

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Income from continuing operations (before-tax)	\$219,108	\$ 141,430	\$ 51,138
Income tax at the US statutory federal rate (35%)	76,688	49,501	17,898
Increase (decrease) resulting from:			
Rate differential	1,434	5,047	1,145
State income taxes, net of federal benefit	66	(601)	(337)
Dividends paid deduction	(84,927)	(57,109)	(27,873)
Equity investments	4,297	—	—
Change in valuation allowance	(6,104)	6,174	8,988
Other items, net	1,716	(1,509)	519
Total income tax (benefit) expense	<u>\$ (6,830)</u>	<u>\$ 1,503</u>	<u>\$ 340</u>

We have met the annual REIT distribution requirements by payment of at least 90% of our estimated taxable income in 2016, 2015, and 2014. Earnings and profits, which determine the taxability of such distributions, will differ from net income reported for financial reporting purposes due primarily to differences in cost basis, differences in the estimated useful lives used to compute depreciation, and differences between the allocation of our net income and loss for financial reporting purposes and for tax reporting purposes.

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

	<u>For the Years Ended December 31,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Common share distribution	\$ 0.900000	\$ 0.870000	\$ 0.840000
Ordinary income	0.619368	0.769535	0.520692
Capital gains(1)	0.102552	—	0.000276
Unrecaptured Sec. 1250 gain	0.045432	—	0.000276
Return of capital	0.178080	0.100465	0.319032

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

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

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

**6. Earnings Per Share/Unit***Medical Properties Trust, Inc.*

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

	<b>For the Years Ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Numerator:</b>			
Income from continuing operations	\$225,938	\$139,927	\$ 50,798
Non-controlling interests' share in continuing operations	(889)	(329)	(274)
Participating securities' share in earnings	(559)	(1,029)	(894)
Income from continuing operations, less participating securities' share in earnings	224,490	138,569	49,630
Income (loss) from discontinued operations attributable to MPT common stockholders	(1)	—	(2)
Net income, less participating securities' share in earnings	<u>\$224,489</u>	<u>\$138,569</u>	<u>\$ 49,628</u>
<b>Denominator:</b>			
Basic weighted-average common shares	260,414	217,997	169,999
Dilutive potential common shares	658	307	541
Diluted weighted-average common shares	<u>261,072</u>	<u>218,304</u>	<u>170,540</u>

*MPT Operating Partnership, L.P.*

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

	<b>For the Years Ended December 31,</b>		
	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Numerator:</b>			
Income from continuing operations	\$225,938	\$139,927	\$ 50,798
Non-controlling interests' share in continuing operations	(889)	(329)	(274)
Participating securities' share in earnings	(559)	(1,029)	(894)
Income from continuing operations, less participating securities' share in earnings	224,490	138,569	49,630
Income (loss) from discontinued operations attributable to MPT Operating Partnership partners	(1)	—	(2)
Net income, less participating securities' share in earnings	<u>\$224,489</u>	<u>\$138,569</u>	<u>\$ 49,628</u>
<b>Denominator:</b>			
Basic weighted-average units	260,414	217,997	169,999
Dilutive potential units	658	307	541
Diluted weighted-average units	<u>261,072</u>	<u>218,304</u>	<u>170,540</u>

**7. Stock Awards***Stock Awards*

Our Equity Incentive Plan authorizes the issuance of common stock options, restricted stock, restricted stock units, deferred stock units, stock appreciation rights, performance units and awards of interests in our Operating Partnership. Our Equity Incentive Plan is administered by the Compensation Committee of the Board of Directors. We have reserved 8,196,770 shares of common stock for awards under the Equity Incentive Plan and 5,265,916 shares remain available for future stock awards as of December 31, 2016. The Equity Incentive Plan contains a limit of 5,000,000 shares as the maximum number of shares of common stock that may be awarded to

an individual in any fiscal year. Awards under the Equity Incentive Plan are subject to forfeiture due to termination of employment prior to vesting. In the event of a change in control, outstanding and unvested options will immediately vest, unless otherwise provided in the participant's award or employment agreement, and restricted stock, restricted stock units, deferred stock units and other stock-based awards will vest if so provided in the participant's award agreement. The term of the awards is set by the Compensation Committee, though Incentive Stock Options may not have terms of more than ten years. Forfeited awards are returned to the Equity Incentive Plan and are then available to be re-issued as future awards. For each share of common stock issued by Medical Properties Trust, Inc. pursuant to its Equity Incentive Plan, the Operating Partnership issues a corresponding number of Operating Partnership units.

The following awards have been granted pursuant to our Equity Incentive Plan (and its predecessor plan):

*Restricted Equity Awards*

These stock-based awards are in the form of service-based awards and performance awards based on certain market conditions. The service-based awards vest as the employee provides the required service (typically three to five years). Service based awards are valued at the average price per share of common stock on the date of grant. In 2016, 2015, and 2014, the Compensation Committee granted performance — based awards to employees which vest based on us achieving certain total shareholder returns or comparisons of our total shareholder returns to peer total return indices. Generally, dividends are not paid on performance awards until the award is earned. See below for details of such performance award grants:

2016 performance awards — The 2016 performance awards were granted in two parts:

- 1) One-half of the 2016 performance awards were based on us achieving a cumulative total shareholder return from January 1, 2016 to December 31, 2018. The minimum total shareholder return needed to earn a portion of this award is 27.0% with 100% of the award earned if our total shareholder return reaches 35.0%. If any shares are earned from this award, the shares will vest in equal annual amounts on January 1, 2019, 2020, and 2021. The fair value of this award was estimated on the dates of grant using a Monte Carlo valuation model that assumed the following: risk free interest rates of 1.0%; expected volatility of 24.4%; expected dividend yield of 7.0%; and expected service period of 5 years.
- 2) The remainder of the 2016 performance awards will be earned if our total shareholder return outpaces that of the MSCI U.S. REIT Index ("Index") over the cumulative period from January 1, 2016 to December 31, 2018. Our total shareholder return must be within 3% of the Index to earn the minimum number of shares under this award, while it must exceed the Index by 3% to earn 100% of the award. If any shares are earned from this award, the shares will vest in equal annual amounts on January 1, 2019, 2020, and 2021. The fair value of this award was estimated on the dates of grant using a Monte Carlo valuation model that assumed the following: risk free interest rate of 1.0%; expected volatility of 24.4%; expected dividend yield of 7.0%; and expected service period of 5 years.

No 2016 performance awards were earned and vested in 2016, and 2,400 performance awards were forfeited in 2016. At December 31, 2016, we have 797,404 of 2016 performance awards remaining to be earned.

2015 performance awards — The 2015 performance awards were granted in three parts:

- 1) Approximately 40% of the 2015 performance awards were based on us achieving a simple 9.0% annual total shareholder return. For the three-year period from January 1, 2015 through December 31, 2017, one-third of the awards will be earned annually (until the award is fully earned) if a 9.0% total shareholder return is achieved. If total shareholder return does not reach 9.0% in a particular year, shares for that year can be earned in a future period (during the three-year period) if the cumulative total shareholder return is equal to or greater than a 9.0% annual return for such cumulative period. The fair value of this award was estimated on the date of grant using a Monte Carlo valuation model that assumed the following: risk free interest rate of 1.1%; expected volatility of 20%; expected dividend yield of 7.2%; and expected service period of 3 years.

- 2) Approximately 30% of the 2015 performance awards were based on us achieving a cumulative total shareholder return from January 1, 2015 to December 31, 2017. The minimum total shareholder return needed to earn a portion of this award is 27.0% with 100% of the award earned if our total shareholder return reaches 35.0%. If any shares are earned from this award, the shares will vest in equal annual amounts on December 31, 2017, 2018, and 2019. The fair value of this award was estimated on the date of grant using a Monte Carlo valuation model that assumed the following: risk free interest rate of 1.1%; expected volatility of 20%; expected dividend yield of 7.2%; and expected service period of 5 years.
- 3) The remainder of the 2015 performance awards will be earned if our total shareholder return outpaces the Index over the cumulative period from January 1, 2015 to December 31, 2017. Our total shareholder return must exceed that of the Index to earn the minimum number of shares under this award, while it must exceed the Index by 6% to earn 100% of the award. If any shares are earned from this award, the shares will vest in equal annual amounts on December 31, 2017, 2018, and 2019. The fair value of this award was estimated on the date of grant using a Monte Carlo valuation model that assumed the following: risk free interest rate of 1.1%; expected volatility of 20%; expected dividend yield of 7.2%; and expected service period of 5 years.

In 2016, 98,526 shares were earned and vested, and 66,792 performance awards were forfeited in 2016. No 2015 performance awards were earned and vested in 2015, and 4,500 performance awards were forfeited in 2015. At December 31, 2016, we have 702,070 of 2015 performance awards remaining to be earned.

2014 performance awards — The 2014 performance awards were granted in three parts:

- 1) Approximately 40% of the 2014 performance awards were based on us achieving a simple 9.0% annual total shareholder return. For the five-year period from January 1, 2014 through December 31, 2018, one-third of the awards will be earned annually (until the award is fully earned) if a 9.0% total shareholder return is achieved. If total shareholder return does not reach 9.0% in a particular year, shares for that year can be earned in a future period (during the five-year period) if the cumulative total shareholder return is equal to or greater than a 9.0% annual return for such cumulative period. The fair value of this award was estimated on the date of grant using a Monte Carlo valuation model that assumed the following: risk free interest rate of 1.7%; expected volatility of 27%; expected dividend yield of 8.0%; and expected service period of 3 years.
- 2) Approximately 30% of the 2014 performance awards were based on us achieving a cumulative total shareholder return from January 1, 2014 to December 31, 2016. The minimum total shareholder return needed to earn a portion of this award is 27.0% with 100% of the award earned if our total shareholder return reaches 35.0%. If any shares are earned from this award, the shares will vest in equal annual amounts on December 31, 2016, 2017, and 2018. The fair value of this award was estimated on the date of grant using a Monte Carlo valuation model that assumed the following: risk free interest rate of 0.8%; expected volatility of 27%; expected dividend yield of 8.0%; and expected service period of 5 years.
- 3) The remainder of the 2014 performance awards were to be earned if our total shareholder return outpaced that of the Index over the cumulative period from January 1, 2014 to December 31, 2016. Our total shareholder return must exceed that of the Index to earn the minimum number of shares under this award, while it must exceed the Index by 6% to earn 100% of the award. If any shares are earned from this award, the shares will vest in equal annual amounts on December 31, 2016, 2017, and 2018. The fair value of this award was estimated on the date of grant using a Monte Carlo valuation model that assumed the following: risk free interest rate of 0.8%; expected volatility of 27%; expected dividend yield of 8.0%; and expected service period of 5 years.

In 2014 and 2016, 108,261 and 99,959 shares were earned and vested under the 2014 performance awards, respectively. No such awards were earned and vested in 2015. In 2016, 500,000 shares, which

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related to the latter two parts of the award as described above, were forfeited as the three-year cumulative total shareholder return hurdles from January 1, 2014 to December 31, 2016 were not met. An additional 72,003 performance shares were forfeited prior to the measurement date in 2016. At December 31, 2016, we have 99,935 of 2014 performance awards remaining to be earned.

The following summarizes restricted equity award activity in 2016 and 2015 (which includes awards granted in 2016, 2015, 2014, and any applicable prior years), respectively:

**For the Year Ended December 31, 2016:**

	Vesting Based on Service		Vesting Based on Market/ Performance Conditions	
	Shares	Weighted Average Value at Award Date	Shares	Weighted Average Value at Award Date
Nonvested awards at beginning of the year	509,634	\$ 13.25	2,331,152	\$ 6.38
Awarded	254,574	\$ 13.07	799,804	\$ 7.30
Vested	(349,356)	\$ 13.07	(671,983)	\$ 6.50
Forfeited	(67,724)	\$ 13.06	(647,298)	\$ 6.28
Nonvested awards at end of year	<u>347,128</u>	\$ 13.35	<u>1,811,675</u>	\$ 6.78

**For the Year Ended December 31, 2015:**

	Vesting Based on Service		Vesting Based on Market/Performance Conditions	
	Shares	Weighted Average Value at Award Date	Shares	Weighted Average Value at Award Date
Nonvested awards at beginning of the year	452,263	\$ 12.11	2,428,518	\$ 5.81
Awarded	407,969	\$ 13.94	871,888	\$ 6.62
Vested	(343,904)	\$ 12.56	(406,970)	\$ 4.94
Forfeited	(6,694)	\$ 13.08	(562,284)	\$ 5.33
Nonvested awards at end of year	<u>509,634</u>	\$ 13.25	<u>2,331,152</u>	\$ 6.38

The value of stock-based awards is charged to compensation expense over the vesting periods. In the years ended December 31, 2016, 2015, and 2014, we recorded \$7.9 million, \$11.1 million, and \$9.2 million, respectively, of non-cash compensation expense. The remaining unrecognized cost from restricted equity awards at December 31, 2016, is \$12.4 million, which will be recognized over a weighted average period of 2.78 years. Restricted equity awards that vested in 2016, 2015, and 2014 had a value of \$12.7 million, \$10.2 million, and \$10.2 million, respectively.

**8. Commitments and Contingencies***Commitments*

On July 20, 2016, we entered into definitive agreements to acquire 20 rehabilitation hospitals in Germany for an aggregate purchase price to us of approximately €215.7 million. Upon closing, the facilities will be leased to affiliates of MEDIAN, pursuant to a new master lease with a term of approximately 27 years. Closing of the transaction, which began during the fourth quarter of 2016, is subject to customary real estate, regulatory and other closing conditions. As discussed in Note 3, we have closed seven of the 20 facilities in the amount of €49.5 million on December 31, 2016.

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On September 9, 2016, we entered into definitive agreements to acquire six rehabilitation hospitals in Germany for an aggregate purchase price to us of approximately €44.1 million. Upon closing, the facilities will be leased to affiliates of MEDIAN, pursuant to the existing long-term master lease. Closing of the transaction, which began during the fourth quarter of 2016, is subject to customary real estate, regulatory and other closing conditions. As discussed in Note 3, we have closed on five of the six facilities in the amount of €35.7 million as of December 31, 2016. We closed on the final property on January 27, 2017, in the amount of €8.4 million.

On September 28, 2016, we entered into definitive agreements to acquire two acute care hospitals in Washington and Idaho for an aggregate purchase price to us of approximately \$105 million. Upon closing, the facilities will be leased to RCCH, pursuant to the current master lease. Closing of the transaction, which is expected to be completed in the first half of 2017, is subject to customary real estate, regulatory and other closing conditions.

Operating leases, in which we are the lessee, primarily consist of ground leases on which certain of our facilities or other related property reside along with corporate office and equipment leases. The ground leases are long-term leases (almost all having terms of 30 years or more), some of which contain escalation provisions and one contains a purchase option. Properties subject to these ground leases are subleased to our tenants. Lease and rental expense (which is recorded on the straight-line method) for 2016, 2015 and 2014, respectively, were \$6.8 million, \$4.6 million, and \$2.3 million, which was offset by sublease rental income of \$4.2 million, \$2.3 million, and \$0.3 million for 2016, 2015, and 2014, respectively.

Fixed minimum payments due under operating leases with non-cancelable terms of more than one year and amounts to be received in the future from non-cancelable subleases at December 31, 2016 are as follows: (amounts in thousands)

	Fixed minimum payments	Amounts to be received from subleases	Net payments
2017	\$ 7,328	\$ (4,725)	\$ 2,603
2018	7,249	(4,731)	2,518
2019	6,925	(4,755)	2,170
2020	6,944	(4,860)	2,084
2021	6,024	(4,966)	1,058
Thereafter	251,981	(249,662)	2,319
	<u>\$286,451</u>	<u>\$(273,699)</u>	<u>\$12,752</u>

### 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 these proceedings is not presently expected to materially affect our financial position, results of operations or cash flows.

## 9. Common Stock/Partner's Capital

### Medical Properties Trust, Inc.

#### 2016 Activity

On October 7, 2016, we sold 10.3 million shares of common stock in a private placement to an affiliate of Cerberus, the controlling member of Steward, and certain members of Steward management. We sold these shares at a price per share of \$14.50, equal to the public offering price of our September 2016 equity offering, generating total proceeds of \$150 million.

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On September 30, 2016, we completed an underwritten public offering of 57.5 million shares (including the exercise of the underwriters' 30-day option to purchase an additional 7.5 million shares) of our common stock, resulting in net proceeds of \$799.5 million, after deducting estimated offering expenses.

On March 1, 2016, we updated our at-the-market equity offering program, which gave us the ability to sell up to \$227 million of stock with a commission rate of 1.25%. During 2016, we sold approximately 15 million shares of our common stock under this program, resulting in net proceeds of approximately \$224 million, after deducting approximately \$2.8 million of commissions. We have no capacity to sell additional shares under this at-the-market equity offering program.

### 2015 Activity

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 3.8 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.

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

The Operating Partnership is made up of a general partner, Medical Properties Trust, LLC ("General Partner") and limited partners, including the Company (which owns 100% of the General Partner) and three other partners. By virtue of its ownership of the General Partner, the Company has a 99.9% ownership interest in Operating Partnership via its ownership of all the common units. The remaining ownership interest is held by the two employees and one director via their ownership of LTIP units. These LTIP units were issued pursuant to the 2007 Multi-Year Incentive Plan, which is now part of the Equity Incentive Plan discussed in Note 7 and once vested in accordance with their award agreement, may be converted to common units per the Second Amended and Restated Agreement of Limited Partnership of MPT Operating Partnership, L.P. ("Operating Partnership Agreement").

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

The Operating Partnership's net income will generally be allocated first to the General Partner to the extent of any cumulative losses and then to the limited partners in accordance with their respective percentage interests in the common units issued by the Operating Partnership. Any losses of the Operating Partnership will generally be allocated first to the limited partners until their capital account is zero and then to the General Partner. In accordance with the Operating Partnership Agreement, LTIP units are treated as common units for purposes of income and loss allocations. Limited partners have the right to require the Operating Partnership to redeem part or all of their common units. It is at the Operating Partnership's discretion to redeem such common units for cash.

based on the fair market value of an equivalent number of shares of the Company's common stock at the time of redemption or, alternatively, redeem the common units for shares of the Company's common stock on a one-for-one basis, subject to adjustment in the event of stock splits, stock dividends, or similar events. In order for LTIP units to be redeemed, they must first be converted to common units and then must wait two years from the issuance of the LTIP units to be redeemed.

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

## 10. Fair Value of Financial Instruments

We have various assets and liabilities that are considered financial instruments. We estimate that the carrying value of cash and cash equivalents, and accounts payable and accrued expenses approximate their fair values. Included in our accounts payable and accrued expenses at December 31, 2015, were our interest rate swaps, which were 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 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, using Level 2 inputs such as quotes from securities dealers and market makers. We estimate the fair value of our Revolving credit facility and term loans using Level 2 inputs based on the present value of future payments, discounted at a rate which we consider appropriate for such debt.

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

<u>Asset (Liability)</u>	<u>December 31,</u> <u>2016</u>		<u>December 31,</u> <u>2015</u>	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
Interest and rent receivables	\$ 57,698	\$ 57,707	\$ 46,939	\$ 46,858
Loans(1)	986,987	1,017,428	508,851	543,859
Debt, net	(2,909,341)	(2,966,759)	(3,322,541)	(3,372,773)

(1) Excludes loans related to Ernest and Capella (2015 only) since they are recorded at fair value as discussed below.

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

Our equity interest in Ernest, Capella (2015 only) and related loans, as discussed in Note 2, 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 in or prior to 2016.

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At December 31, 2016, the amounts recorded under the fair value option method were as follows (in thousands):

<u>Asset (Liability)</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Asset Type Classification</u>
Mortgage loan	\$ 112,836	\$ 112,836	Mortgage loans
Acquisition and other loans	116,298	116,298	Other loans
Equity investment	3,300	3,300	Other assets
	<u>\$ 232,434</u>	<u>\$ 232,434</u>	

At December 31, 2015, the amounts recorded under the fair value option method were as follows (in thousands):

<u>Asset (Liability)</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Asset Type Classification</u>
Mortgage loan	\$ 310,000	\$ 310,000	Mortgage loans
Acquisition and other loans	603,552	603,552	Other loans
Equity investment	7,349	7,349	Other assets
	<u>\$ 920,901</u>	<u>\$ 920,901</u>	

Our mortgage and other loans with Ernest and Capella (2015 only) are recorded at fair value based on Level 2 inputs by discounting the estimated cash flows using the market rates which similar loans would be made to borrowers with similar credit ratings and the same remaining maturities. Our equity investments in Ernest and Capella (2015 only) 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 forecasted assumptions associated with the investee. We classify the 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 DLOM on our equity investment of 40% at December 31, 2016.

In regards to the underlying projection of revenues and expenses used in the discounted cash flow model, such projections are provided by Ernest and Capella (2015 only), respectively. However, we will modify such projections (including underlying assumptions used) as needed based on our review and analysis of their historical results, meetings with key members of management, and our understanding of trends and developments within the healthcare industry.

In arriving at the DLOM, we started with a DLOM range based on the results of studies supporting valuation discounts for other transactions or structures without a public market. To select the appropriate DLOM within the range, we then considered many qualitative factors including the percent of control, the nature of the underlying investee's business along with our rights as an investor pursuant to the operating agreement, the size of investment, expected holding period, number of shareholders, access to 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):

<u>Basis Point Change in Marketability Discount</u>	<u>Estimated Increase (Decrease) In Fair Value</u>
+100 basis points	\$ (49)
- 100 basis points	49

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Because the fair value of Ernest and Capella (2015 only) investments noted above approximate their original cost, we did not recognize any unrealized gains/losses during 2016, 2015, or 2014. To date, we have not received any distribution payments from our equity investment in Ernest. In regards to the Capella investment, we sold this investment in 2016 at our original cost (see Note 3 for further details of this disposal).

**11. Other Assets**

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

	<u>At December 31,</u>	
	<u>2016</u>	<u>2015</u>
Debt issue costs, net(1)	\$ 4,478	\$ 7,628
Equity investments	177,430	129,337
Other corporate assets	77,580	31,547
Prepays and other assets	44,285	27,028
<b>Total other assets</b>	<b><u>\$ 303,773</u></b>	<b><u>\$ 195,540</u></b>

(1) Relates to Revolving credit facility

Equity investments have increased over the prior year primarily due to our new investment in Steward — see Note 3 for further details. Other corporate assets include leasehold improvements associated with our corporate office space, furniture and fixtures, equipment, software, deposits, etc. Included in prepaids and other assets is prepaid insurance, prepaid taxes, goodwill, deferred income tax assets (net of valuation allowances, if any), and lease inducements made to tenants, among other items.

**12. Quarterly Financial Data (unaudited)**

*Medical Properties Trust, Inc.*

The following is a summary of the unaudited quarterly financial information for the years ended December 31, 2016 and 2015: (amounts in thousands, except for per share data)

	<u>For the Three Month Periods in 2016 Ended</u>			
	<u>March 31</u>	<u>June 30</u>	<u>September 30</u>	<u>December 31</u>
Revenues	\$ 134,999	\$ 126,300	\$ 126,555	\$ 153,283
Income from continuing operations	58,226	53,924	70,543	43,245
Net income	58,225	53,924	70,543	43,245
Net income attributable to MPT common stockholders	57,927	53,724	70,358	43,039
Net income attributable to MPT common stockholders per share — basic	\$ 0.24	\$ 0.23	\$ 0.29	\$ 0.13
Weighted average shares outstanding — basic	237,510	238,082	246,230	319,833
Net income attributable to MPT common stockholders per share — diluted	\$ 0.24	\$ 0.22	\$ 0.28	\$ 0.13
Weighted average shares outstanding — diluted	237,819	239,008	247,468	319,994

	<u>For the Three Month Periods in 2015 Ended</u>			
	<u>March 31</u>	<u>June 30</u>	<u>September 30</u>	<u>December 31</u>
Revenues	\$ 95,961	\$ 99,801	\$ 114,570	\$ 131,546
Income from continuing operations	35,976	22,489	23,123	58,339
Net income	35,976	22,489	23,123	58,339
Net income attributable to MPT common stockholders	35,897	22,407	23,057	58,237
Net income attributable to MPT common stockholders per share — basic	\$ 0.18	\$ 0.11	\$ 0.10	\$ 0.24
Weighted average shares outstanding — basic	202,958	208,071	223,948	237,011
Net income attributable to MPT common stockholders per share — diluted	\$ 0.17	\$ 0.11	\$ 0.10	\$ 0.24
Weighted average shares outstanding — diluted	203,615	208,640	223,948	237,011

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The following is a summary of the unaudited quarterly financial information for the years ended December 31, 2016 and 2015: (amounts in thousands, except for per unit data)

	For the Three Month Periods in 2016 Ended			
	March 31	June 30	September 30	December 31
Revenues	\$134,999	\$126,300	\$ 126,555	\$ 153,283
Income from continuing operations	58,226	53,924	70,543	43,245
Net income	58,225	53,924	70,543	43,245
Net income attributable to MPT Operating Partnership partners	57,927	53,724	70,358	43,039
Net income attributable to MPT Operating Partnership partners per unit — basic	\$ 0.24	\$ 0.23	\$ 0.29	\$ 0.13
Weighted average units outstanding — basic	237,510	238,082	246,230	319,833
Net income attributable to MPT Operating Partnership partners per unit — diluted	\$ 0.24	\$ 0.22	\$ 0.28	\$ 0.13
Weighted average units outstanding — diluted	237,819	239,008	247,468	319,994

	For the Three Month Periods in 2015 Ended			
	March 31	June 30	September 30	December 31
Revenues	\$ 95,961	\$ 99,801	\$ 114,570	\$ 131,546
Income from continuing operations	35,976	22,489	23,123	58,339
Net income	35,976	22,489	23,123	58,339
Net income attributable to MPT Operating Partnership partners	35,897	22,407	23,057	58,237
Net income attributable to MPT Operating Partnership partners per unit — basic	\$ 0.18	\$ 0.11	\$ 0.10	\$ 0.24
Weighted average units outstanding — basic	202,958	208,071	223,948	237,011
Net income attributable to MPT Operating Partnership partners per unit — diluted	\$ 0.17	\$ 0.11	\$ 0.10	\$ 0.24
Weighted average units outstanding — diluted	203,615	208,640	223,948	237,011

### 13. Subsequent Events

On February 1, 2017, we replaced our Credit Facility with a new revolving credit and term loan agreement. The new agreement includes a \$1.3 billion unsecured revolving loan facility, a \$200 million unsecured term loan facility, and a €200 million unsecured term loan facility. The new unsecured revolving loan facility matures in February 2021 and can be extended for an additional 12 months at our option. The \$200 million unsecured term loan facility matures on February 1, 2022 and the €200 million unsecured term loan facility matures on January 31, 2020, and can be extended for an additional 12 months at our option. The commitment fee on the total facility is paid at a rate of 0.25%. The term loan and/or revolving loan commitments may be increased in an aggregate amount not to exceed \$500 million.

At our election, loans under the new credit facility may be made as either ABR Loans or Eurodollar Loans. The applicable margin for term loans that are ABR Loans is adjustable on a sliding scale from 0.00% to 0.95% based on our current credit rating. The applicable margin for term loans that are Eurodollar Loans is adjustable on a sliding scale from 0.90% to 1.95% based on our current credit rating. The applicable margin for revolving loans that are ABR Loans is adjustable on a sliding scale from 0.00% to 0.65% based on our current credit rating. The applicable margin for revolving loans that are Eurodollar Loans is adjustable on a sliding scale from 0.875% to 1.65% based on our current credit rating. The facility fee is adjustable on a sliding scale from 0.125% to 0.30% based on our current credit rating and is payable on the revolving loan facility.

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On February 2, 2017, we delivered an irrevocable notice of full redemption to the holders of the €200 million aggregate principal amount of our 5.750% Senior Notes due 2020 and set a redemption date of March 4, 2017. To fund such redemption, including any premium and accrued interest, we plan to use the proceeds of the new euro term loan together with cash on hand.

With the new revolving credit facility and term loans along with the redemption of the 5.750% Senior Notes due 2020, we expect to incur a one-time debt refinancing charge of approximately \$13 million in the 2017 first quarter (of which approximately \$9 million relates to the redemption premium).

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

None.

**ITEM 9A. Controls and Procedures**

**Medical Properties Trust, Inc.**

(a) *Evaluation of Disclosure Controls and Procedures.* 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 period 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.

(b) *Management's Report on Internal Control over Financial Reporting.* The management of Medical Properties Trust, Inc. has prepared the consolidated financial statements and other information in our Annual Report in accordance with accounting principles generally accepted in the United States of America and is responsible for its accuracy. The financial statements necessarily include amounts that are based on management's best estimates and judgments. In meeting its responsibility, management relies on internal accounting and related control systems. The internal control systems are designed to ensure that transactions are properly authorized and recorded in our financial records and to safeguard our assets from material loss or misuse. Such assurance cannot be absolute because of inherent limitations in any internal control system.

Management of Medical Properties Trust, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

In connection with the preparation of our annual financial statements, management has undertaken an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2016. The assessment was based upon the framework described in the "Integrated Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") based on criteria established in *Internal Control — Integrated Framework (2013)*. Management's assessment included an evaluation of the design of internal control over financial reporting and testing of the operational effectiveness of internal control over financial reporting. We have reviewed the results of the assessment with the Audit Committee of our Board of Directors.

Based on our assessment under the criteria set forth in COSO, management has concluded that, as of December 31, 2016, Medical Properties Trust, Inc. maintained effective internal control over financial reporting.

The effectiveness of our internal control over financial reporting as of December 31, 2016, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

(c) *Changes in Internal Controls over Financial Reporting.* There has been no change in Medical Properties Trust, Inc.'s 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.

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

(a) *Evaluation of Disclosure 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 period 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.

(b) *Management's Report on Internal Control over Financial Reporting.* The management of MPT Operating Partnership, L.P. has prepared the consolidated financial statements and other information in our Annual Report in accordance with accounting principles generally accepted in the United States of America and is responsible for its accuracy. The financial statements necessarily include amounts that are based on management's best estimates and judgments. In meeting its responsibility, management relies on internal accounting and related control systems. The internal control systems are designed to ensure that transactions are properly authorized and recorded in our financial records and to safeguard our assets from material loss or misuse. Such assurance cannot be absolute because of inherent limitations in any internal control system.

Management of MPT Operating Partnership, L.P. is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

In connection with the preparation of our annual financial statements, management has undertaken an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2016. The assessment was based upon the framework described in the "Integrated Control-Integrated Framework" issued by COSO based on criteria established in *Internal Control — Integrated Framework (2013)*. Management's assessment included an evaluation of the design of internal control over financial reporting and testing of the operational effectiveness of internal control over financial reporting. We have reviewed the results of the assessment with the Audit Committee of our Board of Directors.

Based on our assessment under the criteria set forth in COSO, management has concluded that, as of December 31, 2016, MPT Operating Partnership, L.P. maintained effective internal control over financial reporting.

The effectiveness of our internal control over financial reporting as of December 31, 2016, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

(c) *Changes in Internal Controls over Financial Reporting.* There has been no change in MPT Operating Partnership, L.P.'s 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.

**ITEM 9B. Other Information**

None.

**PART III**

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

The information required by this Item 10 is incorporated by reference to our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which will be filed by us with the Commission not later than April 30, 2017.

**ITEM 11. *Executive Compensation***

The information required by this Item 11 is incorporated by reference to our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which will be filed by us with the Commission not later than April 30, 2017.

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

The information required by this Item 12 is incorporated by reference to our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which will be filed by us with the Commission not later than April 30, 2017.

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

The information required by this Item 13 is incorporated by reference to our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which will be filed by us with the Commission not later than April 30, 2017.

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

The information required by this Item 14 is incorporated by reference to our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, which will be filed by us with the Commission not later than April 30, 2017.

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PART IV

ITEM 15. *Exhibits and Financial Statement Schedules*

(a) Financial Statements and Financial Statement Schedules

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

[Report of Independent Registered Public Accounting Firm](#)

[Medical Properties Trust, Inc.](#)

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[MPT Operating Partnership, L.P.](#)

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Medical Properties Trust, Inc.

[Consolidated Balance Sheets as of December 31, 2016 and 2015](#)

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[Consolidated Statements of Net Income for the Years Ended December 31, 2016, 2015 and 2014](#)

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[Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2016, 2015, and 2014](#)

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[Consolidated Statements of Equity for the Years Ended December 31, 2016, 2015 and 2014](#)

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[Consolidated Statements of Cash Flows for the Years Ended December 31, 2016, 2015 and 2014](#)

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MPT Operating Partnership, L.P.

[Consolidated Balance Sheets as of December 31, 2016 and 2015](#)

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[Consolidated Statements of Net Income for the Years Ended December 31, 2016, 2015 and 2014](#)

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[Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2016, 2015, and 2014](#)

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[Consolidated Statements of Capital for the Years Ended December 31, 2016, 2015 and 2014](#)

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[Consolidated Statements of Cash Flows for the Years Ended December 31, 2016, 2015, and 2014](#)

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

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[Schedule III — Real Estate and Accumulated Depreciation](#)

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[Schedule IV — Mortgage Loans on Real Estate](#)

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**(b) Exhibits**

<u>Exhibit Number</u>	<u>Exhibit Title</u>
3.1(1)	Medical Properties Trust, Inc. Second Articles of Amendment and Restatement
3.2(3)	Articles of Amendment of Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.
3.3(6)	Articles of Amendment of Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.
3.4(19)	Articles of Amendment to Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.
3.5(32)	Articles of Amendment to Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.
3.6(33)	Articles of Amendment to Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.
3.7(2)	Medical Properties Trust, Inc. Second Amended and Restated Bylaws
3.8(32)	Amendment to Second Amended and Restated Bylaws of Medical Properties Trust, Inc.
3.9(40)	Amendment to Second Amended and Restated Bylaws of Medical Properties Trust, Inc.
3.10(41)	Amendment to Second Amended and Restated Bylaws of Medical Properties Trust, Inc.
4.1(1)	Form of Common Stock Certificate
4.2(4)	Indenture, dated July 14, 2006, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P. and the Wilmington Trust Company, as trustee
4.3(9)	Indenture, dated as of April 26, 2011, Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust Company, as Trustee.
4.4(26)	First Supplemental Indenture to 2011 Indenture, dated as of August 10, 2011, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.5(26)	Second Supplemental Indenture to 2011 Indenture, dated as of October 3, 2011, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.6(26)	Third Supplemental Indenture to 2011 Indenture, dated as of December 2, 2011, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.7(26)	Fourth Supplemental Indenture to 2011 Indenture, dated as of January 19, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.8(26)	Fifth Supplemental Indenture to 2011 Indenture, dated as of April 9, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.9(26)	Sixth Supplemental Indenture to 2011 Indenture, dated as of June 27, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.

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<u>Exhibit Number</u>	<u>Exhibit Title</u>
4.10(26)	Seventh Supplemental Indenture to 2011 Indenture, dated as of July 31, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.11(26)	Eighth Supplemental Indenture to 2011 Indenture, dated as of September 28, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.12(26)	Ninth Supplemental Indenture to 2011 Indenture, dated as of December 28, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.13(26)	Tenth Supplemental Indenture to 2011 Indenture, dated as of June 27, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.14(26)	Eleventh Supplemental Indenture to 2011 Indenture, dated as of August 8, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.15(26)	Twelfth Supplemental Indenture to 2011 Indenture, dated as of October 30, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.16(26)	Thirteenth Supplemental Indenture to 2011 Indenture, dated as of December 20, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.17(31)	Fourteenth Supplemental Indenture to 2011 Indenture, dated as of March 31, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.18(27)	Fifteenth Supplemental Indenture to 2011 Indenture, dated as of June 30, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.19(31)	Sixteenth Supplemental Indenture to 2011 Indenture, dated as of October 3, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.20(20)	Indenture, dated as of February 17, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.21(23)	First Supplemental Indenture to 2012 Indenture, dated as of April 9, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.22(23)	Second Supplemental Indenture to 2012 Indenture, dated as of June 27, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.23(23)	Third Supplemental Indenture to 2012 Indenture, dated as of July 31, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.24(23)	Fourth Supplemental Indenture to 2012 Indenture, dated as of September 28, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.

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<u>Exhibit Number</u>	<u>Exhibit Title</u>
4.25(23)	Fifth Supplemental Indenture to 2012 Indenture, dated as of December 26, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.26(23)	Sixth Supplemental Indenture to 2012 Indenture, dated as of June 27, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.27(23)	Seventh Supplemental Indenture to 2012 Indenture, dated as of August 8, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.28(24)	Eighth Supplemental Indenture to 2012 Indenture, dated as of August 20, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.29(26)	Ninth Supplemental Indenture to 2012 Indenture, dated as of October 30, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.30(26)	Tenth Supplemental Indenture to 2012 Indenture, dated as of December 20, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.31(28)	Eleventh Supplemental Indenture to 2012 Indenture, dated as of March 31, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.32(27)	Twelfth Supplemental Indenture to 2012 Indenture, dated as of June 30, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.33(31)	Thirteenth Supplemental Indenture to 2012 Indenture, dated as of October 3, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.34(25)	Indenture, dated as of October 10, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.35(25)	First Supplemental Indenture to 2013 Indenture, dated as of October 10, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.36(26)	Second Supplemental Indenture to 2013 Indenture, dated as of October 30, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.37(26)	Third Supplemental Indenture to 2013 Indenture, dated as of December 20, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.38(28)	Fourth Supplemental Indenture to 2013 Indenture, dated as of March 31, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.39(29)	Fifth Supplemental Indenture to 2013 Indenture, dated as of April 17, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.

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<u>Exhibit Number</u>	<u>Exhibit Title</u>
4.40(27)	Sixth Supplemental Indenture to 2013 Indenture, dated as of June 30, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.41(31)	Seventh Supplemental Indenture to 2013 Indenture, dated as of October 3, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.42(34)	Eighth Supplemental Indenture to 2013 Indenture, dated as of August 19, 2015, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, Wilmington trust, N.A., as Trustee, Deutsche Bank Trust company Americas, as Paying Agent, and Deutsche Bank Luxembourg S.A., as Registrar and Transfer Agent.
4.43(36)	Ninth Supplemental Indenture, dated as of February 22, 2016, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, and Wilmington Trust, National Association, as trustee.
4.44(39)	Tenth Supplemental Indenture, dated as of July 22, 2016, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, and Wilmington Trust, National Association, as trustee.
10.2(8)	Medical Properties Trust, Inc. 2013 Equity Incentive Plan
10.3(7)	Form of Stock Option Award
10.4(7)	Form of Restricted Stock Award
10.5(7)	Form of Deferred Stock Unit Award
10.6(1)	Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated September 10, 2003
10.7(1)	First Amendment to Employment Agreement between Registrant and Edward K. Aldag, Jr., dated March 8, 2004
10.8(1)	Employment Agreement between Medical Properties Trust, Inc. and R. Steven Hamner, dated September 10, 2003
10.9(1)	Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated September 10, 2003
10.10(1)	Form of Indemnification Agreement between Medical Properties Trust, Inc. and executive officers and directors
10.11(11)	Form of Medical Properties Trust, Inc. 2007 Multi-Year Incentive Plan Award Agreement (LTIP Units)
10.12(11)	Form of Medical Properties Trust, Inc. 2007 Multi-Year Incentive Plan Award Agreement (Restricted Shares)
10.13(16)	Second Amendment to Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated September 29, 2006
10.14(16)	First Amendment to Employment Agreement between Medical Properties Trust, Inc. and R. Steven Hamner, dated September 29, 2006
10.15(16)	First Amendment to Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated September 29, 2006
10.16(17)	Second Amendment to Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated January 1, 2008

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<u>Exhibit Number</u>	<u>Exhibit Title</u>
10.17(17)	Third Amendment to Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated January 1, 2009
10.18(17)	Second Amendment to Employment Agreement between Medical Properties Trust, Inc. and Richard S. Hamner, dated January 1, 2008
10.19(17)	Third Amendment to Employment Agreement between Medical Properties Trust, Inc. and R. Steven Hamner, dated January 1, 2009
10.20(17)	Third Amendment to Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated January 1, 2008
10.21(17)	Fourth Amendment to Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated January 1, 2009
10.22(9)	Amended and Restated Revolving Credit and Term Loan Agreement, dated as of April 26, 2011, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., KeyBank National Association as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent
10.23(30)	Amended and Restated Revolving Credit and Term Loan Agreement, dated as of June 19, 2014, 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.
10.24(31)	First Amendment to Amended and Restated Revolving Credit and Term Loan Agreement, dated as of October 17, 2014, 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.
10.25(35)	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.
10.26(35)	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.
10.27(19)	Master Sublease Agreement between certain subsidiaries of MPT Development Services, Inc. as Lessor, and certain subsidiaries of Ernest Health, Inc., as Lessee.
10.28(22)	Master Lease Agreement I between certain subsidiaries of MPT Operating Partnership, LP, as Lessor, and certain subsidiaries of Prime Healthcare Services, Inc., as Lessee and related first amendment and Master Lease Agreement II between certain subsidiaries of MPT Operating Partnership, LP, as Lessor, and certain subsidiaries of Prime Healthcare Services, Inc., as Lessee and related first amendment.
10.29(33)	Form of Master Lease Agreement between certain subsidiaries of MPT Operating Partnership, L.P., as Lessor, and MEDIAN Kliniken S.a.r.l. and certain of its subsidiaries, as Lessee, and related first and second amendments.
10.30(37)	Master Lease Agreement between certain subsidiaries of MPT Development Services, Inc., as Lessor, and certain subsidiaries of Capella Holdings, Inc., as Lessee.
10.31(37)	Joinder and Amendment to Master Lease Agreement between certain subsidiaries of MPT Development Services, Inc., as Lessor, and certain subsidiaries of Capella Holdings, Inc., as Lessee.

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<u>Exhibit Number</u>	<u>Exhibit Title</u>
10.32(38)	Amended and Restated Master Lease Agreement between certain subsidiaries of MPT Operating Partnership, L.P., as lessor and certain subsidiaries of Capella Holdings, Inc., as lessee.
10.33*	Master Lease Agreement by and among certain subsidiaries of MPT Operating Partnership, L.P. as Lessor and certain subsidiaries of Steward Health Care System LLC, Lessee.
10.34*	Real Estate Loan Agreement by and among certain subsidiaries of MPT Operating Partnership, L.P. as Lessor and certain subsidiaries of Steward Health Care System LLC, Lessee.
10.35*	Amended and Restated Revolving Credit and Term Loan Agreement, dated as of February 1, 2017, 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.
12.1*	Statement re Computation of Ratios
21.1*	Subsidiaries of Medical Properties Trust, Inc.
23.1*	Consent of PricewaterhouseCoopers LLP
23.2*	Consent of PricewaterhouseCoopers LLP
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.)
31.4*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. (MPT Operating Partnership, L.P.)
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.)
Exhibit 101.INS	XBRL Instance Document
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

\* Filed herewith.

\*\* Furnished herewith.

(1) Incorporated by reference to Registrant's Registration Statement on Form S-11 filed with the Commission on October 26, 2004, as amended (File No. 333-119957).

(2) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on November 24, 2009.

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- (3) Incorporated by reference to Registrant's quarterly report on Form 10-Q for the quarter ended September 30, 2005, filed with the Commission on November 10, 2005.
- (4) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on July 20, 2006.
- (5) Reserved.
- (6) Incorporated by reference to the Registrant's current report on Form 8-K, filed with the Commission on January 13, 2009.
- (7) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on October 18, 2005.
- (8) Incorporated by reference to Registrant's definitive proxy statement on Schedule 14A, filed with the Commission on April 26, 2013.
- (9) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on May 2, 2011.
- (10) Reserved.
- (11) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on August 6, 2007, as amended by Medical Properties Trust, Inc.'s current report on Form 8-K/A, filed with the Commission on August 15, 2007.
- (12) Reserved.
- (13) Reserved.
- (14) Reserved.
- (15) Reserved.
- (16) Incorporated by reference to Registrant's annual report on Form 10-K/A for the period ended December 31, 2007, filed with the Commission on July 11, 2008.
- (17) Incorporated by reference to Registrant's annual report on Form 10-K for the period ended December 31, 2008, filed with the Commission on March 13, 2009.
- (18) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on June 11, 2010.
- (19) Incorporated by reference to Medical Properties Trust, Inc.'s current report on Form 8-K, filed with the Commission on January 31, 2012.
- (20) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s current report on Form 8-K, filed with the Commission on February 24, 2012.
- (21) Reserved.
- (22) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s quarterly report on Form 10-Q, filed with the Commission on November 9, 2012.
- (23) Incorporated by reference to Medical Properties Trust, Inc., MPT Operating Partnership, L.P. and MPT Finance Corporation's registration statement on Form S-3, filed with the Commission on August 9, 2013.
- (24) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s current report on Form 8-K, filed with the Commission on August 20, 2013.
- (25) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s current report on Form 8-K, filed with the Commission on October 16, 2013.
- (26) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s annual report on Form 10-K, filed with the Commission on March 3, 2014.
- (27) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s quarterly report on Form 10-Q, filed with the Commission on August 11, 2014.
- (28) Incorporated by reference to Medical Properties Trust, Inc., MPT Operating Partnership, L.P. and MPT Finance Corporation's post-effective amendment to registration statement on Form S-3, filed with the Commission on April 10, 2014.
- (29) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s current report on Form 8-K, filed with the Commission on April 23, 2014.
- (30) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s current report on Form 8-K, filed with the Commission on June 25, 2014.

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- (31) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s annual report on Form 10-K, filed with the Commission on March 2, 2015.
- (32) Incorporated by reference to Medical Properties Trust, Inc.'s current report on Form 8-K, filed with the Commission on June 26, 2015.
- (33) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s quarterly report on Form 10-Q, filed with the Commission on August 10, 2015.
- (34) Incorporated by reference to Medical Properties Trust, Inc.'s current report on Form 8-K, filed with the Commission on August 21, 2015.
- (35) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s quarterly report on Form 10-Q, filed with the Commission on November 9, 2015.
- (36) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on February 22, 2016.
- (37) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s annual report on Form 10-K, filed with the Commission on February 29, 2016.
- (38) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s quarterly report on Form 10-Q, filed with the Commission on May 10, 2016.
- (39) Incorporated by reference to Medical Properties Trust, Inc.'s Current Report on Form 8-K filed with the Commission on July 22, 2016.
- (40) Incorporated by reference to Medical Properties Trust, Inc.'s Current Report on Form 8-K filed with the Commission on November 16, 2016.
- (41) Incorporated by reference to Medical Properties Trust, Inc.'s Current Report on Form 8-K filed with the Commission on February 22, 2017.

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

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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/ J. Kevin Hanna  
J. Kevin Hanna  
Vice President, Controller, and Chief Accounting Officer

MPT OPERATING PARTNERSHIP, L.P.

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

Date: March 1, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Edward K. Aldag, Jr.</u> Edward K. Aldag, Jr.	Chairman of the Board, President, Chief Executive Officer and Director (Principal Executive Officer)	March 1, 2017
<u>/s/ R. Steven Hamner</u> R. Steven Hamner	Executive Vice President, Chief Financial Officer and Director (Principal Financial Officer)	March 1, 2017
<u>/s/ G. Steven Dawson</u> G. Steven Dawson	Director	March 1, 2017
<u>/s/ Robert E. Holmes, Ph.D.</u> Robert E. Holmes, Ph.D.	Director	March 1, 2017
<u>/s/ Sherry A. Kellett</u> Sherry A. Kellett	Director	March 1, 2017
<u>/s/ William G. McKenzie</u> William G. McKenzie	Director	March 1, 2017
<u>/s/ Michael G. Stewart</u> Michael G. Stewart	Director	March 1, 2017
<u>/s/ D. Paul Sparks, Jr.</u> D. Paul Sparks	Director	March 1, 2017
<u>/s/ C. Reynolds Thompson, III</u> C. Reynolds Thompson, III	Director	March 1, 2017

**Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.**  
**Schedule II: Valuation and Qualifying Accounts**  
**December 31, 2016**

<u>Year Ended December 31,</u>	<u>Balance at</u> <u>Beginning of</u> <u>Year(1)</u>	<u>Additions</u> <u>Charged</u> <u>Against</u> <u>Operations(1)</u>	<u>Deductions</u> <u>Net</u> <u>Recoveries/</u> <u>Writeoffs(1)</u>	<u>Balance at</u> <u>End of Year(1)</u>
			(In thousands)	
2016	\$ 27,384	\$ 2,722(2)	\$ (11,254)(3)	\$ 18,852
2015	\$ 20,129	\$ 8,205(4)	\$ (950)(5)	\$ 27,384
2014	\$ 41,573	\$ 65,512(6)	\$ (86,956)(7)	\$ 20,129

- (1) Includes allowance for doubtful accounts, straight-line rent reserves, allowance for loan losses, tax valuation allowances and other reserves.
- (2) Includes \$1.9 million of rent reserves related to our Twelve Oaks facility and \$0.8 million of rent reserves related to our Corinth facility.
- (3) Includes writeoffs of \$3.3 million related to payment of rent, late fees, and loans for our Twelve Oaks facility; \$0.8 million of writeoffs for rent and interest reserves related to the sale of the Corinth facility; \$0.1 million of writeoffs related to the McLeod Healthcare loan; and \$6.1 million decrease in valuation allowance (which includes the \$4 million release of foreign valuation allowances in the 2016 fourth quarter) to reserve our net deferred tax assets.
- (4) Includes \$1.5 million of rent and late fee reserves related to our Twelve Oaks facility; \$0.5 million of rent reserves related to our Healthtrax properties; and \$6.2 million to fully reserve our net deferred tax assets.
- (5) Writeoffs of rent and interest reserves related to sale of Healthtrax properties.
- (6) Includes the \$47 million of impairment charges related to the Monroe property, \$9.5 million of rent and interest reserves primarily related to the Monroe property (prior to change in operators — see Note 3 to Item 8 of this Annual Report on Form 10-K for further details), and approximately \$9 million increase in the valuation allowance to fully reserve our net deferred tax assets.
- (7) Writeoffs of loans and other receivables related to the Monroe facility due to change in operators.

SCHEDULE III — REAL ESTATE INVESTMENTS AND ACCUMULATED DEPRECIATION  
December 31, 2016

Location	Type of Property	Initial Costs		Additions Subsequent to Acquisition		Cost at December 31, 2016(1)			Accumulated Depreciation	Encumbrances	Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed (Years)
		Land	Buildings	Improvements	Carrying Costs	Land	Buildings	Total					
(Dollar amounts in thousands)													
Bad Rappenau, Germany	Rehabilitation hospital	\$ —	\$ 9,159	\$ —	\$ —	\$ —	\$ 9,159	\$ 9,159	\$ 706	\$ —	1994	November 30, 2013	40
Dahlen, Germany	Rehabilitation hospital	360	19,863	—	—	360	19,863	20,223	1,531	—	1996	November 30, 2013	40
Bad Dürkheim, Germany	Rehabilitation hospital	3,074	14,531	—	—	3,074	14,531	17,605	1,120	—	1960	November 30, 2013	40
Bad Liebenwerda, Germany	Rehabilitation hospital	335	17,307	—	—	335	17,307	17,642	1,334	—	1994	November 30, 2013	40
Ortenberg, Germany	Rehabilitation hospital	89	5,070	—	—	89	5,070	5,159	391	—	1981	November 30, 2013	40
Wiesbaden, Germany	Rehabilitation hospital	2,980	14,334	—	—	2,980	14,334	17,314	1,105	—	1977	November 30, 2013	40
Bad Dürkheim, Germany	Rehabilitation hospital	—	28,758	—	—	—	28,758	28,758	2,217	—	1992	November 30, 2013	40
Bad Liebenwerda, Germany	Rehabilitation hospital	522	14,469	—	—	522	14,469	14,991	1,115	—	1904, 1995	November 30, 2013	40
Bad Dürkheim, Germany	Rehabilitation hospital	705	6,337	—	—	705	6,337	7,042	488	—	1980	November 30, 2013	40
Bad Dürkheim, Germany	Rehabilitation hospital	5,649	15,597	—	—	5,649	15,597	21,246	1,202	—	1930	November 30, 2013	40
Bad Rappenau, Germany	Rehabilitation hospital	3,312	5,642	—	—	3,312	5,642	8,954	435	—	1986	November 30, 2013	40
Bad Tölz, Germany	Rehabilitation hospital	2,134	9,187	—	—	2,134	9,187	11,321	478	—	1974	November 19, 2014	40
Bad Liebenstein, Germany	Rehabilitation hospital	1,554	32,836	—	—	1,554	32,836	34,390	1,779	—	1954, 1992	November 5, 2014	40
Bad Mergentheim, Germany	Rehabilitation hospital	—	10,891	—	—	—	10,891	10,891	567	—	1988, 1995	December 11, 2014	40
Bath, UK	Acute care general hospital	1,463	30,316	—	—	1,463	30,316	31,779	1,895	—	2008, 2009	July 1, 2014	40
Ottenhöfen, Germany	Rehabilitation hospital	2,182	12,278	105	—	2,287	12,278	14,565	471	—	1956/1957	July 3, 2015	40
Bad Berka, Germany	Rehabilitation hospital	3,124	14,569	163	—	3,287	14,569	17,856	531	—	1997	July 22, 2015	40
Wiesbaden, Germany	Rehabilitation hospital	1,557	7,220	37	—	1,594	7,220	8,814	274	—	1974	June 30, 2015	40
Bad Lausick, Germany	Rehabilitation hospital	1,677	15,176	147	—	1,824	15,176	17,000	584	—	1993	June 30, 2015	40
Bad Sülze, Germany	Rehabilitation hospital	2,224	19,184	189	—	2,413	19,184	21,597	738	—	1993	June 30, 2015	40
Kurort Berggießhübel, Germany	Rehabilitation hospital	2,966	14,961	131	—	3,097	14,961	18,058	542	—	1993	July 21, 2015	40
Braunfels, Germany	Acute care general hospital	2,019	12,907	53	—	2,072	12,907	14,979	489	—	1977	June 30, 2015	40
Bernkastel-Kues, Germany	Rehabilitation hospital	3,386	14,709	42	—	3,428	14,709	18,137	525	—	1982	July 15, 2015	40
Flechtingen, Germany	Rehabilitation hospital	2,692	13,590	142	—	2,834	13,590	16,424	524	—	1993	June 30, 2015	40
Flechtingen, Germany	Rehabilitation hospital	2,692	21,291	210	—	2,902	21,291	24,193	819	—	1993-1995	June 30, 2015	40
Nordrach, Germany	Rehabilitation hospital	294	2,818	79	—	373	2,818	3,191	114	—	1960	July 7, 2015	40
Bad Gottleuba, Germany	Rehabilitation hospital	49	14,462	835	—	884	14,462	15,346	417	—	1913	December 16, 2015	40
Grünheide, Germany	Rehabilitation hospital	2,674	39,306	321	—	2,995	39,306	42,301	1,422	—	1994/2014	July 31, 2015	40
Baden-Baden, Germany	Rehabilitation hospital	1,230	8,652	121	—	1,351	8,652	10,003	337	—	2003	June 30, 2015	40
Gyhum, Germany	Rehabilitation hospital	3,755	21,461	330	—	4,085	21,461	25,546	838	—	1994	June 30, 2015	40
Hannover, Germany	Rehabilitation hospital	—	—	—	—	—	—	—	—	—	1900 (renovations in 1997, 2000, 2009)	December 1, 2015	40
Heiligendamm, Germany	Rehabilitation hospital	3,081	14,562	300	—	3,381	14,562	17,943	416	—	—	—	—
Bad Camberg, Germany	Rehabilitation hospital	4,049	25,235	200	—	4,249	25,235	29,484	966	—	1995	June 30, 2015	40
Hoppegarten, Germany	Rehabilitation hospital	1,961	14,956	252	—	2,213	14,956	17,169	586	—	1973	June 30, 2015	40
Ban Nauheim, Germany	Rehabilitation hospital	3,770	23,351	231	—	4,001	23,351	27,352	849	—	1994	July 27, 2015	40
Kalbe, Germany	Rehabilitation hospital	2,976	15,036	137	—	3,113	15,036	18,149	578	—	1977	June 30, 2015	40
Bad Soden-Salmünster, Germany	Rehabilitation hospital	3,292	21,994	158	—	3,450	21,994	25,444	841	—	1995	July 6, 2015	40
Berlin, Germany	Rehabilitation hospital	904	6,276	116	—	1,020	6,276	7,296	247	—	1974	June 30, 2015	40
Berlin, Germany	Rehabilitation hospital	—	20,107	179	—	179	20,107	20,286	775	—	1998	July 16, 2015	40

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Location	Type of Property	Initial Costs		Additions Subsequent to Acquisition		Cost at December 31, 2016(1)			Accumulated	Encumbrances	Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed (Years)
		Land	Buildings	Improvements	Carrying Costs	Land	Buildings	Total	Depreciation				
(Dollar amounts in thousands)													
Bad Lobenstein, Germany	Rehabilitation hospital	3,429	19,442	174	—	3,603	19,442	23,045	746	—	1994	June 30, 2015	40
Bernkastel-Kues, Germany	Rehabilitation hospital	757	10,926	126	—	883	10,926	11,809	422	—	1993	July 14, 2015	40
Magdeburg, Germany	Rehabilitation hospital	13,931	51,674	242	—	14,173	51,674	65,847	1,853	—	1999/2014	July 22, 2015	40
Schlangenbad, Germany	Rehabilitation hospital	1,015	3,302	258	—	1,273	3,302	4,575	150	—	1973	June 30, 2015	40
Bad Dürrhein, Germany	Rehabilitation hospital	1,346	11,038	221	—	1,567	11,038	12,605	412	—	1960-1970	July 24, 2015	40
Bad Krozingen, Germany	Rehabilitation hospital	1,425	10,392	110	—	1,535	10,392	11,927	378	—	2008	July 24, 2015	40
Bad Nauheim, Germany	Rehabilitation hospital	1,704	8,906	53	—	1,757	8,906	10,663	339	—	1972-1973	June 30, 2015	40
Bad Tennstedt, Germany	Rehabilitation hospital	3,560	26,396	195	—	3,755	26,396	30,151	1,009	—	1993	June 30, 2015	40
Wismar, Germany	Rehabilitation hospital	3,355	19,989	189	—	3,544	19,989	23,533	769	—	1996	June 30, 2015	40
Heidelberg, Germany	Rehabilitation hospital	5,757	33,689	438	—	6,195	33,689	39,884	436	—	1885/1991	June 22, 2016	40
Bad Kösen, Germany	Rehabilitation hospital	1,189	6,941	—	—	1,189	6,941	8,130	29	—	1992	October 27, 2016	40
Bad Kösen, Germany	Rehabilitation hospital	1,203	7,095	—	—	1,203	7,095	8,298	30	—	1996	October 27, 2016	40
Bad Kösen, Germany	Rehabilitation hospital	717	4,473	—	—	717	4,473	5,190	19	—	1997	October 27, 2016	40
Bad Salzdetfurth, Germany	Rehabilitation hospital	1,129	6,556	—	—	1,129	6,556	7,685	14	—	1987	November 23, 2016	40
Bad Bertrich, Germany	Rehabilitation hospital	631	3,787	—	—	631	3,787	4,418	8	—	1910,1980-1985	November 30, 2016	40
Lübeck, Germany	Rehabilitation hospital	673	4,922	38	—	711	4,922	5,633	—	—	1900/2011	December 31, 2016	40
Vitense-Parber, Germany	Rehabilitation hospital	540	3,938	30	—	570	3,938	4,508	—	—	1800/1995	December 31, 2016	40
Breuberg-Sandbach, Germany	Rehabilitation hospital	1,554	11,485	88	—	1,642	11,485	13,127	—	—	1901/1984	December 31, 2016	40
Ravensruth, Germany	Rehabilitation hospital	407	3,199	25	—	432	3,199	3,631	—	—	1860/1992	December 31, 2016	40
Wildeck, Germany	Rehabilitation hospital	731	5,250	40	—	771	5,250	6,021	—	—	1600/2013	December 31, 2016	40
Römhild, Germany	Rehabilitation hospital	169	8,039	62	—	231	8,039	8,270	—	—	1902/2000	December 31, 2016	40
Bad Hersfeld, Germany	Rehabilitation hospital	507	3,773	29	—	536	3,773	4,309	—	—	1930/2014	December 31, 2016	40
Houston, TX	Acute care general hospital	3,501	34,530	8,477	16,589	3,274	59,823	63,097	9,663	—	1960	August 10, 2007	40
Allen, TX	Freestanding ER	1,550	3,921	—	—	1,550	3,921	5,471	245	—	2014	July 14, 2014	40
San Diego, CA	Acute care general hospital	12,663	52,432	—	—	12,663	52,432	65,095	7,755	—	1973	February 9, 2011	40
Alvin, TX	Freestanding ER	105	4,087	—	—	105	4,087	4,192	258	—	2014	March 19, 2014	40
Houston, TX	Freestanding ER	950	4,576	—	—	950	4,576	5,526	29	—	2016	September 26, 2016	40
Aurora, CO	Freestanding ER	—	4,812	—	—	—	4,812	4,812	150	—	2015	September 17, 2015	40
Ft. Worth, TX	Freestanding ER	—	4,392	—	—	—	4,392	4,392	192	—	2015	March 27, 2015	40
Bayonne, NJ	Acute care general hospital	2,003	51,495	—	—	2,003	51,495	53,498	15,234	—	1918	February 4, 2011	20
Bennettsville, SC	Acute care general hospital	794	15,772	—	—	794	15,772	16,566	3,419	—	1984	April 1, 2008	40
Blue Springs, MO	Acute care general hospital	4,347	23,494	—	—	4,347	23,494	27,841	1,183	—	1980	February 13, 2015	40
Bossier City, LA	Long term acute care hospital	900	17,818	—	—	900	17,818	18,718	3,895	—	1982	April 1, 2008	40
Brighton, MA	Acute care general hospital	18,638	147,266	—	—	18,638	147,266	165,904	922	—	1917-2009	October 3, 2016	41
Brockton, MA	Acute care general hospital	18,141	66,562	—	—	18,141	66,562	84,703	526	—	1965-2010	October 3, 2016	41
Austin, TX	Freestanding ER	1,140	3,853	—	—	1,140	3,853	4,993	249	—	2014	May 29, 2014	40
Broomfield, CO	Freestanding ER	825	3,895	—	—	825	3,895	4,720	243	—	2014	July 3, 2014	40
Glendale, AZ	Freestanding ER	1,144	6,005	—	—	1,144	6,005	7,149	25	—	2016	October 21, 2016	40
New Orleans, LA	Freestanding ER	2,850	5,599	—	—	2,850	5,599	8,449	35	—	2016	September 23, 2016	40

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Location	Type of Property	Initial Costs		Additions Subsequent to Acquisition		Cost at December 31, 2016(1)			Accumulated		Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed (Years)
		Land	Buildings	Improvements	Carrying Costs	Land	Buildings	Total	Depreciation	Encumbrances			
(Dollar amounts in thousands)													
Carrollton, TX	Acute care general hospital	729	34,342	—	—	729	34,342	35,071	1,216	—	2015	July 17, 2015	40
Cedar Hill, TX	Freestanding ER	1,122	3,644	—	—	1,122	3,644	4,766	228	—	2014	June 23, 2014	40
Spring, TX	Freestanding ER	1,310	4,203	—	—	1,310	4,203	5,513	263	—	2014	July 15, 2014	40
Chandler, AZ	Freestanding ER	—	4,783	—	—	—	4,783	4,783	199	—	2015	April 24, 2015	40
Chandler, AZ	Freestanding ER	750	3,852	—	—	750	3,852	4,602	120	—	2015	October 7, 2015	40
Cheraw, SC	Acute care general hospital	657	19,576	—	—	657	19,576	20,233	4,242	—	1982	April 1, 2008	40
Katy, TX	Freestanding ER	—	3,873	—	—	—	3,873	3,873	113	—	2015	October 21, 2015	40
Webster, TX	Long term acute care hospital	663	33,751	—	—	663	33,751	34,414	5,063	—	2004	December 21, 2010	40
Commerce City, TX	Freestanding ER	707	4,236	—	—	707	4,236	4,943	221	—	2014	December 11, 2014	40
Conroe, TX	Freestanding ER	1,338	3,712	—	—	1,338	3,712	5,050	131	—	2015	July 29, 2015	40
Converse, TX	Freestanding ER	750	4,423	—	—	750	4,423	5,173	194	—	2015	April 10, 2015	40
The Woodlands, TX	Freestanding ER	—	4,740	—	—	—	4,740	4,740	89	—	2016	March 28, 2016	40
Dallas, TX	Long term acute care hospital	1,000	13,589	—	368	1,421	13,536	14,957	3,496	—	2006	September 5, 2006	40
Denver, CO	Freestanding ER	—	4,276	—	—	—	4,276	4,276	169	—	2015	June 8, 2015	40
DeSoto, TX	Freestanding ER	750	4,569	—	—	750	4,569	5,319	67	—	2016	May 23, 2016	40
DeSoto, TX	Long term acute care hospital	1,067	10,701	86	8	1,161	10,701	11,862	1,476	—	2008	July 18, 2011	40
Detroit, MI	Long term acute care hospital	1,220	8,687	—	(365)	1,220	8,322	9,542	1,862	—	1956	May 22, 2008	40
San Antonio, TX	Freestanding ER	—	5,157	—	—	—	5,157	5,157	11	—	2016	December 9, 2016	40
Dulles, TX	Freestanding ER	1,076	3,784	—	—	1,076	3,784	4,860	220	—	2014	September 12, 2014	40
Houston, TX	Freestanding ER	1,345	3,678	—	—	1,345	3,678	5,023	230	—	2014	June 20, 2014	40
Fairmont, CA	Acute care general hospital	1,000	12,301	3,928	—	1,277	15,952	17,229	857	—	1939,1972,1985	September 19, 2014	40
Fall River, MA	Acute care general hospital	2,406	82,358	—	—	2,406	82,358	84,764	526	—	1950-2012	October 3, 2016	41
Firestone, TX	Freestanding ER	495	3,963	—	—	495	3,963	4,458	256	—	2014	June 6, 2014	40
Florence, AZ	Acute care general hospital	900	28,462	105	—	900	28,567	29,467	3,388	—	2012	February 7, 2012	40
Fort Lauderdale, FL	Rehabilitation hospital	3,499	21,939	—	1	3,499	21,940	25,439	4,763	—	1985	April 22, 2008	40
Fountain, CO	Freestanding ER	1,508	4,131	—	—	1,508	4,131	5,639	250	—	2014	July 31, 2014	40
Frisco, TX	Freestanding ER	—	4,735	—	—	—	4,735	4,735	99	—	2016	March 4, 2016	40
Frisco, TX	Freestanding ER	2,441	4,474	—	—	2,441	4,474	6,915	130	—	2015	November 13, 2015	40
Frisco, TX	Freestanding ER	1,500	3,863	27	(89)	1,411	3,890	5,301	251	—	2014	June 13, 2014	40
Garden Grove, CA	Acute care general hospital	5,502	10,748	—	51	5,502	10,799	16,301	2,196	—	1982	November 25, 2008	40
Garland, TX	Freestanding ER	—	4,954	—	—	—	4,954	4,954	21	—	2016	November 15, 2016	40
Garden Grove, CA	Medical Office Building	862	7,888	—	28	862	7,916	8,778	1,603	—	1982	November 25, 2008	40
Gilbert, AZ	Acute care general hospital	150	15,553	—	—	150	15,553	15,703	2,333	—	2005	January 4, 2011	40
Gilbert, AZ	Freestanding ER	1,518	4,660	—	—	1,518	4,660	6,178	165	—	2015	July 22, 2015	40
Glendale, AZ	Freestanding ER	—	4,046	—	—	—	4,046	4,046	160	—	2015	June 5, 2015	40
Goodyear, AZ	Freestanding ER	1,800	4,709	—	—	1,800	4,709	6,509	88	—	2016	April 4, 2016	40

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Location	Type of Property	Initial Costs		Additions Subsequent to Acquisition		Cost at December 31, 2016(1)			Accumulated Depreciation	Encumbrances	Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed (Years)
		Land	Buildings	Improvements	Carrying Costs	Land	Buildings	Total					
(Dollar amounts in thousands)													
Hartsville, SC	Acute care general hospital	2,050	43,970	—	—	2,050	43,970	46,020	957	—	1999	August 31, 2015	34
Hausman, TX	Acute care general hospital	1,500	8,958	—	—	1,500	8,958	10,458	835	—	2013	March 1, 2013	40
Helotes, TX	Freestanding ER	1,900	5,297	—	—	1,900	5,297	7,197	110	—	2016	March 10, 2016	40
Highland Village, TX	Freestanding ER	—	4,016	—	—	—	4,016	4,016	126	—	2015	September 22, 2015	40
Hill County, TX	Acute care general hospital	1,120	17,882	—	—	1,120	17,882	19,002	7,492	—	1980	September 17, 2010	40
Hoboken, NJ	Acute care general hospital	1,387	44,351	—	—	1,387	44,351	45,738	11,394	—	1863	November 4, 2011	20
Hoover, AL	Freestanding ER	—	7,581	—	—	—	7,581	7,581	369	—	2015	May 1, 2015	34
Hoover, AL	Medical Office Building	—	1,034	—	—	—	1,034	1,034	50	—	2015	May 1, 2015	34
Hot Springs, AR	Acute care general hospital	7,100	59,432	19,113	—	7,100	78,545	85,645	2,480	—	1985	August 31, 2015	40
Highlands Ranch, CO	Freestanding ER	4,200	4,763	—	—	4,200	4,763	8,963	50	—	2016	July 25, 2016	40
Idaho Falls, ID	Acute care general hospital	1,822	37,467	—	4,665	1,822	42,132	43,954	9,086	—	2002	April 1, 2008	40
Kansas City, MO	Acute care general hospital	10,497	64,419	—	—	10,497	64,419	74,916	3,146	—	1978	February 13, 2015	40
Katy, TX	Freestanding ER	—	4,671	—	—	—	4,671	4,671	29	—	2016	October 10, 2016	40
Camden, SC	Acute care general hospital	—	22,739	—	—	—	22,739	22,739	384	—	1954-2004	October 30, 2015	20
Lafayette, IN	Rehabilitation hospital	800	14,968	(25)	—	800	14,943	15,743	1,450	—	2013	February 1, 2013	40
Little Elm, TX	Freestanding ER	1,241	3,491	—	—	1,241	3,491	4,732	266	—	2013	December 1, 2013	40
Longmont, CO	Freestanding ER	—	4,770	—	—	—	4,770	4,770	109	—	2016	February 10, 2016	40
Lubbock, TX	Rehabilitation hospital	1,376	28,292	705	—	1,376	28,997	30,373	1,072	—	2008	June 16, 2015	40
Mandeville, LA	Freestanding ER	2,800	5,004	—	—	2,800	5,004	7,804	21	—	2016	October 28, 2016	40
Marrero, LA	Freestanding ER	—	5,756	—	—	—	5,756	5,756	72	—	2016	July 15, 2016	40
McKinney, TX	Freestanding ER	—	4,060	—	—	—	4,060	4,060	193	—	2015	July 31, 2015	30
McMinnville, OR	Acute care general hospital	5,000	97,900	—	—	5,000	97,900	102,900	1,663	—	1996	August 31, 2015	41
Mesa, AZ	Acute care general hospital	4,900	97,980	2,242	—	7,142	97,980	105,122	8,576	—	2007	September 26, 2013	40
Methuen, MA	Acute care general hospital	23,809	89,505	—	—	23,809	89,505	113,314	638	—	1950-2011	October 3, 2016	41
Bloomington, IN	Acute care general hospital	2,392	28,212	5,000	408	2,392	33,620	36,012	8,483	—	2006	August 8, 2006	40
Montclair, NJ	Acute care general hospital	7,900	99,632	585	—	8,477	99,640	108,117	7,152	—	1920-2000	April 1, 2014	40
Muskogee, OK	Acute care general hospital	1,420	51,953	—	—	1,420	51,953	53,373	1,046	—	1959,2009	August 31, 2015	30
San Antonio, TX	Freestanding ER	351	3,952	—	—	351	3,952	4,303	271	—	2014	January 1, 2014	40
Houston, TX	Acute care general hospital	4,757	56,238	(37)	1,259	5,427	56,790	62,217	14,270	—	2006	December 1, 2006	40
Colorado Springs, CO	Freestanding ER	600	4,231	—	—	600	4,231	4,831	274	—	2014	June 5, 2014	40
Northland, MO	Long term acute care hospital	834	17,182	—	—	834	17,182	18,016	2,542	13,101	2007	February 14, 2011	40

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Location	Type of Property	Initial Costs		Additions Subsequent to Acquisition		Cost at December 31, 2016(1)			Accumulated Depreciation	Encumbrances	Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed (Years)
		Land	Buildings	Improvements	Carrying Costs	Land	Buildings	Total					
(Dollar amounts in thousands)													
Altoona, WI	Acute care general hospital	—	29,062	—	—	—	29,062	29,062	1,695	—	2014	August 31, 2014	40
Ogden, UT	Rehabilitation hospital	1,759	16,414	—	—	1,759	16,414	18,173	1,150	—	2014	March 1, 2014	40
Olympia, WA	Acute care general hospital	7,220	89,348	—	—	7,220	89,348	96,568	993	—	1984	July 22, 2016	40
Overlook, TX	Acute care general hospital	2,452	9,666	7	—	2,452	9,673	12,125	926	—	2012	February 1, 2013	40
San Diego, CA	Acute care general hospital	6,550	15,653	—	77	6,550	15,730	22,280	3,799	—	1964	May 9, 2007	40
Parker, CO	Freestanding ER	1,301	4,448	—	—	1,301	4,448	5,749	130	—	2015	November 6, 2015	40
Pearland, TX	Freestanding ER	1,075	3,577	—	—	1,075	3,577	4,652	209	—	2014	September 8, 2014	40
Petersburg, VA	Rehabilitation hospital	1,302	9,121	—	—	1,302	9,121	10,423	1,938	—	2006	July 1, 2008	40
Plano, TX	Freestanding ER	—	5,060	—	—	—	5,060	5,060	32	—	2016	September 30, 2016	40
Poplar Bluff, MO	Acute care general hospital	2,659	38,694	—	1	2,660	38,694	41,354	8,400	—	1980	April 22, 2008	40
Port Arthur, TX	Acute care general hospital	3,000	72,341	1,062	—	4,062	72,341	76,403	6,071	—	2005	September 26, 2013	40
Port Huron, MI	Acute care general hospital	3,029	14,622	—	—	3,029	14,622	17,651	490	—	1953, 1973-1983	December 31, 2015	40
Portland, OR	Long term acute care hospital	3,085	17,859	—	2,559	3,071	20,432	23,503	4,897	—	1964	April 18, 2007	40
Post Falls, ID	Rehabilitation hospital	417	12,175	1,905	—	767	13,730	14,497	1,039	—	2013	December 31, 2013	40
San Antonio, TX	Freestanding ER	—	4,837	—	—	—	4,837	4,837	20	—	2016	October 27, 2016	40
Redding, CA	Acute care general hospital	1,555	53,863	—	13	1,555	53,876	55,431	12,692	—	1974	August 10, 2007	40
Redding, CA	Long term acute care hospital	—	19,952	—	4,360	1,629	22,683	24,312	6,406	—	1991	June 30, 2005	40
Rosenberg, TX	Freestanding ER	—	4,731	—	—	—	4,731	4,731	118	—	2016	January 15, 2016	40
San Dimas, CA	Acute care general hospital	6,160	6,839	—	34	6,160	6,873	13,033	1,390	—	1972	November 25, 2008	40
San Dimas, CA	Medical Office Building	1,915	5,085	—	18	1,915	5,103	7,018	1,033	—	1979	November 25, 2008	40
Sherman, TX	Acute care general hospital	4,491	24,802	—	—	4,491	24,802	29,293	1,418	—	1913, 1960-2010	October 31, 2014	40
Sienna, TX	Freestanding ER	999	3,591	—	—	999	3,591	4,590	209	—	2014	August 20, 2014	40
Spartanburg, SC	Rehabilitation hospital	1,135	15,717	—	—	1,135	15,717	16,852	1,325	—	2013	August 1, 2013	40
Houston, TX	Freestanding ER	1,423	3,770	—	—	1,423	3,770	5,193	173	—	2015	February 18, 2015	40
Taunton, MA	Acute care general hospital	4,428	73,433	—	—	4,428	73,433	77,861	488	—	1940-2015	October 3, 2016	41
Thornton, CO	Freestanding ER	1,350	4,259	—	—	1,350	4,259	5,609	248	—	2014	August 29, 2014	40
Toledo, OH	Rehabilitation hospital	—	17,740	—	—	—	17,740	17,740	333	—	2016	April 1, 2016	40
Tomball, TX	Long term acute care hospital	1,299	23,982	—	—	1,299	23,982	25,281	3,597	—	2005	December 21, 2010	40
Houston, TX	Acute care general hospital	4,047	41,914	—	—	4,047	41,914	45,961	524	—	2016	July 7, 2016	40
League City, TX	Freestanding ER	—	3,901	—	—	—	3,901	3,901	146	—	2015	June 19, 2015	40
Anaheim, CA	Acute care general hospital	1,875	21,814	—	10	1,875	21,824	23,699	5,547	—	1964	November 8, 2006	40

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Location	Type of Property	Initial Costs		Additions Subsequent to Acquisition		Cost at December 31, 2016(1)			Accumulated		Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed (Years)
		Land	Buildings	Improvements	Carrying Costs	Land	Buildings	Total	Depreciation	Encumbrances			
(Dollar amounts in thousands)													
West Monroe, LA	Acute care general hospital	12,000	69,433	552	—	12,552	69,433	81,985	5,822	—	1962	September 26, 2013	40
San Antonio, TX	Acute care general hospital	2,248	5,880	—	—	2,248	5,880	8,128	609	—	2012	October 2, 2012	40
West Valley City, UT	Acute care general hospital	5,516	58,314	2,036	(114)	5,402	60,350	65,752	12,716	—	1980	April 22, 2008	40
Wichita, KS	Rehabilitation hospital	1,019	18,373	—	1	1,019	18,374	19,393	4,018	—	1992	April 4, 2008	40
		<u>\$403,141</u>	<u>\$3,482,455</u>	<u>\$ 52,564</u>	<u>\$ 29,882</u>	<u>\$417,368</u>	<u>\$3,550,674</u>	<u>\$3,968,042</u>	<u>\$ 292,786</u>	<u>\$ 13,101</u>			

(1) The aggregate cost for federal income tax purposes is \$4,471,179.

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

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<b>COST</b>			
Balance at beginning of period	\$ 2,991,590	\$ 2,040,727	\$ 1,733,194
Acquisitions	745,948	975,239	263,811
Transfers from construction in progress	163,080	23,163	41,772
Additions	33,279	7,376	84,831
Dispositions	(138,886)	(24,701)	(56,590)
Other	173,031	(30,214)	(26,291)
Balance at end of period	<u>\$ 3,968,042</u>	<u>\$ 2,991,590</u>	<u>\$ 2,040,727</u>

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

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<b>ACCUMULATED DEPRECIATION</b>			
Balance at beginning of period	\$ 232,675	\$ 181,441	\$ 144,235
Depreciation	81,010	60,796	46,935
Depreciation on disposed property	(19,086)	(8,887)	(9,213)
Other	(1,813)	(675)	(516)
Balance at end of period	<u>\$ 292,786</u>	<u>\$ 232,675</u>	<u>\$ 181,441</u>

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

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>	<u>Column E</u>	<u>Column F</u>	<u>Column G(3)</u>	<u>Column H</u>
<u>Description</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Periodic Payment Terms</u>	<u>Prior Liens</u>	<u>Face Amount of Mortgages</u>	<u>Carrying Amount of Mortgages</u>	<u>Principal Amount of Loans Subject to Delinquent Principal or Interest</u>
(Dollar amounts in thousands)							
Long-term first mortgage loan:			Payable in monthly installments of interest plus principal payable in full at maturity				
Desert Valley Hospital	11.0%	2022		(1)	\$ 70,000	\$ 70,000	(2)
Desert Valley Hospital	11.7%	2022		(1)	20,000	20,000	(2)
Desert Valley Hospital	11.0%	2022		(1)	12,500	12,500	(2)
Chino Valley Medical Center	11.0%	2022		(1)	50,000	50,000	(2)
Paradise Valley Hospital	10.6%	2022		(1)	25,000	25,000	(2)
Ernest Mortgage Loan(4)	9.6%	2032		(1)	112,836	112,836	(2)
Centinela Hospital Medical Center	11.2%	2022		(1)	100,000	100,000	(2)
Olympia Medical Center	11.2%	2024		(1)	20,000	20,000	(2)
St. Joseph Medical Center	8.7%	2025		(1)	30,000	30,000	(2)
St. Mary's Medical Center	8.7%	2025		(1)	10,000	10,000	(2)
Lake Huron Medical Center	8.7%	2020		(1)	10,000	10,000	(2)
Steward Mortgage Loan(6)	7.5%	2031		(1)	600,000	600,000	(2)
					<u>\$1,060,336</u>	<u>\$ 1,060,336</u>	(5)

- (1) There were no prior liens on loans as of December 31, 2016.
- (2) The mortgage loan was not delinquent with respect to principal or interest.
- (3) The aggregate cost for federal income tax purposes is \$1,060,336.
- (4) Mortgage loans covering four properties in two tranches. Interest rate is weighted average of both tranches.
- (5) Excludes unamortized loan issue costs of \$0.1 million at December 31, 2016.
- (6) Mortgage loans covering four properties.

Changes in mortgage loans (excluding unamortized loan issue costs) for the years ended December 31, 2016, 2015, and 2014 are summarized as follows:

	<u>Year Ended December 31,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
	(Dollar amounts in thousands)		
Balance at beginning of year	\$ 757,500	\$ 397,500	\$ 388,650
Additions during year:			
New mortgage loans and additional advances on existing loans	612,836	380,000	12,500
	<u>1,370,336</u>	<u>777,500</u>	<u>401,150</u>
Deductions during year:			
Collection of principal	(310,000)	(20,000)	(3,650)
	<u>(310,000)</u>	<u>(20,000)</u>	<u>(3,650)</u>
Balance at end of year	<u>\$1,060,336</u>	<u>\$757,500</u>	<u>\$ 397,500</u>

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit Title</u>
3.1(1)	Medical Properties Trust, Inc. Second Articles of Amendment and Restatement
3.2(3)	Articles of Amendment of Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.
3.3(6)	Articles of Amendment of Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.
3.4(19)	Articles of Amendment to Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.
3.5(32)	Articles of Amendment to Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.
3.6(33)	Articles of Amendment to Second Articles of Amendment and Restatement of Medical Properties Trust, Inc.
3.7(2)	Medical Properties Trust, Inc. Second Amended and Restated Bylaws
3.8(32)	Amendment to Second Amended and Restated Bylaws of Medical Properties Trust, Inc.
3.9(40)	Amendment to Second Amended and Restated Bylaws of Medical Properties Trust, Inc.
3.10(41)	Amendment to Second Amended and Restated Bylaws of Medical Properties Trust, Inc.
4.1(1)	Form of Common Stock Certificate
4.2(4)	Indenture, dated July 14, 2006, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P. and the Wilmington Trust Company, as trustee
4.3(9)	Indenture, dated as of April 26, 2011, Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust Company, as Trustee.
4.4(26)	First Supplemental Indenture to 2011 Indenture, dated as of August 10, 2011, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.5(26)	Second Supplemental Indenture to 2011 Indenture, dated as of October 3, 2011, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.6(26)	Third Supplemental Indenture to 2011 Indenture, dated as of December 2, 2011, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.7(26)	Fourth Supplemental Indenture to 2011 Indenture, dated as of January 19, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.8(26)	Fifth Supplemental Indenture to 2011 Indenture, dated as of April 9, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.9(26)	Sixth Supplemental Indenture to 2011 Indenture, dated as of June 27, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.

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<u>Exhibit Number</u>	<u>Exhibit Title</u>
4.10(26)	Seventh Supplemental Indenture to 2011 Indenture, dated as of July 31, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.11(26)	Eighth Supplemental Indenture to 2011 Indenture, dated as of September 28, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.12(26)	Ninth Supplemental Indenture to 2011 Indenture, dated as of December 28, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.13(26)	Tenth Supplemental Indenture to 2011 Indenture, dated as of June 27, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.14(26)	Eleventh Supplemental Indenture to 2011 Indenture, dated as of August 8, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.15(26)	Twelfth Supplemental Indenture to 2011 Indenture, dated as of October 30, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.16(26)	Thirteenth Supplemental Indenture to 2011 Indenture, dated as of December 20, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.17(31)	Fourteenth Supplemental Indenture to 2011 Indenture, dated as of March 31, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.18(27)	Fifteenth Supplemental Indenture to 2011 Indenture, dated as of June 30, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.19(31)	Sixteenth Supplemental Indenture to 2011 Indenture, dated as of October 3, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.20(20)	Indenture, dated as of February 17, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.21(23)	First Supplemental Indenture to 2012 Indenture, dated as of April 9, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.22(23)	Second Supplemental Indenture to 2012 Indenture, dated as of June 27, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.23(23)	Third Supplemental Indenture to 2012 Indenture, dated as of July 31, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.24(23)	Fourth Supplemental Indenture to 2012 Indenture, dated as of September 28, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.

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<u>Exhibit Number</u>	<u>Exhibit Title</u>
4.25(23)	Fifth Supplemental Indenture to 2012 Indenture, dated as of December 26, 2012, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.26(23)	Sixth Supplemental Indenture to 2012 Indenture, dated as of June 27, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.27(23)	Seventh Supplemental Indenture to 2012 Indenture, dated as of August 8, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.28(24)	Eighth Supplemental Indenture to 2012 Indenture, dated as of August 20, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.29(26)	Ninth Supplemental Indenture to 2012 Indenture, dated as of October 30, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.30(26)	Tenth Supplemental Indenture to 2012 Indenture, dated as of December 20, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.31(28)	Eleventh Supplemental Indenture to 2012 Indenture, dated as of March 31, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.32(27)	Twelfth Supplemental Indenture to 2012 Indenture, dated as of June 30, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.33(31)	Thirteenth Supplemental Indenture to 2012 Indenture, dated as of October 3, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.34(25)	Indenture, dated as of October 10, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.35(25)	First Supplemental Indenture to 2013 Indenture, dated as of October 10, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.36(26)	Second Supplemental Indenture to 2013 Indenture, dated as of October 30, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.37(26)	Third Supplemental Indenture to 2013 Indenture, dated as of December 20, 2013, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.38(28)	Fourth Supplemental Indenture to 2013 Indenture, dated as of March 31, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.39(29)	Fifth Supplemental Indenture to 2013 Indenture, dated as of April 17, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.

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<u>Exhibit Number</u>	<u>Exhibit Title</u>
4.40(27)	Sixth Supplemental Indenture to 2013 Indenture, dated as of June 30, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.41(31)	Seventh Supplemental Indenture to 2013 Indenture, dated as of October 3, 2014, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, the Subsidiary Guarantors and Wilmington Trust, N.A., as Trustee.
4.42(34)	Eighth Supplemental Indenture to 2013 Indenture, dated as of August 19, 2015, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., MPT Finance Corporation, Wilmington Trust, N.A., as Trustee, Deutsche Bank Trust Company Americas, as Paying Agent, and Deutsche Bank Luxembourg S.A., as Registrar and Transfer Agent.
4.43(36)	Ninth Supplemental Indenture, dated as of February 22, 2016, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, and Wilmington Trust, National Association, as trustee.
4.44(39)	Tenth Supplemental Indenture, dated as of July 22, 2016, by and among MPT Operating Partnership, L.P. and MPT Finance Corporation, as issuers, Medical Properties Trust, Inc., as parent and guarantor, and Wilmington Trust, National Association, as trustee.
10.2(8)	Medical Properties Trust, Inc. 2013 Equity Incentive Plan
10.3(7)	Form of Stock Option Award
10.4(7)	Form of Restricted Stock Award
10.5(7)	Form of Deferred Stock Unit Award
10.6(1)	Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated September 10, 2003
10.7(1)	First Amendment to Employment Agreement between Registrant and Edward K. Aldag, Jr., dated March 8, 2004
10.8(1)	Employment Agreement between Medical Properties Trust, Inc. and R. Steven Hamner, dated September 10, 2003
10.9(1)	Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated September 10, 2003
10.10(1)	Form of Indemnification Agreement between Medical Properties Trust, Inc. and executive officers and directors
10.11(11)	Form of Medical Properties Trust, Inc. 2007 Multi-Year Incentive Plan Award Agreement (LTIP Units)
10.12(11)	Form of Medical Properties Trust, Inc. 2007 Multi-Year Incentive Plan Award Agreement (Restricted Shares)
10.13(16)	Second Amendment to Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated September 29, 2006
10.14(16)	First Amendment to Employment Agreement between Medical Properties Trust, Inc. and R. Steven Hamner, dated September 29, 2006
10.15(16)	First Amendment to Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated September 29, 2006

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<u>Exhibit Number</u>	<u>Exhibit Title</u>
10.16(17)	Second Amendment to Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated January 1, 2008
10.17(17)	Third Amendment to Employment Agreement between Medical Properties Trust, Inc. and Emmett E. McLean, dated January 1, 2009
10.18(17)	Second Amendment to Employment Agreement between Medical Properties Trust, Inc. and Richard S. Hamner, dated January 1, 2008
10.19(17)	Third Amendment to Employment Agreement between Medical Properties Trust, Inc. and R. Steven Hamner, dated January 1, 2009
10.20(17)	Third Amendment to Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated January 1, 2008
10.21(17)	Fourth Amendment to Employment Agreement between Medical Properties Trust, Inc. and Edward K. Aldag, Jr., dated January 1, 2009
10.22(9)	Amended and Restated Revolving Credit and Term Loan Agreement, dated as of April 26, 2011, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., KeyBank National Association as syndication agent, and JPMorgan Chase Bank, N.A., as administrative agent
10.23(30)	Amended and Restated Revolving Credit and Term Loan Agreement, dated as of June 19, 2014, 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.
10.24(31)	First Amendment to Amended and Restated Revolving Credit and Term Loan Agreement, dated as of October 17, 2014, 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.
10.25(35)	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.
10.26(35)	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.
10.27(19)	Master Sublease Agreement between certain subsidiaries of MPT Development Services, Inc. as Lessor, and certain subsidiaries of Ernest Health, Inc., as Lessee.
10.28(22)	Master Lease Agreement I between certain subsidiaries of MPT Operating Partnership, LP, as Lessor, and certain subsidiaries of Prime Healthcare Services, Inc., as Lessee and related first amendment and Master Lease Agreement II between certain subsidiaries of MPT Operating Partnership, LP, as Lessor, and certain subsidiaries of Prime Healthcare Services, Inc., as Lessee and related first amendment.
10.29(33)	Form of Master Lease Agreement between certain subsidiaries of MPT Operating Partnership, L.P., as Lessor, and MEDIAN Kliniken S.a.r.l. and certain of its subsidiaries, as Lessee, and related first and second amendments.
10.30(37)	Master Lease Agreement between certain subsidiaries of MPT Development Services, Inc., as Lessor, and certain subsidiaries of Capella Holdings, Inc., as Lessee.

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<u>Exhibit Number</u>	<u>Exhibit Title</u>
10.31(37)	Joinder and Amendment to Master Lease Agreement between certain subsidiaries of MPT Development Services, Inc., as Lessor, and certain subsidiaries of Capella Holdings, Inc., as Lessee.
10.32(38)	Amended and Restated Master Lease Agreement between certain subsidiaries of MPT Operating Partnership, L.P., as lessor and certain subsidiaries of Capella Holdings, Inc., as lessee.
10.33*	Master Lease Agreement by and among certain subsidiaries of MPT Operating Partnership, L.P. as Lessor and certain subsidiaries of Steward Health Care System LLC, Lessee.
10.34*	Real Estate Loan Agreement by and among certain subsidiaries of MPT Operating Partnership, L.P. as Lessor and certain subsidiaries of Steward Health Care System LLC, Lessee.
10.35*	Amended and Restated Revolving Credit and Term Loan Agreement, dated as of February 1, 2017, 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.
12.1*	Statement re Computation of Ratios
21.1*	Subsidiaries of Medical Properties Trust, Inc.
23.1*	Consent of PricewaterhouseCoopers LLP
23.2*	Consent of PricewaterhouseCoopers LLP
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.)
31.4*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934. (MPT Operating Partnership, L.P.)
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.)
Exhibit 101.INS	XBRL Instance Document
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

\* Filed herewith.

\*\* Furnished herewith.

(1) Incorporated by reference to Registrant's Registration Statement on Form S-11 filed with the Commission on October 26, 2004, as amended (File No. 333-119957).

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- (2) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on November 24, 2009.
- (3) Incorporated by reference to Registrant's quarterly report on Form 10-Q for the quarter ended September 30, 2005, filed with the Commission on November 10, 2005.
- (4) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on July 20, 2006.
- (5) Reserved.
- (6) Incorporated by reference to the Registrant's current report on Form 8-K, filed with the Commission on January 13, 2009.
- (7) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on October 18, 2005.
- (8) Incorporated by reference to Registrant's definitive proxy statement on Schedule 14A, filed with the Commission on April 26, 2013.
- (9) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on May 2, 2011.
- (10) Reserved.
- (11) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on August 6, 2007, as amended by Medical Properties Trust, Inc.'s current report on Form 8-K/A, filed with the Commission on August 15, 2007.
- (12) Reserved.
- (13) Reserved.
- (14) Reserved.
- (15) Reserved.
- (16) Incorporated by reference to Registrant's annual report on Form 10-K/A for the period ended December 31, 2007, filed with the Commission on July 11, 2008.
- (17) Incorporated by reference to Registrant's annual report on Form 10-K for the period ended December 31, 2008, filed with the Commission on March 13, 2009.
- (18) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on June 11, 2010.
- (19) Incorporated by reference to Medical Properties Trust, Inc.'s current report on Form 8-K, filed with the Commission on January 31, 2012.
- (20) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s current report on Form 8-K, filed with the Commission on February 24, 2012.
- (21) Reserved.
- (22) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s quarterly report on Form 10-Q, filed with the Commission on November 9, 2012.
- (23) Incorporated by reference to Medical Properties Trust, Inc., MPT Operating Partnership, L.P. and MPT Finance Corporation's registration statement on Form S-3, filed with the Commission on August 9, 2013.
- (24) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s current report on Form 8-K, filed with the Commission on August 20, 2013.
- (25) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s current report on Form 8-K, filed with the Commission on October 16, 2013.
- (26) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s annual report on Form 10-K, filed with the Commission on March 3, 2014.
- (27) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s quarterly report on Form 10-Q, filed with the Commission on August 11, 2014.
- (28) Incorporated by reference to Medical Properties Trust, Inc., MPT Operating Partnership, L.P. and MPT Finance Corporation's post-effective amendment to registration statement on Form S-3, filed with the Commission on April 10, 2014.
- (29) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s current report on Form 8-K, filed with the Commission on April 23, 2014.

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- (30) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s current report on Form 8-K, filed with the Commission on June 25, 2014.
- (31) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s annual report on Form 10-K, filed with the Commission on March 2, 2015.
- (32) Incorporated by reference to Medical Properties Trust, Inc.'s current report on Form 8-K, filed with the Commission on June 26, 2015.
- (33) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s quarterly report on Form 10-Q, filed with the Commission on August 10, 2015.
- (34) Incorporated by reference to Medical Properties Trust, Inc.'s current report on Form 8-K, filed with the Commission on August 21, 2015.
- (35) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s quarterly report on Form 10-Q, filed with the Commission on November 9, 2015.
- (36) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on February 22, 2016.
- (37) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s annual report on Form 10-K, filed with the Commission on February 29, 2016.
- (38) Incorporated by reference to Medical Properties Trust, Inc. and MPT Operating Partnership, L.P.'s quarterly report on Form 10-Q, filed with the Commission on May 10, 2016.
- (39) Incorporated by reference to Medical Properties Trust, Inc.'s Current Report on Form 8-K filed with the Commission on July 22, 2016.
- (40) Incorporated by reference to Medical Properties Trust, Inc.'s Current Report on Form 8-K filed with the Commission on November 16, 2016.
- (41) Incorporated by reference to Medical Properties Trust, Inc.'s Current Report on Form 8-K filed with the Commission on February 22, 2017.

**MASTER LEASE AGREEMENT**

**BY AND AMONG**

**THE ENTITIES LISTED ON SCHEDULE 1-A ATTACHED HERETO,**

(collectively, jointly and severally, "Lessor")

AND

**THE ENTITIES LISTED ON SCHEDULE 1-B ATTACHED HERETO,**

(collectively, jointly and severally, as "Lessee")

**October 3, 2016**

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Exhibit A-2	Holy Family Land
Exhibit A-3	Morton Land
Exhibit A-4	St. Anne's Land
Exhibit A-5	St. Elizabeth Land
Exhibit B-1	Permitted Exceptions - Good Samaritan Land
Exhibit B-2	Permitted Exceptions - Holy Family Land
Exhibit B-3	Permitted Exceptions - Morton Land
Exhibit B-4	Permitted Exceptions - St. Anne's Land
Exhibit B-5	Permitted Exceptions - St. Elizabeth Land
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Exhibit D	Excluded Subsidiaries
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Schedule 1-B	Lessees
Schedule 1-C	Non-Permitted Assignees
Schedule 3.1(a)	Lease Bases
Schedule 10.3	Capital Additions
Schedule 40.25	State Specific Provisions

## MASTER LEASE AGREEMENT

This MASTER LEASE AGREEMENT (the "Lease") is dated this 3rd day of October, 2016 (the "Initial Commencement Date"), and is by and among the entities listed on Schedule 1-A attached hereto and made a part hereof by reference and incorporation (collectively, jointly and severally, the "Lessor"), having their principal office at c/o MPT Operating Partnership, L.P., 1000 Urban Center Drive, Suite 501, Birmingham, Alabama 35242, and the entities listed on Schedule 1-B attached hereto and made a part hereof by reference and incorporation (collectively, jointly and severally, the "Lessee"), having their principal office at c/o Steward Health Care System LLC, 500 Boylston Street, Fifth Floor, Boston, MA 02116, Attn: Joseph C. Maher, Jr.

### STATEMENT OF INTENT

Subject to Articles V, XIV, XV, XXX and Section 16.1, this Lease constitutes one unitary, indivisible, non-severable true lease of all the Leased Property. This Lease does not constitute separate leases contained in one document each governed by similar terms. The use of the expression "unitary lease" to describe this Lease is not merely for convenient reference. It is the conscious choice of a substantive appellation to express the intent of Lessor and Lessee in regard to an integral part of this transaction, which is to accomplish the creation of an indivisible lease. Lessor and Lessee agree that from an economic point of view the portions of the Leased Property leased pursuant to this Lease constitute one economic unit and that the Rent and all other provisions have been negotiated and agreed to based upon a lease of all the portions of the Leased Property as a single, composite, inseparable transaction. Except as expressly provided in this Lease for specific isolated purposes (and in such cases only to the extent expressly so stated), all provisions of this Lease, including definitions, commencement and expiration dates, rental provisions, use provisions, renewal provisions, breach, default, enforcement, termination and assignment and subletting provisions, shall apply equally and uniformly to all the Leased Property as one unit and are not severable. The economic terms of this Lease would have been substantially different had separate leases or a "divisible" lease been acceptable to Lessor. A default of any of the terms or conditions of this Lease occurring with respect to any particular Property shall constitute a default under this Lease with respect to all the Leased Property. Except as expressly provided in this Lease for specific isolated purposes (and in such cases only to the extent expressly so stated), Lessor and Lessee agree that the provisions of this Lease shall at all times be construed, interpreted and applied such that the intention of Lessor and Lessee to create a unitary lease shall be preserved and maintained. Lessor and Lessee agree that for the purposes of any assumption, rejection or assignment of this Lease under 11 U.S.C. Section 365 or any amendment or successor section thereof, this is one indivisible and non-severable lease dealing with and covering one legal and economic unit which must be assumed, rejected or assigned as a whole with respect to all (and only all) the Leased Property.

### WITNESSETH:

WHEREAS, Lessor is the current owner of that certain real property more particularly described on Exhibits A-1 et seq. attached hereto and incorporated herein by reference (each together with all hereditaments, easements, mineral rights, rights of way and other appurtenances

related thereto, and any other parcel of land acquired or leased and made subject to this Lease collectively, the "Land"), and is also the current owner of all of the Leased Improvements (as hereinafter defined) located on the Land;

WHEREAS, Lessor desires to lease the Land and Leased Improvements to Lessee, and Lessee desires to lease the same from Lessor, on the terms and conditions hereinafter provided.

NOW, THEREFORE, the parties agree as follows:

**ARTICLE I.  
DEFINITIONS**

1.1. **Certain Defined Terms.** Capitalized terms used herein shall have the respective meanings ascribed to them in this Section 1.1.

ABL Credit Agreement: That certain Credit Agreement, dated as of the date hereof, among Citibank, N.A., as administrative agent on behalf of itself and the other lenders a party thereto, Steward Health and its Subsidiaries and applicable Affiliates a party thereto.

Additional Charges: As defined in Section 3.2.

Adjustment Date: As defined in Section 3.1(b).

Affiliate: With respect to any Person (i) any Person that, directly or indirectly, controls or is controlled by or is under common control with such Person, (ii) any other Person that owns, beneficially, directly or indirectly, 25% or more of the outstanding capital stock, shares or Equity Interests of such Person. For the purposes of this definition, "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities or otherwise; provided that neither Cerberus Capital Management, L.P., nor any of its Affiliates (other than Steward Health and its subsidiaries) nor Ralph de la Torre, M.D. shall be deemed to be an Affiliate of Steward Health or any Facility Lessee.

AIREA: The American Institute of Real Estate Appraisers, or any successor organization.

Allocated Base Rent: With respect to each Property, the portion of the Base Rent payable with respect to such Property.

Allocated Deposit: As defined in Section 9.2.

Anti-Terrorism Laws: Any applicable laws, statutes and regulations relating to terrorism or money laundering, including Executive Order No. 13224 (effective September 24, 2001), the Patriot Act, the laws, statutes and regulations comprising or implementing the Bank Secrecy Act, and the laws, statutes and regulations administered by OFAC.

Award: All compensation, sums or anything of value awarded, paid or received from a total or partial Condemnation.

Bankruptcy Code: Chapter 11 U.S.C. § 101, *et seq.*

Base Rent: As defined in Section 3.1(a).

Binding Agreement: As defined in Section 34.2(a).

Blocked Person: Any Person: (a) listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (c) a Person with which any lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, or (d) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in Executive Order No. 13224, or (e) a Person that is named a “specially designated national” or “security blocked person” on the OFAC List.

Borrower Affiliates: Collectively, Steward Carney Hospital, Inc., Steward Norwood Hospital, Inc., Nashoba Valley Medical Center, A Steward Family Hospital, Inc., and Steward Holy Family Hospital, Inc. (in such capacity), each a Delaware corporation.

Business: With respect to each of the Properties, the primary operation of a healthcare facility thereon and ancillary facilities related thereto, in each case, the engagement in and pursuit and conduct of any business venture or activity incident thereto.

Business Day: Each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which money centers in the City of New York, New York are authorized or obligated by law or executive order to close.

Capital Additions: With respect to each Property, (a) extraordinary renovations or expansions of buildings, structures or other improvements currently located on that Property (or on additional parcels added to such Property), (b) the addition of one or more parcels of land to such Property (whether by purchase or ground lease), or (c) the addition of one or more new buildings or additional structures placed on such Property or any such additional parcels of land, including, without limitation, the construction of a new wing or new story.

Capital Lease Obligations: With respect to any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

Cash Collections: Any and all payments received for patient related services that are posted to Lessee’s accounting system for a Facility, including, without limitation, any such payments received from patients, insurance companies, managed care and preferred provider organizations, Medicaid, Medicare, or other payors.

Casualty Impacted Property: As defined in Section 14.2(a).

CERCLA: As defined in the definition of “Hazardous Materials Laws.”

Change of Control Transaction: Shall mean (i) Steward Health ceasing to own, in the aggregate, directly or indirectly, one hundred percent (100%) of the voting Equity Interests of any Facility Lessee, or (ii) a majority of the voting Equity Interests of Steward Health or Steward Health Care Holdings, LLC are sold or transferred to a Person, and, following such sale or transfer, (A) such Person is not a Qualified Transferee or, (B) after giving pro forma effect to such sale or transfer, there exists a breach of Section 16.1(j) or (k), without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that notwithstanding the foregoing, neither (i) the sale or transfer of Equity Interests of Steward Health or Steward Health Care Holdings, LLC between or to the existing holders of the Equity Interests of Steward Health or Steward Health Care Holdings, LLC, as of the date hereof, (ii), the sale or transfer of Equity Interests held directly or indirectly by Cerberus Capital Management, L.P., a Delaware limited partnership (“Cerberus Capital Management”), between or to any other fund or managed account that, directly or indirectly, is controlled by Cerberus Capital Management, (iii) the sale or transfer of Equity Interests held directly or indirectly by Ralph de la Torre, M.D. between or to any other Person for which Ralph de la Torre, M.D. owns, beneficially, directly or indirectly, 51% or more of the outstanding capital stock, shares or Equity Interests of such Person, nor (iv) a Qualified Public Offering shall constitute a Change of Control. For the avoidance of doubt, the entering into a written agreement or the granting of an option to acquire Equity Interests or the issuance of debt convertible into Equity Interests shall be deemed to be the issuance of Equity Interests for purposes of determining whether a Change of Control Transaction has occurred. For the purposes of this definition, “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities or otherwise.

Claim: As defined in Section 8.2(c).

CMS: As defined in Section 38.1.

Code: The United States Internal Revenue Code of 1986, as amended through the date hereof, and all regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

Commencement Date: The Initial Commencement Date, provided that as to any New Property, Commencement Date shall mean the date that such New Property becomes subject to this Lease.

Condemnation: Either (a) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor or (b) a voluntary sale or transfer by Lessor to any Condemnor, either under threat of Condemnation or while legal proceedings for Condemnation are pending, in all of the foregoing cases with respect to any portion of the Leased Property.

Condemnor: Any public or quasi-public authority having the power of Condemnation.

**Consolidated Fixed Charges:** For any period, for Steward Health and its Subsidiaries on a consolidated basis, an amount equal to the sum for such period of (a) scheduled rent payments, plus, (b) consolidated interest charges, plus (c) consolidated maintenance capital expenditures, plus (d) scheduled principal payments of consolidated funded debt.

**CPI:** The Consumer Price Index, all urban consumers, all items, U.S. City Average, published by the United States Department of Labor, Bureau of Labor Statistics, in which 1982-1984 equals one hundred (100). If the Consumer Price Index is discontinued or revised during the term of this Lease, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised.

**Credit Enhancements:** With respect to each Property, all security deposits, security interests, letters of credit, pledges, guaranties, prepaid rent or other sums, deposits or interests held by Lessee, if any, with respect to such Property, and the Tenant Leases relating to such Property for the Tenants or subtenants thereunder.

**Date of Taking:** The date the Condemnor has the right to possession of the property being condemned.

**Decision Period:** As defined in Section 34.2(a).

**Declarations:** As defined in Section 40.8.

**Defaulted Property:** As defined in Section 16.1B.

**DHS:** As defined in Section 38.1.

**DHHS:** As defined in Section 38.1.

**EBITDAR:** For any period of four consecutive fiscal quarters of the Steward Health, Net Income for such period plus, to the extent not otherwise included in the determination of Net Income for such period, all proceeds of business interruption insurance policies, if any, received during such period, in an amount representing the earnings for the applicable period that such proceeds are intended to replace; plus (a) without duplication and to the extent deducted in determining Net Income for such period, the sum of (i) Interest Expense for such period, (ii) income tax expense for such period, (iii) all amounts attributable to depreciation and amortization expense for such period, (iv) rent expense for realty for such period, (v) (A) any non-cash extraordinary expenses, losses or charges for such period, (B) any severance costs or early retirement expenses incurred or paid in such period and (C) any other unusual or non-recurring expenses, losses or charges for such period provided the aggregate amount of items in this clause (C) shall not exceed (I) \$35,000,000 for any such period ending on or prior to December 31, 2016 and (2) 10% of EBITDAR for any such period ending after December 31, 2016 (without giving effect to the adjustments in this clause (v)(C) or clauses (x) and (y) of clause (xiv)(B) below), (vi) any expenses, losses or charges from disposed, abandoned or discontinued operations for such period, (vii) any other non-cash expenses, losses or charges for such period (but excluding any non-cash expense, loss or charge in respect of an item that was included in Net Income in a prior period and any non-cash expense, loss or charge that relates to

the write-down or write-off of inventory), (viii) any up-front fees, transaction costs, commissions, expenses, premiums or charges incurred or paid prior to the date of this Lease related to the issuance of Equity Interests, any investment, any acquisition, any asset sale or other disposition, any recapitalization or any incurrence of Indebtedness (in each case whether or not consummated) during such period, including (A) such fees, expenses or charges related to this Lease or the ABL Credit Agreement and any amendment or other modification of this Lease or the ABL Credit Agreement and (B) such fees, expenses or charges incurred or paid in such period prior to the date of this Lease by Steward Health or any of its Subsidiaries in connection with any acquisition consummated by the Steward Health or any of its Subsidiaries prior to the date of this Lease, (ix) any non-cash interest expense for such period in respect of any Plan, (x) any non-cash losses realized in such period in connection with adjustments to any Plan due to changes in actuarial assumptions, valuations or studies, (xi) any net working capital adjustment, earn-out or other deferred purchase price payment incurred in connection with any investment permitted under this Lease or any investment consummated prior to the date of this Lease, and paid or accrued during such period, (xii) any management, monitoring, consulting or advisory fees or expenses paid to Cerberus Capital Management, L.P. or any of its Affiliates (or any accruals relating to such fees and expenses) during such period to the extent otherwise permitted under this Lease, (xiii)(A) any charge, expense or loss to the extent that a corresponding amount is received in cash by Steward Health or any of its Subsidiaries from a Person other than Steward Health Care Holdings, LLC or any of its Subsidiaries under any agreement or insurance providing for reimbursement of such expense or (B) any charge, expense or loss with respect to any liability or casualty event, business interruption or product recall to the extent covered by insurance proceeds received in cash during such period, and (xiv)(A) any up-front fees, transaction costs, commissions, expenses, premiums or charges incurred or paid on or after the date of this Lease related to the issuance of Equity Interests, any investment, any acquisition, any asset sale or other disposition, any recapitalization or any incurrence of Indebtedness permitted hereunder (in each case whether or not consummated) during such period, including (I) such fees, expenses or charges related to this Lease or the ABL Credit Agreement and any amendment or other modification of this Lease or the ABL Credit Agreement and (II) such fees, expenses or charges incurred or paid in such period on or after the date of this Lease by Steward Health or any of its Subsidiaries in connection with any acquisition consummated by Steward Health or any of its Subsidiaries prior to the date of this Lease and (B) the amount of (I) any restructuring charges or reserves or non-recurring integration costs or business optimization expenses for such period, including any one-time costs incurred in connection with acquisitions permitted by this Lease and costs related to the closure and/or consolidation of facilities (including costs relating to initiatives aimed at profitability) and (II) any net cost savings and synergies projected by the Steward Health in good faith to be realized as a result of specified actions taken prior to or during such period or to be taken within the first twelve months following of the end of such period; provided that in no event shall the sum of (x) the aggregate amounts under clause (xiv)(B) plus (y) the aggregate amount of any fees, costs, expenses, premiums or charges payable in respect of liabilities or fines paid or payable by Steward Health or its Subsidiaries pursuant to the Stark law (also known as the physician self-referral law) included in any calculation pursuant to this clause (a), exceed 15% of EBITDAR for such period (without giving effect to the adjustments described in the foregoing clauses (x) and (y)); minus (b) without duplication and to the extent included in Net Income, (i) any cash payments made during such period in respect of non-cash expenses, losses or charges described in clause (a)(vii) taken in a prior period, (ii) any extraordinary gains and any extraordinary non-cash items of income for such period, all

calculated for Steward Health and its Subsidiaries on a consolidated basis and (iii) any gains or income from disposed, abandoned or discontinued operations for such period (without giving effect to the financial results or accounts of the Excluded Subsidiaries) in accordance with GAAP.

Entered Property: As defined in Section 16.1A.

Environmental Indemnification Agreement: That certain Environmental Indemnification Agreement, dated as of the date hereof, executed and delivered by each Guarantor to and in favor of Lessor and certain of its Affiliates, as the same may be amended, modified and/or restated from time to time.

Equity Cure Expiration Date. As defined in Section 16.1(l).

Equity Cure Right. As defined in Section 16.1(l).

Equity Interests: With respect to any Person, the voting power, ownership, or other equitable interests of such Person, including any interest represented by any capital stock, convertible or participating debt instruments, membership interest, partnership interest, or any similar interest therein.

Equity Purchase Agreement: That certain Equity Purchase Agreement, dated as of September 26, 2016, among Steward Health, MPT and certain of their respective Affiliates, as the same may be modified, amended or restated from time to time.

Escalator: As defined in Section 3.1(b).

Escrow Invoice: As defined in Section 3.2.

Event of Default: As defined in Section 16.1.

Excluded Subsidiary: Any now existing or hereafter acquired direct or indirect subsidiary of a Steward Health, if (a) such subsidiary is identified on Exhibit D, (b) such subsidiary is not wholly-owned by Steward Health or any of its Subsidiaries and Steward Health or its Subsidiaries own in aggregate less than 80% of the voting stock of such subsidiary, (c) such subsidiary is a controlled foreign corporation (as that term is defined in the Code), (d) such subsidiary is organized as a non-profit corporation and does not distribute its surplus funds to its equity-holders or (e) such subsidiary is prohibited by applicable law from being, or otherwise requires the consent of any Governmental Body (which has not been obtained after Steward Health has used commercially reasonable efforts to obtain such consent) having jurisdiction over it to be, joined as a Lessee hereunder or under any other Obligation Document.

Existing Subleases: As defined in Section 23.4.

Extension Notice: As defined in Article II.

Extension Term(s): As defined in Article II.

**Facility:** Each of the Good Samaritan Facility, the Holy Family Facility, the Morton Facility, the St. Anne's Facility and the St. Elizabeth Facility, sometimes collectively referred to as the "Facilities."

**Facility Instrument:** A note (whether secured or unsecured), loan agreement, credit agreement, guaranty, security agreement, mortgage, deed of trust or other agreement pursuant to which a Facility Lender has provided financing to Lessor in connection with the Leased Property or any part thereof, or funding provided to Lessee, if such funding is provided by Lessor or any Affiliate of Lessor (other than any Obligor) or in connection with a Capital Addition, and any and all renewals, replacements, modifications, supplements, consolidations and extensions thereof.

**Facility Lender:** A holder (which may include any Affiliate of Lessor) of any Facility Instrument.

**Facility Lessee:** The Good Samaritan Lessee, with respect to the Good Samaritan Property; the Holy Family Lessee, with respect to the Holy Family Property; the Morton Lessee, with respect to the Morton Property; the St. Anne's Lessee, with respect to the St. Anne's Property; the St. Elizabeth Lessee, with respect to the St. Elizabeth Property; and the Lessee party thereto, with respect to any New Property.

**Facility Lessor:** The Good Samaritan Lessor, with respect to the Good Samaritan Property; the Holy Family Lessor, with respect to the Holy Family Property; the Morton Lessor, with respect to the Morton Property; the St. Anne's Lessor, with respect to the St. Anne's Property; the St. Elizabeth Lessor, with respect to the St. Elizabeth Property; and the Lessor party thereto, with respect to any New Property.

**Facility Loan:** A loan made by a Facility Lender.

**Fair Market Value:** With respect to each Property, the Fair Market Value of such Property, including all Capital Additions with respect thereto, (a) as shall be determined in accordance with the appraisal procedures set forth in Article XXXIII or in such other manner as shall be mutually acceptable to Lessor and Lessee, and (b) which shall not take into account any reduction in value resulting from any damage, destruction or condemnation of any part of such Property or any indebtedness to which such Property is subject (other than indebtedness owed to Lessor that is secured by the Property) and which encumbrance Lessee or Lessor is otherwise required to remove pursuant to any provision of this Lease or agrees to remove at or prior to the closing of the transaction as to which such Fair Market Value determination is being made. With respect to each Property, and notwithstanding anything contained in this Lease to the contrary, any appraisal of such Property shall assume the Lease is in place for a term of fifteen (15) years, and shall not take into account any purchase options.

**Fair Market Value Rent:** With respect to each Property, the fair market annual rental value of the Property as of the first day of each Extension Term with the following characteristics: an absolute net lease for a five year term with no more than one (1) five-year extension option of comparable healthcare facility space, with the Leased Property considered as vacant and in its then "as is" condition but with all of Lessee's Personal Property removed, with Lessor providing no services to Lessee, and an annual increase in base rent after the first year of

the term equal to the Escalator. The calculation of Fair Market Value Rent shall also take into account all other reasonable relevant factors. Lessor shall advise Lessee (the "Rent Notice") of Lessor's determination of Fair Market Value Rent within sixty (60) days following Lessee's exercise of the extension option for the applicable Extension Term. If Lessee disputes Lessor's determination of Fair Market Value Rent, the dispute shall be resolved by arbitration as provided in Section 40.27. If the Allocable Base Rent payable during the applicable Extension Term is not determined prior to the first day of such Extension Term, then, commencing on the first Business Day of such Extension Term, Lessee shall pay Allocable Base Rent in an amount equal to the Allocable Base Rent payable by Lessee during the last year of the Fixed Term or the prior Extension Term, as applicable, as increased by the Escalator (the "Interim Rent"). Upon final determination of the Allocable Base Rent for each Extension Term (if this occurs after the commencement of such Extension Term), Lessee shall commence paying such Allocable Base Rent as so determined, and within thirty (30) days after such determination Lessee shall pay any deficiency in prior payments of Allocable Base Rent.

Financial Statements: For any fiscal year or other accounting period for the applicable Person, balance sheets, statements of operations and capital accounts, and statements of cash flows setting forth in comparative form the corresponding figures for the year-earlier fiscal period, all prepared in accordance with GAAP.

Fixed Term: As defined in Article II.

Fixtures: All equipment, machinery, fixtures, and other items of real property, including all components thereof, now and hereafter located in, on, or used in connection with, and that are, in each case, permanently affixed to the Land, or affixed or incorporated into the buildings and structures on the Land, including, without limitation, all affixed furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment, and built-in oxygen and vacuum systems, all of which, to the greatest extent permitted by law, are hereby deemed by the parties to constitute real estate, together with all replacements, modifications, alterations and additions thereto.

Force Majeure: As defined in Section 40.9.

GAAP: Generally accepted accounting principles in the United States as in effect from time to time and applied consistently throughout the periods involved.

Good Samaritan Facility: That certain two hundred twenty-four (224)-licensed bed general acute care hospital facility operated at the Good Samaritan Land, commonly known as "Good Samaritan Medical Center."

Good Samaritan Land: That certain real property located in Plymouth County, Massachusetts as more particularly described on Exhibit A-2 attached hereto and made a part hereof by reference and incorporation, together with all hereditaments, easements, mineral rights, rights of way and other appurtenances related thereto.

Good Samaritan Lessee: Steward Good Samaritan Medical Center, Inc., a Delaware corporation, together with its successors and permitted assigns.

Good Samaritan Lessor: MPT of Brockton-Steward, LLC, a Delaware limited liability company, together with its successors and assigns.

Good Samaritan Property: The Good Samaritan Land and related Leased Improvements located thereon relating to the Good Samaritan Facility.

Governmental Body: Any United States federal, state or local, or any supra national or non U.S., government, political subdivision, governmental, regulatory or administrative authority, instrumentality, agency body or commission, court, tribunal or judicial or arbitral body, in each case of competent jurisdiction, including the Securities and Exchange Commission.

Guarantor: Steward Health, its successors and permitted assigns.

Guaranty: That certain Guaranty, dated as of the date hereof, executed and delivered by Guarantor in favor of Lessor and certain of its Affiliates, as the same may be modified, amended, restated and/or supplemented from time to time.

Hazardous Materials: Any substance deemed hazardous under any Hazardous Materials Laws, including without limitation, asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, infectious wastes, biomedical and medical wastes, chemicals known to cause cancer or reproductive toxicity, lead and lead-based paints, radon, and any items included in the definition of hazardous or toxic wastes, materials or substances under any Hazardous Materials Laws.

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

Health Benefit Laws: Laws relating to the licensure, certification, qualification or authority to transact business relating to the provision of, or payment for, or both the provision of

and payment for, health benefits, health care or insurance coverage, including ERISA, COBRA, HIPAA, SCHIP, Medicare, Medicaid, CHAMPUS/TriCare, and laws relating to the regulation of workers compensation and coordination of benefits.

Health Compliance Laws: All applicable laws pertaining to billing, kickbacks, false claims, self-referral, claims processing, marketing, HIPAA security standards for the storage, maintenance, transmission, utilization and access to and privacy of patient information, and HIPAA and state standards for electronic transactions and data code sets, including, without limitation, the False Claims Act (31 U.S.C. Section 3729 et seq.), the Anti-Kickback Act of 1986 (41 U.S.C. Section 51 et seq.), the Federal Health Care Programs Anti-Kickback Statute (42 U.S.C. Section 1320a-7a(b)), the Stark Law, the Civil Monetary Penalties Law (42 U.S.C. Section 1320a-7a), and any other applicable federal health care law or equivalent state statutes or any rule or regulation promulgated by an applicable Governmental Body with respect to any of the foregoing, as any of the same may be amended, modified and/or restated from time to time.

Healthcare Laws: Health Benefit Laws, Health Compliance Laws and Information Privacy and Security Laws.

Holy Family Facility: That certain two hundred twenty-three (223)-licensed bed general acute care hospital facility operated at the Holy Family Land, commonly known as “Holy Family Hospital.”

Holy Family Land: That certain real property located in Essex County, Massachusetts, as more particularly described on Exhibit A-3 attached hereto and made a part hereof by reference and incorporation, together with all hereditaments, easements, mineral rights, rights of way and other appurtenances related thereto.

Holy Family Lessee: Steward Holy Family Hospital, Inc., a Delaware corporation, together with its successors and permitted assigns.

Holy Family Lessor: MPT of Methuen-Steward, LLC, a Delaware limited liability company, together with its successors and assigns.

Holy Family Property: The Holy Family Land and related Leased Improvements located thereon relating to the Holy Family Facility.

HIPAA: The Health Insurance Portability and Accountability Act of 1996, as the same may be amended, modified or supplemented from time to time, and any successor statute thereto, and any and all rules or regulations promulgated from time to time thereunder.

Impartial Appraiser: As defined in Section 13.1.

Impositions: Collectively, with respect to each Property, all civil monetary penalties, fines and overpayments imposed by state and federal regulatory authorities, all Real Estate Taxes, all state and local sales and use taxes, single business, gross receipts, transaction privilege, rent or similar taxes, all assessments, charges and costs imposed under the Permitted Exceptions (including, without limitation, all penalties, fines, damages, costs and expenses for any violation of or a default under any of the Permitted Exceptions), Massachusetts excise taxes,

franchise taxes (including but not limited to taxes based on capital, net worth or assets), license, business entity, annual report, registration and statutory representation fees and other taxes imposed on any business entities, including limited partnerships, limited liability companies and other "pass through" entities, and any such items imposed on Lessor or Lessor's Affiliates (including Lessor's parent organizations), all assessments for utilities, public improvements or benefits, ground rents, water, wastewater, sewer, sanitary sewer or other rents and charges, excises, tax levies, fees (including, without limitation, impact, development, license, permit, inspection, authorization and similar fees), and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of such Property, the Rent relating thereto (including all interest and penalties thereon due to any failure in payment by Lessee), and all other reasonable, out-of-pocket fees, costs and expenses which at any time prior to, during or in respect of the Term may be charged, assessed or imposed on or in respect of or be a lien upon (a) Lessor or Lessor's interest in such Property, (b) such Property or any part thereof or any rent therefrom or any estate, right, title or interest therein, or (c) any occupancy, operation, use or possession of, sales from, or activity conducted on, or in connection with, such Property or the leasing or use of such Property or any part thereof. Notwithstanding any provision hereof to the contrary, nothing contained in this Lease shall be construed to require Lessee to pay (1) any tax based on net income (whether denominated as a financial institutions or other tax) imposed on Lessor, including, but not limited to, any franchise tax or business entity tax (other than any components of such tax which constitute a franchise or capital tax), or (2) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which Lessor is located; (3) any transfer tax of Lessor, or (4) any tax imposed with respect to the sale, exchange or other disposition by Lessor of any Property or the proceeds thereof or (5) any interest, additions to tax or penalties in respect of the foregoing clauses (1) through (5) or (6) except as expressly provided elsewhere in this Lease, any principal or interest on any Lien on any Property, except to the extent that any tax, assessment, tax levy or charge which Lessee is obligated to pay pursuant to the first sentence of this definition and which is in effect at any time during the Term is totally or partially repealed, and a tax, assessment, tax levy or charge set forth in clause (1) or (2) is levied, assessed or imposed expressly in lieu thereof, in which case the substitute tax, assessment, tax levy or charge shall be deemed to be an Imposition.

**Indebtedness:** With respect to any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding trade payables and other accounts payable in each case, incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed; provided that if such Person has not assumed such obligations, then the amount of Indebtedness of such Person for purposes of this clause (f) shall be equal to the lesser of the amount of the obligations of the holder of such obligations and the fair market value of the assets of such Person which secure such obligations, (g) all Steward Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such

Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (k) all obligations of such Person under any liquidated earn-out and (l) any other Off-Balance Sheet Liability of such Person. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

Information Privacy and Security Laws: HIPAA and any other laws concerning the privacy and/or security of personal information, including but not limited to the Gramm-Leach-Bliley Act, state data breach notification laws, state health information privacy laws, the Federal Trade Commission Act and state consumer protection laws.

Initial Commencement Date: As defined in the preamble.

Insurance Premiums: As defined in Section 4.4.

Insurance Requirements: All terms of any insurance policy required by this Lease and all requirements of the issuer of any such policy.

Intercreditor Agreement: That certain Intercreditor Agreement, dated as of the date hereof, among Lessor, the MPT Lenders and Citibank, N.A. (as administrative agent on behalf of itself and the other lenders under said Credit Agreement), as the same may be modified, amended or restated from time to time.

Interest Expense: For any period, total interest expense (including that attributable to Capital Lease Obligations) of Steward Health and its Subsidiaries for such period with respect to all outstanding Indebtedness of Steward Health and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances and net costs under any Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP, calculated on a consolidated basis for Steward Health and its Subsidiaries for such period in accordance with GAAP.

Interim Capital Addition Rent: As defined in Section 3.1(b).

Interim Rent: As defined in the definition of "Fair Market Value Rent."

Joint Commission: As defined in Article XXIV.

Land: As defined in the Recitals.

Late Payment Penalty: Shall mean an amount equal to the product of Five Percent (5%) and the amount of any overdue and unpaid amount under this Lease.

Lease: As defined in the Preamble.

Lease Assignments: Those certain Assignments of Rents and Leases, dated as of the date hereof, executed and delivered by each Facility Lessee to and in favor of Lessor, as each may be amended, modified and/or restated from time to time.

Lease Base: As to each Property, as defined on Schedule 3.1(a) attached hereto and made a part hereof by reference and incorporation.

Lease Rate: A per annum rate equal to Seven and One-Half Percent (7.50%), subject to the Escalator as set forth in Section 3.1(b).

Leased Improvements: As defined in Article II(b).

Leased Property: Collectively, those items described in Article II, as well as all Capital Additions thereto.

Legal Requirements: With respect to each Property and the conduct of the Business thereon, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions affecting such Property, Lessee's operation of the Business on such Property, or the construction, use or alteration of such Property (including, without limitation, the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973), whether now or hereafter enacted and in force, including any which may (a) require repairs, modifications, or alterations in or to such Property, or (b) in any way adversely affect the use and enjoyment thereof, and all permits, licenses, authorizations and regulations relating thereto, and all covenants, agreements, variances, restrictions and encumbrances contained in any instruments, either of record or known to Lessee, at any time in force affecting such Property.

Lessee: As defined in the preamble to this Lease.

Lessee Parties: As defined in Section 40.7(b).

Lessor: As defined in the preamble to this Lease.

Lessor's Notice Address: As defined in Section 13.4.

Lessor Parties: As defined in Section 40.7(a).

Licenses: As defined in Article XXXVIII.

Liens: As defined in Article XXXVI.

LLC Agreement: That certain Fifth Amended and Restated Limited Liability Company Agreement of Steward Health, dated as of the date hereof, as the same may be modified, amended or restated from time to time.

Major Event of Default: The occurrence of (i) an Event of Default under clause (a), (e), (j) or (k) of Section 16.1; (ii) an Event of Default by the Guarantor under clause (c) or (g) of Section 16.1; or (iii) a "Major Event of Default" under and as defined in the Mortgage Loan Agreement.

**Management Agreement** Any contract or agreement for the provision of management services to a Facility Lessee with respect to the operation of a healthcare facility on the applicable Property.

**Management Company**: Any person, firm, corporation or other entity or individual who or which will provide management services to a Facility Lessee with respect to the operation of a healthcare facility on a Property.

**Material Obligation**: Any obligation of the Guarantor or any Facility Lessee (other than any obligations owing to Lessor or any of its Affiliates) which is in excess of Fifty Million and No/100 Dollars (\$50,000,000.00).

**Medicaid**: The medical assistance program established by Title XIX of the Social Security Act (42 U.S.C. Sections 1396 *et seq.*) and any statute succeeding thereto.

**Medical Waste**: The medical waste of each Facility, including, but not limited to, (a) pathological waste, (b) blood, (c) sharps, (d) wastes from surgery or autopsy, (e) dialysis waste, including contaminated disposable equipment and supplies, (f) cultures and stocks of infectious agents and associated biological agents, (g) contaminated animals, (h) isolation wastes, (i) contaminated equipment, (j) laboratory waste and (k) various other biological waste and discarded materials contaminated with or exposed to blood, excretion, or secretions from human beings or animals. "Medical Waste" also includes any substance, pollutant, material, or contaminant listed or regulated under the Medical Waste Tracking Act of 1988, 42 U.S.C. § 6992, *et seq.* ("**MWTA**"), and applicable state law.

**Medical Waste Laws**: Each federal, state, regional, county, municipal, or other local laws, regulations, and ordinances insofar as they purport to regulate Medical Waste, or impose requirements relating to Medical Waste, including regulations promulgated and orders issued thereunder, all as may be amended from time to time, including without limitation, the MWTA, the U.S. Public Vessel Medical Waste Anti-Dumping Act of 1988, 33 USCA § 2501 *et seq.*, the Marine Protection, Research, and Sanctuaries Act of 1972, 33 USCA § 1401 *et seq.*, The Occupational Safety and Health Act, 29 USCA § 651 *et seq.*, the United States Department of Health and Human Services, National Institute for Occupations Self-Safety and Health Infectious Waste Disposal Guidelines, Publication No. 88-119.

**Medicare**: The health insurance program for the aged and disabled established by Title XVIII of the Social Security Act (42 U.S.C. Sections 1395 *et seq.*) and any statute succeeding thereto.

**Monthly Escrow Amount**: As defined in Section 3.2.

**Mortgages**: The "Mortgages" under and as defined in the Mortgage Loan Agreement.

**Mortgage Loan Agreement**: That certain Mortgage Loan Agreement, dated as of the date hereof, executed by the Borrower Affiliates and the MPT Lenders, as the same may be modified, amended or restated from time to time.

Mortgage Loan Documents: The Mortgage Loan Agreement, the Mortgage Loan Note, the Mortgages and the other “Loan Documents” under and as defined in the Mortgage Loan Agreement, as each may be modified, amended or restated from time to time.

Mortgage Loan Note: The “Note” under and as defined in the Mortgage Loan Agreement.

Morton Facility: That certain one hundred twenty (120)-licensed bed general acute care hospital facility operated at the Morton Land, commonly known as “Morton Hospital.”

Morton Land: That certain real property located in Bristol County, Massachusetts more particularly described on Exhibit A-4 attached hereto and made a part hereof by reference and incorporation, together with all hereditaments, easements, mineral rights, rights of way and other appurtenances related thereto.

Morton Lessee: Morton Hospital, A Steward Family Hospital, Inc. a Delaware corporation, together with its successors and permitted assigns.

Morton Lessor: MPT of Taunton-Steward, LLC, a Delaware limited liability company, together with its successors and assigns.

Morton Property: The Morton Land and related Leased Improvements located thereon relating to the Morton Facility.

MPT: MPT Operating Partnership, L.P., a Delaware limited partnership.

MPT Damages: As defined in Section 8.2(c).

MPT Indemnified Parties: As defined in Section 8.2(c).

MPT Lenders: Collectively, MPT of Dorchester-Steward, LLC, MPT of Ayer-Steward, LLC, MPT of Norwood-Steward, LLC, MPT of Methuen-Steward, LLC (in such capacity), each a Delaware limited liability company.

MPT Required Provisions: Any covenant, restriction or waivers added to the LLC Agreement and the respective Organizational Documents of Steward Health and any of its Subsidiaries as required under the Real Estate Contract, and any comparable covenant, restriction or waivers added to any Organizational Documents of any Subsidiaries of Steward Health that is formed or organized after the date hereof and becomes an Obligor.

MWTA: As defined in the definition of Medical Waste.

Net Income: For any period, the consolidated net income (or loss) of Steward Health and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with Steward Health or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary) in which the Steward Health or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by Steward Health or such Subsidiary in the form of dividends or similar distributions, (c) the undistributed earnings of any Subsidiary to the extent that the

declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Obligation Document), the Organizational Documents or Legal Requirements applicable to such Subsidiary and (d) to the extent treated as income, any incentive payments received by Steward Health and its Subsidiaries from Medicare or Medicaid pursuant to The American Recovery and Reinvestment Act of 2009 relating to expenditures made in respect of electronic health record technology.

New Property: Any real property (other than real property constituting a Capital Addition to a Property that is already subject to this Lease) that becomes subject to this Lease after the Initial Commencement Date.

Non-Competition Agreement: That certain Non-Competition Agreement, dated as of the date hereof, executed by Steward Health in favor of Lessor and certain of its Affiliates, as the same may be amended, modified, and/or restated from time to time.

Non-Permitted Assignee: Any Person identified (i) on **Schedule 1-C**, (ii) by the Lessee to Lessor in writing, subject to Lessor's consent, not to be unreasonably withheld, conditioned or delayed (provided, that, in evaluating Lessor's reasonable consent, Lessor may consider such Person's historical and stated future intentions concerning competitive activities and financial and operational capabilities with respect to such activities), as (A) a Person that is engaged primarily in the operation of hospitals or the business of managed care and (B) a direct competitor of the Obligors, or (iii) any Person that does not then possess the financial ability and wherewithal to satisfy all of the obligations of Lessor and MPT Lenders under and pursuant to this Lease and the Mortgage Loan Agreement.

Non-Recourse Party: As defined in Section 40.7(b).

Obligation Documents: Individually and collectively, this Lease, the Real Estate Contract, the LLC Agreement (solely with respect to the MPT Required Provisions), the Strategic Agreement, the Mortgage Loan Documents, the Guaranty, the Pledge Agreement, the Security Agreement, the Environmental Indemnification Agreement, the Non-Competition Agreement, and all other leases, promissory notes, and agreements entered into between Lessor or any Affiliate of Lessor, on the one hand, and any Facility Lessee, Guarantor or any of their respective Affiliates, on the other hand, relating to the transactions contemplated under this Lease and under the Mortgage Loan Documents, as any of the same may be modified, amended or restated from time to time; provided however, that the Equity Purchase Agreement shall be excluded from the Obligation Documents for purposes of this Lease.

Obligors: Collectively, Lessee, the Borrower Affiliates, the Guarantor, and their successors and permitted assigns.

OFAC: The U.S. Department of Treasury Office of Foreign Assets Control.

OFAC List: The list of specially designated nationals and blocked persons subject to financial sanctions that is maintained and published by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained and published by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any law, including, without limitation,

trade embargo, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States. The OFAC List currently is accessible through the internet website <http://www.treasury.gov/ofac/downloads/t11sdn.pdf>.

Off-Balance Sheet Liability: With respect to any Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any so-called "synthetic lease" transaction entered into by such Person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person (other than operating leases).

Officer's Certificate: With respect to each Facility Lessee, a certificate of such Facility Lessee signed by the representative(s) authorized to so sign by the governing body of such Facility Lessee, or any other Person whose power and authority to act has been properly authorized.

OIG: As defined in Article XXIV.

Operating Agreements: With respect to each Facility Lessee, all material written agreements that exceed \$7,500,000 annually, to which such Facility Lessee is a party with respect to the ownership, operation or management of the Business at a Property, including, without limitation, any and all service and maintenance contracts, management agreements, equipment leases, consulting agreements, laboratory servicing agreements, pharmaceutical contracts and physician, other clinician or other professional services provider contracts, but excluding employment contracts and any Participation Agreements, as the same may from time to time be terminated, amended, restated, supplemented, renewed or modified.

Organizational Documents: With respect to any Person, the articles of incorporation or organization, certificate of incorporation or formation or other formation document, together with all other documents creating and governing such Person, including stockholder agreements, limited liability company or operating agreements, partnership agreements and bylaws.

Other Credit Enhancements: As defined in Section 30.2.

Overdue Rate: On any date, the Lease Rate plus Five Percent (5%).

Participation Agreements: With respect to each Facility Lessee, all material third-party payor participation or reimbursement agreements that exceed \$7,500,000 annually, and provider numbers and provider agreements, to which such Facility Lessee is a party relating to rights to payment or reimbursement from, and claims against, private insurers, managed care plans and contracts, employee assistance programs, Blue Cross and/or Blue Shield, governmental authorities, Medicare, Medicaid and TRICARE, and other third-party payors, as the same may from time to time be terminated, amended, restated, extended, supplemented or modified, together with all rights, privileges and entitlements thereunder.

**Patriot Act:** The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, as the same may be amended, modified or restated from time to time.

**Permitted Exceptions:** The matters set forth in Exhibit B-1 et seq.

**Person:** An individual, a corporation, a limited liability company, a general or limited partnership, an unincorporated association, a joint venture, a Governmental Body or another entity or group.

**Personal Property:** With respect to a Facility Lessee, all of such Facility Lessee's consumable inventory and supplies, machinery, equipment, furniture, furnishings, trailers, movable walls or partitions, computers, trade fixtures and other tangible or intangible personal property (including all such items not permanently affixed to the applicable Property), currently owned and acquired after the execution of this Lease, and necessary, used, or useful in the operation of the applicable Facility, but excluding any items within the definition of Fixtures.

**Plan:** Any employee pension benefit plan (other than a Multiemployer Plan as defined in Section 4001(a)(3) of ERISA) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

**Pledge Agreement:** That certain Pledge Agreement, dated as of the date hereof, by and among the "Pledgors" (as defined therein), the other "Pledged Obligors" (as defined therein), Lender and certain of its Affiliates, as the same may be modified, amended or restated from time to time.

**Portfolio Sale:** Any (i) sale, transfer, assignment or conveyance by Medical Properties Trust, Inc., MPT, any Facility Lessor or any of their respective Affiliates of a group or portfolio of healthcare facilities that includes certain Steward Assets that are proposed to be included in such sale, transfer, assignment or conveyance and other healthcare facilities (the "Proposed Portfolio Transaction"); provided, that, the aggregate lease or loan amounts allocated under the Real Estate Contract (or similar future agreement) to such Steward Assets that are proposed to be included in such sale, transfer, assignment or conveyance are (a) greater than \$100,000,000, and (b) less than twenty percent (20%) of aggregate purchase price of such Proposed Portfolio Transaction, or (ii) as applicable, sale of equity, merger, combination, sale of all or substantially all of the assets of or similar transaction involving Medical Properties Trust, Inc., MPT, or their respective Affiliates and any other Person.

**Proposed Portfolio Transaction:** As defined in the definition of "Portfolio Sale."

**Primary Intended Use:** As defined in Article VII.

**Properties; Property:** Individually and collectively, all of the Holy Family Property, the Good Samaritan Property, the St. Anne's Property, the Morton Property, the St. Elizabeth Property and, following the Initial Commencement Date, any New Property, each sometimes individually referred to as a "Property."

Qualified Public Offering: A public offering by Steward Health or any entity into which Steward Health is merged, converted or consolidated into or to which the Equity Interests of Steward Health are contributed, as determined by Steward Health's board as being advisable or convenient to create a suitable vehicle for a public offering (the resulting entity, the "Public Corporation"), of the Equity Interests in Steward Health or any Public Corporation, which public offering is registered with the United States Securities and Exchange Commission.

Qualified Transferee Credit Enhancements: As defined in Section 23.1.

Qualified Transferee: A Person that, at the date of determination:

- (a) is a Person, or an Affiliate of a Person, that owns or operates, has owned and/or operated, or procures the services of a Person that has owned or operated, (i) at least six (6) hospitals or (ii) one (1) or more hospitals having an aggregated annual net revenue of \$500,000,000 or more;
- (b) if such sale or transfer is in connection with an asset based transfer, such Qualified Transferee and its Affiliates have executed and delivered to Lessor the Qualified Transferee Credit Enhancements which are acceptable to Lessor in its reasonable discretion;
- (c) has not, and neither have any of such Person's senior officers or directors: (A) had any license or certification to operate any healthcare facility or any other similar business irrevocably revoked by any Governmental Authority, or caused any such revocation, due to any actual fault, (B) been found to have been grossly negligent or to have committed willful or intentional misconduct in any lawsuit alleging any wrongdoing by such Person or any of such senior officers, directors, shareholders or members relating to patient care, (C) been permanently excluded from providing services in connection with the operation of any healthcare facility or any other similar business by any applicable state healthcare licensing authority, or (D) been permanently excluded or restricted from participation in Medicare, Medicaid or any other governmental payor program; and (ii) has not, and neither have any of such Person's senior officers or directors, been the subject of a pending investigation or proceeding within the past 5 years that is reasonably likely to result in any of the foregoing; and
- (d) has not: (i) made an assignment of all or substantially all of its property for the benefit of creditors, (ii) had a receiver, trustee or liquidator appointed for any of its property (unless such appointment was discharged within 60 days after the date of such appointment), (iii) filed a voluntary petition under any federal bankruptcy law or state Legal Requirements to be adjudicated as bankrupt or for any arrangement or other debtor's relief, or (iv) had an involuntary filing of such a petition against any such Person by any other Person (unless such petition was dismissed within 90 days after filing).

RCRA: As defined in the definition of "Hazardous Materials Law."

Real Estate Contract: That certain Real Property Asset Purchase Agreement, dated as of September 26, 2016, by and among Steward Health and certain of its Affiliates, Lessee, the Borrower Affiliates, the MPT Lenders and Lessor, as the same may be amended, modified and/or restated from time to time.

Real Estate Taxes: All taxes, assessments and special assessments, and dues which are levied or imposed upon the Leased Property.

Realty Payments: For any period, the sum of the payment obligations of Steward Health and its Subsidiaries under (a) this Lease, (b) the Mortgage Loan Note, and (c) under any other hospital real estate lease or mortgage loan with any other Person.

Rent: Collectively, the Base Rent (as increased in accordance with the provisions of Section 3.1(b)) and the Additional Charges.

Rent Schedule: As defined in Section 3.1(c).

Rent Notice: As defined in the definition of "Fair Market Value Rent."

Request: As defined in Section 10.3.

Revised Rent Schedule: As defined in Section 3.1(c).

Revised Sale Terms: As defined in Section 34.2(b).

ROFO Exercise Notice: As defined in Section 10.3(a).

SARA: As defined in the definition of "Hazardous Materials Law."

Security Agreement: That certain Security Agreement, dated as of the date hereof, among Lessee, the Borrower Affiliates, Lessor and certain of its Affiliates, as the same may be modified, amended, restated or supplemented from time to time.

Severance Date: As defined in Section 30.2.

Severance Notice: As defined in Section 30.2.

Severed Lease: As defined in Section 30.2.

Severed Property: As defined in Section 30.2.

Specified Equity Contribution: As defined in Section 16.1(l).

St. Anne's Facility: That certain one hundred seventy-five (175)-licensed bed general acute care hospital facility operated at the St. Anne's Land, commonly known as "St. Anne's Hospital."

St. Anne's Land: That certain real property located in Bristol County, Massachusetts more particularly described on Exhibit A-7 attached hereto and made a part hereof by reference and incorporation, together with all hereditaments, easements, mineral rights, rights of way and other appurtenances related thereto.

St. Anne's Lessee: Steward St. Anne's Hospital Corporation, a Delaware corporation, together with its successors and permitted assigns.

St. Anne's Lessor: MPT of Fall River-Steward, LLC, a Delaware limited liability company, together with its successors and assigns.

St. Anne's Property: The St. Anne's Land and related Leased Improvements located thereon relating to the St. Anne's Facility.

St. Elizabeth Facility: That certain two hundred sixty seven (267)-licensed bed general acute care hospital facility operated at the St. Elizabeth Land, commonly known as "St. Elizabeth's Medical Center."

St. Elizabeth Land: That certain real property located in Suffolk County, Massachusetts more particularly described on **Exhibit A-8** attached hereto and made a part hereof by reference and incorporation, together with all hereditaments, easements, mineral rights, rights of way and other appurtenances related thereto.

St. Elizabeth Lessee: Steward St. Elizabeth's Medical Center of Boston, Inc., a Delaware corporation, together with its successors and permitted assigns.

St. Elizabeth Lessor: MPT of Brighton-Steward, LLC, a Delaware limited liability company, together with its successors and assigns.

St. Elizabeth Property: The St. Elizabeth Land and related Leased Improvements located thereon relating to the St. Elizabeth Facility.

State Regulatory Authorities: As applicable to each Facility, the state licensing and certification agencies, together with all applicable statutes and regulations, related to the licensure and operation of healthcare facilities in each respective state.

Steward Assets: Those properties leased which are leased by MPT or any of its Affiliates to Steward Health or any of its Subsidiaries, and those properties which are subject to a mortgage loan from MPT or any of its Affiliates to Steward Health or any of its Subsidiaries.

Steward Guarantee: With respect to any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such

Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Steward Guarantee shall not include endorsements for collection or deposit in the ordinary course of business or indemnity obligations entered into in connection with any acquisition or disposition of assets permitted under this Agreement. The amount of any Steward Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Steward Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith.

Steward Health: Steward Health Care System LLC, a Delaware limited liability company.

Strategic Agreement: That certain Strategic Agreement, dated as of the date hereof, between Steward Health and MPT, as the same may be modified, amended or restated from time to time.

Subsidiary or Subsidiaries: With respect to any Person, any other Person, of which an amount of the voting securities, voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, 50% or more of the Equity Interests of which), is owned directly or indirectly by such first Person. For the purposes hereof, the term Subsidiary shall include all Subsidiaries of such Subsidiary.

Swap Agreement: Any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of Steward Health or its Subsidiaries shall be a Swap Agreement.

Taking: A taking or voluntary conveyance during the Term of all or part of any Property, or any interest therein or right accruing thereto or use thereof, as the result of, or in settlement of, any Condemnation or other eminent domain proceeding threatened or affecting such portion of the Leased Property.

Tenant(s): The lessees, tenants, licensees, sublessees or subtenants under the Tenant Leases, if any.

Tenant Leases: All written leases, subleases, licenses and other rental agreements (now or hereafter in effect) with annual rental payments in excess of One Million and No/100 Dollars (\$1,000,000), if any, including any Existing Subleases, pursuant to which any Facility Lessee has granted a possessory interest in and to any space in or any part of the Leased Property, or that otherwise provide possessory rights with respect to the Leased Property, and all Credit Enhancements, if any, held in connection therewith.

Term: With respect to a particular Property, the actual duration of this Lease, including the Fixed Term and the Extension Terms (if extended by Lessee).

Terminated Property: As defined in Section 16.1D.

Third Party Offer: As defined in Section 34.2(a).

Third Party Offer Notice: As defined in Section 34.2(a).

Traco: As defined in Section 13.1(a).

Transfer Requirements: As defined in Section 38.6.

Unsuitable for Its Use or Unsuitable for Its Primary Intended Use: As used anywhere in this Lease, the terms “Unsuitable for Its Use” or “Unsuitable for Its Primary Intended Use” shall mean that, with respect to any Property or part thereof, by reason of damage or destruction or a partial Taking by Condemnation, such Property cannot be operated on a commercially practicable basis for its Primary Intended Use, taking into account, all relevant factors (including, without limitation, anticipated repairs and/or restorations), and the effect of such damage or destruction or partial Taking.

USPAP: The Uniform Standards of Professional Appraisal Practice, as amended from time to time.

Vacated Property: As defined in Section 16.1A.

1.2. **Interpretation; Terms Generally.** The definitions set forth in Section 1.1 and elsewhere in this Lease shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless otherwise indicated, the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The words “herein”, “hereof and “hereunder” and words of similar import shall be deemed to refer to this Lease (including the Schedules and Exhibits) in its entirety and not to any part hereof, unless the context shall otherwise require. All references herein to Articles, Sections, Schedules and Exhibits shall be deemed to refer to Articles, Sections and Schedules of, and Exhibits to, this Lease, unless the context shall otherwise require. Unless the context shall otherwise require, any references to any agreement or other instrument or statute or regulation are to it as amended and supplemented from time to time (and, in the case of a statute or regulation, to any corresponding provisions of successor statutes or regulations). Any reference in this Lease to a “day” or number of “days” that does not refer explicitly to a “Business Day” or “Business Days” shall be interpreted as a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice shall be deferred until, or may be taken or given on, the next Business Day. For all purposes hereunder, whenever reference is made to “continuance” or “continuation” of an Event of Default (or words of similar import), such reference shall mean that the relevant Event of Default has not been waived in writing by the Lessor (or Affiliate of Lessor) or (as to any Event of Default that is subject to cure) cured within the applicable cure period.

1.3. **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with GAAP. Defined terms and calculations in connection with the covenants and other provisions of this Lease, including Section 16.1(j) and (k), shall be based upon and utilize GAAP applied in a manner consistent with that used in preparing the financial statements referred to in Article XXIV(b)(i)-(iii). If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in this Lease, Lessor and Lessee shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided, that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) Lessee shall provide to Lessor financial statements and other documents required under this Lease or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, operating leases in effect on the date of this Lease shall continue to be classified and accounted for as such for all purposes of this Lease, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes.

1.4. **Certain Matters Relating to References to Leased Property.** References herein to “a portion” of the Leased Property (or words or phrases of similar import) shall mean, unless the context clearly indicates otherwise, a specific Property.

## **ARTICLE II. LEASED PROPERTY; TERM**

Upon and subject to the terms and conditions hereinafter set forth, Lessor leases to Lessee and Lessee rents from Lessor all of Lessor’s rights and interest in and to the following property (collectively, and as modified from time to time pursuant to the terms of this Lease, the “Leased Property”):

(a) the Land; and

(b) the existing improvements on the Land and the buildings and any improvements constructed on the Land, including, but not limited to, all buildings, structures, Fixtures and other improvements of every kind, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site), parking areas and roadways appurtenant to such buildings and structures presently or hereafter situated upon the Land, Capital Additions and all hereditaments, easements, rights of way and other appurtenances related thereto (collectively, the “Leased Improvements”).

SUBJECT, HOWEVER, to all Permitted Exceptions, Lessee shall have and hold the Leased Property for a fixed term (the “Fixed Term”) commencing on the Initial Commencement Date and ending at midnight on the last day of the One Hundred Eightieth (180th) full month after the Initial Commencement Date, unless sooner terminated or extended as herein provided.

So long as no Event of Default then exists and no event has then occurred which with the giving of notice or the passage of time or both would constitute such an Event of Default, Lessee shall have the option to extend the Fixed Term on the same terms and conditions set forth herein for three (3) additional periods of five (5) years each (each an “Extension Term”); it being

understood and agreed that Lessee's exercise of any such extension option must apply to the entire Leased Property. With respect to each Extension Term, the Base Rent during the first year of each Extension Term shall be an amount equal to the greater of (a) Fair Market Value Rent as of the first day of such Extension Term; or (b) an amount equal to the sum of (i) the annual Base Rent payable by Lessee during the last year of the Fixed Term or the applicable Extension Term, and (ii) the product of (A) the annual Base Rent payable by Lessee during the last year of the Fixed Term or the applicable Extension Term, and (B) two percent (2%), and shall thereafter be increased as set forth in Section 3.1(b). Lessee may exercise each such option by giving written notice to Lessor at least one hundred eighty (180) days prior to the expiration of the Fixed Term or Extension Term, as applicable (the "Extension Notice"). If, during the period following the delivery of the Extension Notice to Lessor and prior to the effective date of such extension, an Event of Default shall occur which is continuing on the commencement date of the Extension Term, at Lessor's option, the Term shall not be so extended and Lessee shall be deemed to have forfeited all subsequent options to extend the Fixed Term of this Lease. If Lessee elects not to exercise its option to extend, all subsequent options to extend shall be deemed to have lapsed and be of no further force or effect.

### ARTICLE III. RENT

3.1. **Rent.** During the Term, Lessee shall pay to Lessor, in advance and without notice, demand, set off or counterclaim, in lawful money of the United States of America, at Lessor's address set forth herein or at such other place or to such other person, firm or entity as Lessor may designate from time to time in writing, following reasonable prior written notice, in accordance with Article XXXII, the Rent as provided in this Lease. All payments to be made by Lessee under this Lease shall be made in lawful money of the United States of America by wire transfer in immediately available and freely transferable funds, and any such payments received by Lessor prior to 2:00 p.m. local time on a Business Day in Birmingham, Alabama shall be credited prior to close of business, while other payments may, at the option of Lessor, not be credited until immediately available to the Lessor prior to 2:00 p.m. local time at said place of payment on a day on which Lessor is open for business. With respect to each Facility, Rent shall be calculated and payable as follows:

(a) **Allocated Base Rent.** With respect to each Property, subject to adjustment as provided herein (including adjustments set forth in Section 3.1(b) below), Lessee shall pay to Lessor in advance on the first (1st) day of each calendar month during the Term base rent (the "Base Rent") equal to the aggregate sum of all Allocated Base Rent for all Properties, which Allocated Base Rent with respect to each Property shall be an amount equal to the product of (i) the Lease Base for such Property as of the last day of the immediately preceding month (or as of the Commencement Date for such Property with respect to the amount payable for the first month of the Term), multiplied by (B) the Lease Rate, divided by (C) twelve (12). Lessor and Lessee acknowledge that the Base Rent is payable in advance and, accordingly, with respect to additions to the Lease Base and Capital Additions funded by Lessor with respect to any Property on or after the first (1st) day of any month (and, therefore, not included in the calculation of the Allocated Base Rent paid in advance for a particular month with respect to such Property), Allocated Base Rent for the next succeeding month shall include a per diem Allocated Base Rent for the prior month (prorated based upon a three hundred sixty (360) day year) to be calculated

by multiplying the amount of any such advance by the Lease Rate for such Property. Lessor shall provide Lessee with an invoice of such amounts prior to the first day of the next calendar month (the "Interim Capital Addition Rent"); *provided, however*, Lessor's failure to provide Lessee with an invoice for the Interim Capital Addition Rent relating to any Property prior to the first day of the next calendar month shall not limit or affect the Lessee's obligations hereunder to pay such Interim Capital Addition Rent.

(b) **Adjustment of Lease Rate.** With respect to each Property, commencing on January 1, 2019, and continuing on each January 1 thereafter (each an "Adjustment Date") during the Term, the Lease Rate applicable to such Property shall be increased (and in no event decreased) as follows (in each case, such escalator used in calculating the adjusted Lease Rate being referred to herein as the "Escalator"):

<u>Adjustment Date</u>	<u>Lease Rate</u>
January 1, 2019	The adjusted Lease Rate shall be equal to the greater of (A) Seven and Three-Fourths Percent (7.75%) and (B) the sum of Seven and One-Half Percent (7.50%), and the product of Seven and One-Half Percent (7.50%) and the percentage by which the CPI published for the month of October 2018 shall have increased over the CPI figure published for the month of October 2017; provided, however, that in no event shall the adjusted Lease Rate exceed eight percent (8.0%)
January 1, 2020	The adjusted Lease Rate shall be equal to Eight Percent (8%)
January 1, 2021 and each Adjustment Date thereafter	The adjusted Lease Rate shall be equal to the sum of (A) the previous Lease Rate and (B) the product of the previous Lease Rate and the percentage by which the CPI published for the month of October prior to the applicable Adjustment Date shall have increased over the CPI figure published for the month of October prior to the previous Adjustment Date; provided, however, that the percentage CPI increase used in such Escalator shall in no event be less than Two Percent (2.0%) or greater than Five Percent (5.0%)

Notwithstanding the foregoing, on the first day of each Extension Term, the Allocable Base Rent for each Property shall be reset to the greater of (a) Fair Market Value Rent as of the first day of such Extension Term; or (b) an amount equal to the sum of (i) the annual Base Rent payable by Lessee during the last year of the Fixed Term or the applicable Extension Term, and (ii) the product of (A) the annual Base Rent payable by Lessee during the last year of the Fixed Term or the applicable Extension Term, and (B) two percent (2%), and on each Adjustment Date thereafter, the Allocable Base Rent for each Property shall increase by an amount equal to the Escalator. For any monetary increases or adjustments that cannot be determined as of the applicable Adjustment Date due to then unknown variables (such as CPI), such amounts shall become due (and calculated retroactively to the Adjustment Date) and payable as of the time of determination.

(c) **Rent Schedule.** Lessor shall, in its reasonable discretion, calculate the Base Rent and Interim Capital Addition Rent payable hereunder (the "**Rent Schedule**"), and provide a copy of such Rent Schedule to Lessee. Base Rent, as calculated in accordance with Sections 3.1(a) and 3.1(b) above, shall include Interim Capital Addition Rent and Allocated Base Rent payable with respect to the entire Leased Property. The Rent Schedule shall be adjusted and substituted on a periodic basis by Lessor, in its reasonable discretion (each, a "**Revised Rent Schedule**"), as the Interim Capital Addition Rent and Base Rent are adjusted and calculated during the Term as provided herein. Lessor shall provide a copy of the Revised Rent Schedule to Lessee, together with a written summary setting forth in reasonable detail the basis for such adjustments. Lessee shall have the right within ten (10) days following the furnishing by Lessor of the Revised Rent Schedule and the corresponding explanation for such adjustments, to review the Revised Rent Schedule. In the event that Lessee determines that Lessor's adjustments or calculations of the Revised Rent Schedule are materially incorrect, provided Lessor agrees, Lessor shall correct such error and provide a corrected Revised Rent Schedule to Lessee. Payments of Rent as described in the Revised Rent Schedule shall not become effective until challenge of the Revised Rent Schedule has been mutually resolved by the parties, provided that such adjustments shall be retroactive to the applicable Adjustment Date.

3.2. **Additional Charges.** In addition to the Base Rent, (a) Lessee shall pay and discharge as and when due and payable other amounts, liabilities, obligations and Impositions related to the ownership, use, possession and operation of the Leased Property, including, without limitation, all costs of owning and operating each Facility, all Real Estate Taxes, Insurance Premiums, maintenance and capital improvements, all violations of and defaults under any of the Permitted Exceptions, and all licensure violations, civil monetary penalties and fines (except to the extent such violations, defaults, penalties or fines are caused by the gross negligence or willful misconduct of Lessor), and (b) in the event of any failure on the part of Lessee to pay any of those items referred to in clause (a) above, Lessee will also promptly pay and reimburse Lessor, and/or its Affiliates for all such amounts paid by Lessor, and/or its Affiliates and promptly pay and discharge every fine, penalty, interest and cost which may be added for non-payment or late payment of such items (the items referred to in clauses (a) and (b) above being referred to herein collectively as the "**Additional Charges**"), and Lessor shall have all legal, equitable and contractual rights, powers and remedies provided in this Lease, by statute, or otherwise, in the case of non-payment of the Additional Charges, as in the case of the Base Rent. If any installment of Base Rent or Additional Charges shall not be paid within ten (10) days after the applicable due date, Lessee, in addition to all other obligations hereunder, will pay to Lessor on demand as Additional Charges, a late charge computed at the Overdue Rate on the amount of such installment from the due date of such installment to the date of payment thereof, and a Late Payment Penalty with respect to such installment. To the extent that Lessee pays any Additional Charges to Lessor pursuant to clause (b) above or pursuant to any other requirement of this Lease, Lessee shall be relieved of its obligation to pay such Additional Charges to the entity to which they would otherwise be due. If required by Lessor following the occurrence of an Event of Default, then, upon written request to Lessee, Lessee shall make monthly payments to Lessor in such amounts as Lessor shall estimate to be necessary to pay any Real Estate Taxes and/or some or all Insurance Premiums. If Lessor exercises this option, it shall include in its

written request an invoice in reasonable detail (the “Escrow Invoice”) specifying the amount to be paid on account of Real Estate Taxes and/or Insurance Premiums (the “Monthly Escrow Amount”). Lessee shall pay to Lessor the Monthly Escrow Amount on the first (1st) day of each month after receipt of the initial Escrow Invoice. At any time, with at least five (5) Business Days’ notice prior to the end of any month during the Term, Lessor may deliver to Lessee a substituted, adjusted or amended Escrow Invoice providing for a new Monthly Escrow Amount, and thereafter Lessee shall pay the revised Monthly Escrow Amount on the first (1st) day of the each succeeding month (subject to further adjustment as provided for in this sentence). Any sums paid to Lessor pursuant to this Section 3.2 shall bear interest, may not be commingled with Lessor’s books and accounts, and upon an Event of Default hereunder, may be applied by Lessor to all sums owed by Lessee or any Affiliate of Lessee to Lessor or any Affiliate of Lessor relating to the acquisition and leasing of the Leased Property (provided, that prior to an Event of Default, Lessor shall use any amounts so paid to pay the relevant Real Estate Taxes and Insurance Premiums, as applicable, in each case prior to delinquency). Lessor shall refund to Lessee at the end of the Term, provided that no Event of Default then exists, any such remaining amounts collected in excess of the amounts ultimately required to pay the relevant Real Estate Taxes or Insurance Premiums. Nothing in this Section 3.2 limits the provisions of Article XXII.

#### **ARTICLE IV. IMPOSITIONS**

4.1. **Payment of Impositions.** Subject to and without limiting Article XII relating to permitted contests, Lessee will pay, or cause to be paid, all Impositions before any fine, penalty, interest or cost may be added for non-payment, with such payments to be made directly to the taxing or assessing authorities, unless, in the case of escrows and deposits, such Impositions are required to be paid to Lessor or a Facility Lender as provided in Section 3.2, and Lessee will promptly furnish to Lessor copies of official receipts or other satisfactory proof evidencing such payments. Lessee’s obligation to pay such Impositions shall be deemed absolutely fixed upon the date that any such Imposition becomes a lien upon the Leased Property or any part thereof. If any such Imposition may lawfully be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Lessee may, without Lessor’s consent exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and, in such event, shall pay such installments during the Term (subject to and without limiting Lessee’s right of contest pursuant to the provisions of Article XII and subject to the requirement to pay escrows and deposits as required in Section 3.2) as the same respectively become due. Lessor, at its expense, shall, to the extent permitted by applicable law, prepare and file all tax returns and reports as may be required by governmental authorities in respect of Lessor’s net income, gross receipts, franchise taxes and taxes on its capital stock, and Lessee, at its expense, shall, to the extent permitted by applicable laws and regulations, prepare and file all other tax returns and reports in respect of any Imposition as may be required by governmental authorities. If any refund shall be due from any taxing authority with respect to any Imposition paid by Lessee, the same shall be paid over to, or retained by, Lessee provided no Event of Default shall have occurred and be continuing. Any such funds retained by Lessor due to an Event of Default shall be applied as provided in Article XVI. Lessor and Lessee shall, upon request of the other, provide any data (i) that is maintained by the party to whom the request is made, and (ii) that pertains to the Leased Property, as may be necessary to prepare any required returns and reports. In the event that any Governmental Body classifies any property covered by

this Lease as personal property, Lessee shall file all personal property tax returns in such jurisdictions where it may legally so file. Lessor, to the extent it possesses the same, and Lessee, to the extent it possesses the same, will provide the other party, upon request, with cost and depreciation records necessary for filing returns for any property so classified as personal property. In the event that Lessor is legally required to file personal property tax returns, Lessee will be provided with copies of assessment notices indicating a value in excess of the reported value in sufficient time for Lessee to file a protest. So long as no Event of Default exists, at Lessee's sole cost and expense, protest, appeal, or institute such other proceedings as Lessee may deem appropriate to effect a reduction of real estate or personal property assessments and Lessor, at Lessee's expense as aforesaid, shall fully cooperate with Lessee in such protest, appeal, or other action. Billings for reimbursement by Lessee to Lessor of personal property taxes shall be accompanied by copies of a bill therefor and payments thereof which identify the personal property with respect to which such payments are made.

4.2. **Adjustment of Impositions.** Impositions that are levied or assessed with respect to the tax-fiscal period during which the Term terminates, shall be adjusted and prorated between Lessor and Lessee, whether or not such Imposition is imposed before or after such termination, and Lessee's obligation to pay its prorated share thereof shall survive such termination.

4.3. **Utility Charges.** Lessee will contract for, in its own name, and will pay or cause to be paid all charges for electricity, power, gas, oil, sewer, water and other utilities used in connection with the Leased Property during the Term, including, without limitation, all impact and tap fees necessary for the operation of the Facilities.

4.4. **Insurance Premiums.** Subject to Section 13.1(a), Lessee shall contract for, in its own name, and shall pay or cause to be paid all premiums for the insurance coverage required to be maintained pursuant to Article XIII during the Term (the "Insurance Premiums"); provided, however, if required by Lessor pursuant to Section 3.2, such Insurance Premiums shall be paid as required under Section 3.2.

**ARTICLE V.  
ABSOLUTE NET LEASE; NO TERMINATION; TERMINATION WITH  
RESPECT TO FEWER THAN ALL PROPERTIES**

5.1. **Absolute Net Lease; No Termination.** The parties understand, acknowledge and agree that this is an absolute net lease and this Lease shall yield to Lessor the full amount of the installments of Base Rent and the payments of Additional Charges throughout the Term. Lessee further acknowledges and agrees that all charges, assessments or payments of any kind are due and payable without notice, demand, set off or counterclaim (other than notices to Lessee that are expressly required hereunder) and shall be paid by Lessee as they become due and payable. Lessee shall remain bound by this Lease in accordance with its terms and shall neither take any action without the consent of Lessor to modify, surrender or terminate the same, nor seek nor be entitled to any abatement, deduction, deferment or reduction of Rent (except as expressly provided herein), or set-off against the Rent, nor shall the respective obligations of Lessor and Lessee be otherwise affected by reason of (a) any damage to, or destruction of, any Property from whatever cause or any Taking of any Property or any portion thereof (except as expressly provided herein), (b) the lawful or unlawful prohibition of, or restriction upon, Lessee's use of

the Leased Property, or any portion thereof, or the interference with such use by any person, corporation, partnership or other entity, or by reason of eviction by paramount title; (c) any claim which Lessee has or might have against Lessor or by reason of any default or breach of any warranty by Lessor under this Lease or any other agreement between Lessor and Lessee, or to which Lessor and Lessee are parties, (d) any bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding up or other proceedings affecting Lessor or any assignee or transferee of Lessor, or (e) any other cause whether similar or dissimilar to any of the foregoing other than a discharge of Lessee from any such obligations as a matter of law. Lessee hereby specifically waives all rights, arising from any occurrence whatsoever, which may now or hereafter be conferred upon it by law to (i) modify, surrender or terminate this Lease or quit or surrender the Leased Property or any portion thereof, or (ii) entitle Lessee to any abatement, reduction, suspension or deferment of the Rent or other sums payable by Lessee hereunder, except as otherwise specifically provided in this Lease. The obligations of Lessor and Lessee hereunder shall be separate and independent covenants and agreements and the Rent and all other sums payable by Lessee hereunder shall continue to be payable in all events unless the obligations to pay the same shall be terminated pursuant to the express provisions of this Lease or by termination of this Lease other than by reason of an Event of Default.

5.2. **Termination with Respect to Fewer than All Properties.** Wherever in this Lease the action of terminating this Lease with respect to a particular Property (or action of similar import) is described or permitted, such action shall mean the termination of Lessee's rights in and to such Property. Notwithstanding anything in this Lease to the contrary, if this Lease shall be terminated by Lessor or Lessee pursuant to rights granted hereunder with respect to any particular Property, such termination shall not affect the Term of this Lease with respect to the balance of the Leased Property relating to Properties not so terminated and this Lease shall continue in full force and effect with respect to such portion of the Leased Property, except that (a) the total Base Rent payable hereunder shall be reduced by the amount of Allocated Base Rent with respect to the Property as to which this Lease has been so terminated, (b) all references herein to Leased Property shall thereafter no longer include such terminated Property, (c) the terminated Property shall no longer be leased hereunder, (d) the unapplied portion of the Allocated Deposit with respect to such Property shall be returned to the applicable Facility Lessee; and (e) provided that all of Lessee's obligations hereunder with respect to such portion of the Leased Property (excluding unasserted contingent indemnification obligations) have been paid in full to Lessor, the relevant Facility Lessee shall no longer be a Facility Lessee hereunder or a party hereto with respect to such Property (and for the avoidance of doubt, if all Properties of a Facility Lessee shall have been so terminated, such Facility Lessee shall no longer be a Facility Lessee hereunder or a party hereto); subject, however, to Lessor's right, in the event of any such termination because of an Event of Default, to recover damages with respect to any such terminated Property.

## **ARTICLE VI. OWNERSHIP OF LEASED PROPERTY AND PERSONAL PROPERTY**

6.1. **Ownership of the Leased Property.** Lessee acknowledges that the Leased Property is the property of Lessor and that Lessee has only the right to the possession and use of the Leased Property as a lessee of Lessor and upon and subject to the terms, provisions and conditions of this Lease.

6.2. **Lessee's Personal Property.** Lessee, at its expense, shall install, affix, assemble and place on the Leased Property the Lessee's Personal Property. Lessee shall not, without the prior written consent of Lessor (such consent not to be unreasonably withheld, conditioned or delayed provided that no Event of Default then exists), remove any of Lessee's Personal Property from the Leased Property except for removal (a) of inventory, (b) because of damage, obsolescence, upgrade or replacement or (c) in the ordinary course of Lessee's Business. Lessee shall provide and maintain during the entire Term all such Lessee's Personal Property as shall be necessary to operate each Property in material compliance with all licensure and certification requirements, in material compliance with all applicable Legal Requirements and Insurance Requirements, and otherwise in accordance with customary practice in the industry for the Primary Intended Use. Following the expiration or earlier termination of this Lease with respect to any one or more of the Properties and subject to Lessor's option to purchase such Lessee Personal Property as provided in Section 34.1, Lessee agrees that all of Lessee's Personal Property relating to such one or more Properties (for which Lessor has authorized removal as provided above) not removed by Lessee within fifteen (15) days following the expiration or earlier termination of this Lease with respect thereto shall be considered abandoned by Lessee and may be appropriated, sold, destroyed or otherwise disposed of by Lessor (at Lessee's cost) with prior written notice thereof to Lessee, without any payment to Lessee and without any obligation to Lessee to account therefor. Lessee will, at its expense, restore the Leased Property and repair all damage to the Leased Property caused by the installation or removal of Lessee's Personal Property, whether affected by Lessee, Lessor, any Lessee lender, or any Facility Lender.

**ARTICLE VII.  
CONDITION AND USE OF LEASED PROPERTY**

7.1. **Condition of the Leased Property.** Lessee acknowledges receipt and delivery of possession of the Leased Property and that Lessee has examined and otherwise has acquired knowledge of the condition of the Leased Property prior to the execution and delivery of this Lease and has found the same to be satisfactory for its purpose hereunder. Lessee is leasing the Leased Property "as is" and "where is" in its present condition. Lessee has not relied on any representation or warranty by Lessor and hereby waives any claim or action against Lessor in respect of the condition of the Leased Property. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, IN RESPECT OF THE LEASED PROPERTY OR ANY PART THEREOF, EITHER AS TO ITS FITNESS FOR USE, SUITABILITY, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE, AS TO QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, LATENT OR PATENT, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. LESSEE ACKNOWLEDGES THAT THE LEASED PROPERTY HAS BEEN INSPECTED BY LESSEE AND IS SATISFACTORY TO IT. ACCORDINGLY, LESSEE HEREBY ACKNOWLEDGES THAT LESSOR HAS NOT MADE AND WILL NOT MAKE, NOR SHALL LESSOR BE DEEMED TO HAVE MADE ANY WARRANTY OR REPRESENTATION, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ALL WARRANTIES THAT THE LEASED PROPERTY IS FREE FROM

VICES, DEFECTS AND DEFICIENCIES, WHETHER HIDDEN OR APPARENT OR ANY WARRANTY AS TO THE FITNESS, DESIGN OR CONDITION OF THE LEASED PROPERTY FOR ANY PARTICULAR USE OR PURPOSE OF SUCH LEASED PROPERTY. THE PROVISIONS OF THIS SECTION 7.1 HAVE BEEN NEGOTIATED, AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES BY LESSOR, EXPRESS, IMPLIED OR CREATED BY APPLICABLE LAW, WITH RESPECT TO THE CONDITION OF THE LEASED PROPERTY.

7.2. **Use of the Leased Property.** Each Property shall be operated as a healthcare facility and for such other legal ancillary uses as may be necessary in connection with or incidental to such uses and, in each case, subject to all covenants, restrictions, easements and all other matters of record (including those set forth in the Permitted Exceptions) relating to the applicable Property (collectively, the "Primary Intended Use"). Lessee shall be in material compliance with all Legal Requirements and Healthcare Laws and shall maintain all material Licenses and Participation Agreements, including, but not limited to, Medicare and/or Medicaid certifications, provider numbers and agreements, certificates of need, governmental approvals, and full accreditation from all applicable governmental authorities, if any, that are necessary for the operation of the Business with respect to the applicable Property consistent with the Primary Intended Use; *provided, however*, that the foregoing shall not restrict a Facility Lessee from terminating, amending, restating, extending, supplementing, or modifying any Participation Agreement in the ordinary course or as may be required by applicable law (other than any termination of any Participation Agreement relating to rights to payment or reimbursement from Medicare, which termination is hereby expressly prohibited).

(a) Except as expressly authorized herein, Lessee shall not use any Property for any use other than as provided herein, to the extent such change in use or decrease has a material adverse effect on the Primary Intended Use or the ability of the Lessee to meet its obligations under this Lease, without the prior written consent of Lessor, not to be unreasonably withheld, conditioned or delayed.

(b) No use shall be made or permitted to be made of the Leased Property and no acts shall be done which will cause the cancellation of any insurance policy covering the Leased Property or any part thereof, nor shall Lessee sell or otherwise provide to residents or patients therein, or permit to be kept, used or sold in or about the Leased Property any article which is prohibited by law or by the standard form of fire insurance policies, any other insurance policies required to be carried hereunder, or fire underwriters regulations. Lessee shall, at its sole cost, comply, in all material respects, with all of the requirements, covenants and restrictions pertaining to the Leased Property, including, without limitation, all of the Permitted Exceptions, and other requirements of any insurance board, association, organization or company necessary for the maintenance of the insurance, as herein provided, covering the Leased Property and Lessee's Personal Property.

(c) Lessee shall operate the Leased Property only in accordance with the Primary Intended Use and as a provider of goods and services incidental thereto.

(d) Lessee shall not commit or suffer to be committed any material waste on the Leased Property, or in any of the Facilities, nor shall Lessee cause or permit any nuisance thereon.

(e) Lessee shall neither suffer nor permit the Leased Property, or any portion thereof, including any Capital Addition whether or not funded by Lessor, or Lessee's Personal Property, to be used in such a manner as (i) could reasonably tend to impair Lessor's (or Lessee's, as the case may be) title thereto or to any portion thereof, or (ii) may reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Leased Property, or any portion thereof.

(f) With respect to each Property, Lessor shall, subject to applicable laws (including but not limited to the Healthcare Laws), have the right and option to erect a sign on such Property stating that such Property is owned by Lessor. Such sign shall be in a size, and shall be erected in a location acceptable to Lessor and approved by Lessee, which approval shall not be unreasonably withheld, conditioned or delayed. Lessor shall be responsible for all costs related to such signage and complying with all Legal Requirements with respect to such signage.

7.3. **Lessor to Grant Easements.** From time to time during the Term, upon the request of Lessee, and so long as no Event of Default then exists, and no event has then occurred which with the giving of notice or the passage of time or both would constitute such an Event of Default, Lessor shall, and at Lessee's cost and expense: (a) grant easements and other rights in the nature of easements, (b) release existing easements or other rights in the nature of easements which are for the benefit of the Leased Property or any portion thereof; (c) dedicate or transfer unimproved portions of the Leased Property for road, highway or other public purposes; (d) execute petitions to have the Leased Property or any portion thereof annexed to any municipal corporation or utility district; (e) execute amendments to any covenants and restrictions affecting the Leased Property or any portion thereof; and (f) execute and deliver to any Person any instrument appropriate to confirm or effect such grants, releases, dedications and transfers (to the extent of its interest in the Leased Property), but only upon delivery to Lessor of such information as Lessor may reasonably require confirming that such grant, release, dedication, transfer, petition or amendment is (i) required for, and not materially detrimental to, the proper conduct of the Primary Intended Use on the Leased Property and (ii) does not materially reduce the value of the Leased Property or any portion thereof or does not reduce such value by an amount greater than the amount of any consideration paid to Lessor in connection therewith.

## ARTICLE VIII. LEGAL AND INSURANCE REQUIREMENTS

8.1. **Compliance with Legal and Insurance Requirements.** Subject to Article XII relating to permitted contests, Lessee, at its expense, (a) shall comply, in all material respects with all Legal Requirements and Insurance Requirements applicable to Lessee and the use, operation, maintenance, repair and restoration of the Facilities and the Leased Property, whether or not compliance therewith shall require structural change in any of the Leased Improvements or interfere with the use and enjoyment of the Leased Property; (b) shall not use the Leased Property and Lessee's Personal Property for any unlawful purpose; (c) shall procure, maintain and comply with all material Licenses and any other licenses, certificates, certifications,

consents, permits, governmental approvals, and authorizations required under the Legal Requirements for any use of the Leased Property and Lessee's Personal Property then being made, and for the proper erection, installation, operation and maintenance of the Leased Property or any part thereof, including, without limitation, any Capital Additions; and (d) shall use its commercially reasonable efforts to require under the Tenant Leases that all Tenants acquire and maintain all material Licenses necessary to operate any portion of the Leased Property subleased to them for any appropriate and permitted uses conducted on the Leased Property as may be permitted from time to time hereunder, it being acknowledged by Lessor that any failure by any Tenant under this clause (d) shall not cause (or be deemed to cause) a breach by Lessee of this Section 8.1 unless Lessee has so failed to use commercially reasonable efforts. Lessee's use of the Leased Property, the use of all Lessee's Personal Property used in connection with the Leased Property, and the maintenance, alteration, and operation of the same, and all parts thereof, shall at all times conform in all material respects to all Legal Requirements. Upon Lessor's request, Lessee shall deliver to Lessor copies of all such Licenses that are currently held by Lessee or its Affiliates to the extent applicable to the Leased Property. Lessee shall indemnify and defend, at Lessee's sole cost and expense, and hold Lessor, its Affiliates and their respective successors and assigns harmless from and against and agrees to reimburse Lessor, its Affiliates and their respective successors and assigns with respect to any and all claims, demands, actions, causes of action, losses, damages, liabilities, reasonable, out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and court costs) of any and every kind or character, known or unknown, fixed or contingent, asserted against or incurred by Lessor, its Affiliates and their respective successors and assigns, at any time and from time to time by reason or arising out of any breach by Lessee of any of the provisions of this Article VIII or any breach or violation by Lessee of any Legal Requirements, including any and all such claims, demands, liabilities, damages, costs and expenses relating to immaterial violations or breaches of the Legal requirements, except to the extent arising solely as a result of the gross negligence or willful misconduct of Lessor or its Affiliates. All such damages and reasonable out-of-pocket costs and expenses payable to Lessor under this Section 8.1 shall be due and payable by Lessee within thirty (30) days after delivery of written demand from Lessor, its Affiliates or their respective successors and assigns.

## **8.2. Hazardous Materials and Medical Waste.**

(a) Lessee shall ensure that the Leased Property and the operation of the Business thereon complies in all material respects with all Hazardous Materials Laws. Except for Hazardous Materials generated, used, installed, manufactured, treated, handled, refined, produced, processed, stored or disposed of in the normal course of business regarding the Primary Intended Use or the conduct of the Business or operation and maintenance of the Leased Property (which Hazardous Materials shall be handled and disposed of in material compliance with all Hazardous Materials Laws), Lessee shall not cause any Hazardous Materials to be installed, used, generated, manufactured, treated, handled, refined, produced, processed, stored or disposed of, or otherwise present in, on or under any Property or in connection with the conduct of the Business thereon in a manner that reasonably could be expected result in a material violation of any Hazardous Materials Laws. No activity shall be undertaken by Lessee on any Property or in connection with the operation of the Business thereon which would cause (i) any Property to become a RCRA Part B treatment, storage or disposal facility of hazardous waste, infectious waste, biomedical or medical waste, (ii) a release of Hazardous Materials from

any Property that is reportable within the meaning of CERCLA or SARA or any similar Hazardous Materials Laws, (iii) the discharge of Hazardous Materials into any watercourse, surface or subsurface of body of water or wetland, or the discharge into the atmosphere of any Hazardous Materials, except as authorized under a permit under any Hazardous Materials Laws or at quantities or concentrations below the standard regulated by Hazardous Materials Laws, in a manner that would give rise to a material liability under Hazardous Materials Laws, or (iv) a material violation under RCRA, CERCLA, SARA or any Hazardous Materials Laws with respect to the Property. Lessee shall, at its sole cost, expense, risk and liability, remove or cause to be removed from any Property all Hazardous Materials generated in connection with the Primary Intended Use and as found in hospital and healthcare facilities, including, without limitation, all infectious waste materials, syringes, needles and any materials contaminated with bodily fluids of any type, character or description of whatsoever nature to the extent required to comply with all Hazardous Materials Laws. Lessee shall not dispose of any such infectious waste and Hazardous Materials in any receptacles used for the disposal of normal refuse to the extent such disposal is not in compliance in all material respects with any Hazardous Materials Laws.

(b) Lessee shall ensure that the Leased Property and the operation of the Business thereon complies in all material respects with all Medical Waste Laws. Except for Medical Waste generated, used, installed, treated, handled, refined, produced, processed, stored or disposed of in the normal course of business regarding the Primary Intended Use or the conduct of the Business (which Medical Waste shall be handled and disposed of in compliance in all material respects with all Medical Waste Laws), Lessee shall not cause any Medical Waste to be installed, used, generated, treated, handled, refined, produced, processed, stored or disposed of, or otherwise present in, on or under any Property or in connection with the conduct of the Business thereon in a manner that could result in a material violation of any Medical Waste Laws. Lessee shall undertake no activity on any Property or in connection with the operation of the Business thereon which would reasonably be expected to cause a material violation of any Medical Waste Laws. Lessee shall, at its sole cost, expense, risk and liability, remove or cause to be removed from any Property all Medical Waste generated, used, installed, treated, handled, refined, produced, processed, stored or disposed of by or on behalf of Lessee on such Property to the extent required to comply in all material respects with all Medical Waste Laws. Lessee shall not dispose of any such Medical Waste in any receptacles used for the disposal of normal refuse to the extent such disposal is not in material compliance with any Medical Waste Laws.

(c) Lessee shall indemnify and defend, at its sole cost and expense, and hold harmless and reimburse the Lessor, its Affiliates and their respective officers, directors, members, (general and limited) partners, shareholders, employees, agents, representatives, successors and assigns (collectively, the "MPT Indemnified Parties") from and against any and all claims, demands, actions, causes of action, losses, damages, liabilities, penalties, taxes, reasonable out-of-pocket costs and expenses (including, without limitation, reasonable out-of-pocket attorneys' and accountants' fees, settlement costs, arbitration costs and any reasonable other expenses for investigating or defending any action or threatened action) (each, a "Claim") of any and every kind or character, known or unknown, fixed or contingent, asserted against or incurred by any of the MPT Indemnified Parties at any time and from time to time by reason of, arising out of or resulting from (i) events, conditions or circumstances which occurred or existed on, under, in, about, to or from the Property prior to execution of this Lease and that give rise to

a liability under Hazardous Materials Laws or Medical Waste Laws, (ii) any liability under Hazardous Materials Laws or Medical Waste Laws arising out of the Lessee's operation of the Property, or (iii) any Claim arising out of or, in connection with or resulting from any breach by Lessee of Section 8.2(a) or 8.2(b) or any other violation of Sections 8.2(a) or 8.2(b) or any Hazardous Materials Laws or Medical Waste Laws by any Person other than the MPT Indemnified Parties, including any and all such claims, demands, liabilities, damages, costs and expenses relating to immaterial violations or breaches of this Section 8.2 or any Hazardous Materials Laws or Medical Waste Laws (collectively, "MPT Damages"), except to the extent any such Claim or MPT Damages is found to have resulted from the, bad faith, gross negligence or willful misconduct of any MPT Indemnified Party. All such MPT Damages shall be due and payable by Lessee within thirty (30) days after any MPT Indemnified Party's demand therefor.

(d) In the event of any of a Claim related to Hazardous Materials or Medical Waste on the Property resulting from the assertion of liability by a third party against any MPT Indemnified Party, the applicable Facility Lessor will give Lessee notice of any such third-party claim, and Lessee shall be jointly and severally obligated to undertake the defense thereof by counsel of its own choosing, except to the extent any such Claim is found to have resulted from the, gross negligence or willful misconduct of any MPT Indemnified Party. Lessee shall not settle any such third-party claim related to Hazardous Materials or Medical Waste on the Property that is asserted against any MPT Indemnified Party without the consent of the MPT Indemnified Parties, which consent shall not be unreasonably withheld, conditioned or delayed. Any of the MPT Indemnified Parties may, by counsel, participate in such proceedings, negotiations or defense, at their own expense. The MPT Indemnified Parties shall furnish to Lessee in reasonable detail such information as the MPT Indemnified Parties may have with respect to such claim, including all records and materials that are reasonably required in the defense of such third-party claim. In the event that Lessee does not collectively defend the third-party claim in a diligent manner, any MPT Indemnified Party will have the right (at Lessee's sole expense) to undertake the defense, compromise or settlement of such claim and Lessee may elect to participate in such proceedings, negotiations or defense at any time at their own expense. No MPT Indemnified Party shall settle any such third-party claim without the consent of Lessee, which consent shall not be unreasonably withheld, conditioned or delayed.

(e) Lessor and Lessee acknowledge that, based upon recent environmental reports relating to the Leased Property, the potential for environmental liability for conditions occurring prior to (or existing as of) the Initial Commencement Date for all Facilities is remote; provided, that, such acknowledgment shall not limit or preclude any Claim by the MPT Indemnified Parties.

### 8.3. Healthcare Laws.

(a) Lessor and Lessee acknowledge and agree that all compensation paid hereunder between the parties has been determined by the parties through good-faith and arm's-length bargaining and is believed to represent fair market value for the Leased Property. No payment made under this Lease is contingent on the referral of any patient or any other business. Neither Lessor nor Lessee intends any portion of the payments made under this Lease to influence or reward the referral of any patients or other business that will be paid for from any state or federal health care insurance programs, including Medicare, Medicaid or any state medical assistance program.

(b) Lessee hereby covenants, warrants and represents to Lessor that throughout the Term, each Facility Lessee shall: (a) be validly licensed, Medicare and/or Medicaid certified, and, if required, accredited to operate the Facilities in material compliance with the applicable rules and regulations of the State in which the applicable Facility is located, federal governmental authorities, and accrediting bodies, including, but not limited to, DHHS and CMS; (b) be certified by and the holder of valid provider agreements with Medicare and/or Medicaid issued by DHHS, DHS and/or CMS and shall remain so certified and shall remain such a holder of such licenses and Medicare and/or Medicaid certifications for it to operate in accordance with the Primary Intended Use; (c) shall comply, in all material respects, with all Healthcare Laws; and (d) not abandon, terminate, vacate or fail to renew any material License or in any way commit any act which will or could reasonably be expected to cause any such material License to be revoked by any federal, state or local governmental authority or accrediting body having jurisdiction thereof.

(c) Lessee represents, warrants and covenants that Lessee, this Lease and all Tenant Leases are, and at all times during the Term will be, in material compliance with all Healthcare Laws. In the event it is determined that any provision of this Lease is in material violation of the Healthcare Laws, the parties in good faith shall renegotiate such provision so that same is in compliance with all Healthcare Laws. Lessee shall take commercially reasonable steps to add to all of its written third party agreements with Physicians or Physician groups relating to any portion of the Leased Property, including, without limitation, all Tenant Leases, that in the event it is determined that such agreement and/or Tenant Lease is in material violation of the Healthcare Laws, such agreement and/or Tenant Lease shall be renegotiated so that same are in material compliance with all Healthcare Laws or terminated. Lessee shall indemnify and defend, at Lessee's sole cost and expense, and hold Lessor, its Affiliates and their respective successors and assigns, harmless from and against, and shall reimburse Lessor, its Affiliates and their successors and assigns with respect to, any and all claims, demands, actions, causes of action, losses, damages, liabilities, reasonable out-of-pocket costs and expenses (including, without limitation, reasonable out-of-pocket attorneys' fees and court costs) of any and every kind or character, known or unknown, fixed or contingent, asserted against or incurred by Lessor, its Affiliates and their respective successors and assigns, at any time and from time to time by reason, or arising out, of any breach by Lessee of any of the provisions set forth in this Section 8.3 or any violation of any Healthcare Laws, including any and all such claims, demands, liabilities, damages, costs and expenses relating to immaterial violations or breaches of any Healthcare Laws. All such damages and reasonable out-of-pocket costs and expenses payable to Lessor under this Section 8.3 shall be due and payable by Lessee within thirty (30) days after delivery of written demand from Lessor, its Affiliates or their respective successors and assigns.

8.4. **Organizational Covenants.** Lessee shall not permit or suffer, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed, (a) any material amendment or modification of any Facility Lessee's Organizational Documents that modifies, adjusts or otherwise eliminates any of the MPT Required Provisions; (b) any dissolution or termination of any Facility Lessee's existence or sale of substantially all of

any Facility Lessee's assets, whether by sale, transfer, merger, consolidation or otherwise; or (c) a change in any Facility Lessee's state of formation or any Facility Lessee's name. Lessee has, simultaneously with the execution of this Lease, delivered to Lessor a true and complete copy of each Facility Lessee's Organizational Documents. Lessee represents and warrants that the Organizational Documents (i) were duly executed and delivered; and (ii) are in full force and effect, binding upon the applicable Facility Lessee, and enforceable in accordance with their terms.

## ARTICLE IX. REPAIRS

### 9.1. **Maintenance; Repair and Remodel.**

(a) Lessee, at its expense, will keep the Leased Property and all private roadways, sidewalks and curbs appurtenant thereto (and Lessee's Personal Property) in good order and repair (whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements, the age of the Leased Property or any portion thereof) and, except as otherwise provided in Article XIV and Article XV, with reasonable promptness, will make all necessary and appropriate repairs thereto of every kind and nature whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen, or arising by reason of a condition existing prior to the commencement of the Term (concealed or otherwise). All repairs shall, to the extent reasonably achievable, be at least equivalent in quality to the original work. Lessee will not take or omit to take any action the taking or omission of which is reasonably likely to materially impair the value or the usefulness of the Leased Property or any part thereof for the Primary Intended Use.

(b) Notwithstanding anything contained in this Lease to the contrary, from time to time Lessee may remodel, modify and make additions to the Leased Property, or any portion thereof, which remodeling, modifications and additions are not Capital Additions (it being understood that Capital Additions are subject to the requirements of Article X hereof) but which are necessary or advisable for the Primary Intended Use and which permit Lessee to fully comply with its obligations as set forth in this Lease. Lessee shall undertake any such actions expeditiously and in a workmanlike manner and will not significantly alter the character or purpose, or detract from the value or operating efficiency of, the Leased Property nor significantly impair the revenue producing capability of the Leased Property nor adversely affect the ability of Lessee to comply with the provisions of this Lease, unless such changes are required by applicable law.

(c) Lessee shall notify Lessor of any and all repairs, improvements, additions, modifications and remodeling made to any portion of a particular Property in excess of Ten Million Dollars (\$10,000,000) during any consecutive twelve (12) month period for the applicable Property and obtain consent from Lessor (which consent shall not be unreasonably withheld, conditioned or delayed) prior to making such repairs, improvements, additions, modifications or remodeling.

(d) Except as otherwise expressly provided in this Lease, Lessor shall not under any circumstances be required to build or rebuild any improvements on the Leased Property, or to make any repairs, replacements, alterations, restorations, or renewals of any

nature or description to the Leased Property, whether ordinary or extraordinary or capital in nature, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto in connection with this Lease, or to maintain the Leased Property in any way.

(e) Nothing contained in this Lease and no action or inaction by Lessor shall be construed as (i) constituting the consent or request of Lessor, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor for the provision or performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to the Leased Property or any part thereof, or (ii) giving Lessee any right, power or permission to contract for, or permit the performance of, any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Lessor in respect thereof or to make any agreement that may create, or in any way be the basis for, any right, title, interest, lien, claim or other encumbrance upon the estate of Lessor in the Leased Property or any portion thereof.

(f) Unless Lessor conveys any of the Leased Property to Lessee pursuant to Section 34.2 of this Lease, Lessee will, upon the expiration or prior termination of the Term, vacate and surrender the Leased Property to Lessor in the condition in which the Leased Property was originally received from Lessor, except as improved, constructed, repaired, rebuilt, restored, altered or added to as permitted or required by the provisions of this Lease and except for (i) ordinary wear and tear (subject to the obligation of Lessee to maintain the Leased Property in good order and repair during the entire Term), (ii) damage caused by the gross negligence or willful misconduct of Lessor, and (iii) damage or destruction as described in Article XIV or resulting from a Taking as described in Article XV, which Lessee is not required by the terms of this Lease to repair or restore.

9.2. **Encroachments; Restrictions.** If any of the Leased Improvements shall, at any time, materially encroach upon any property, street or right-of-way adjacent to any portion of the Leased Property, or shall materially violate the agreements or conditions contained in any federal, state or local law, restrictive covenant or other agreement affecting the Leased Property, or any part thereof, or shall materially impair the rights of others under any easement or right-of-way to which the Leased Property or any portion thereof is subject, then, promptly upon the request of Lessor, Lessee shall, at its expense, subject to its right to contest the existence of any encroachment, violation or impairment, (a) use commercially reasonable efforts to obtain valid and effective waivers or settlements of all claims, liabilities and damages resulting from each such encroachment, violation or impairment, whether the same shall affect Lessor or Lessee or (b) make such changes in the Leased Improvements, and take such other actions, as Lessor reasonably determines, to remove such encroachment, or to end such violation or impairment, including, if necessary, the alteration of any of the Leased Improvements, and, in any event, take all such actions as may be necessary to continue the operation of the applicable Property without such violation, encroachment or impairment. Any such alteration shall be made in conformity with the applicable requirements of Article X. Lessee's obligations under this Section 9.2 shall be in addition to, and shall in no way discharge or diminish any obligation of, any insurer under any policy of title or other insurance, and Lessee shall be entitled to a credit for any sums paid by Lessee and recovered by Lessor under any such policy of title or other insurance, less Lessor's reasonable, out-of-pocket costs and expenses to recover such sums.

**ARTICLE X.  
CAPITAL ADDITIONS**

10.1. Construction of Capital Additions to the Leased Property.

(a) If no Event of Default has occurred, and no event has then occurred which with the giving of notice or passage of time or both would constitute an Event of Default hereunder, and be continuing, Lessee shall have the right (but not the obligation) upon and subject to the terms and conditions set forth below, to construct or install Capital Additions on any Property with the prior written consent of Lessor, not to be unreasonably withheld, conditioned or delayed (provided that such consent is not required with respect to any Capital Addition that will cost less than Ten Million Dollars (\$10,000,000)). Lessee shall not be permitted to create any Lien on such Property in connection with such Capital Addition, except as provided in Section 10.2. In order to obtain Lessor's prior written consent, Lessee shall submit to Lessor in writing a proposal setting forth in reasonable detail any such proposed Capital Addition. In addition, Lessee shall promptly furnish to Lessor such additional information relating to such proposed Capital Addition as Lessor may reasonably request. Lessor shall have ten (10) days following receipt of the last information so requested relating to the proposed Capital Addition to respond whether Lessor has approved of such proposed Capital Addition, it being agreed that failure to timely respond shall be deemed a rejection of the proposed Capital Addition. Lessee acknowledges and agrees that Lessor shall have the sole and exclusive right to fund all Capital Additions to the Leased Property during the first five (5) years of the Fixed Term in accordance with Section 10.3(c).

(b) Prior to commencing construction of any Capital Addition on any Property for which Lessee intends to finance with a third-party lender (acknowledging that Lessor has the sole and exclusive right to fund Capital Additions during the first five (5) years of the Fixed Term on terms consistent with this Lease), Lessee shall first grant to Lessor a right of first offer to provide funds to pay for such Capital Addition in accordance with the provisions of Section 10.3. If Lessor declines or is unable to provide such funding, or if the ROFO Exercise Notice is not accepted by Lessee, the provisions of Section 10.2 shall apply. Notwithstanding any other provision of this Article X to the contrary, unless required by applicable law, no Capital Addition shall be made which would tie-in or connect any portion of a particular Property and/or any Leased Improvements thereon with any other improvements on property adjacent to such Property (and not part of the Leased Property covered by this Lease) including, without limitation, tie-ins of buildings or other structures or utilities, unless Lessee shall have obtained the prior written approval of Lessor, which approval may be granted or withheld in Lessor's reasonable discretion. All proposed Capital Additions shall be architecturally integrated and consistent with the applicable Property as determined in the reasonable discretion of Lessor.

10.2. **Capital Additions Financed by Lessee.** If Lessee provides or arranges to finance any Capital Addition with a third-party lender (except for Capital Additions arranged by Lessee but funded by Lessor), this Lease shall be and hereby is amended to provide as follows:

(a) There shall be no adjustment in the Base Rent by reason of any such Capital Addition.

(b) Such Capital Addition shall revert to, and become the property of Lessor upon the expiration or termination of this Lease with respect to the applicable Property.

In connection with any such Capital Addition financed by Lessee (or any Person other than Lessor), Lessee shall be permitted to place (or cause to be placed) a Lien on such Capital Addition as collateral for Lessee's financing, provided, that, in the reasonable determination of Lessor such Lien shall not interfere with Lessor's ability to finance the applicable Property with first-priority lien, fixed rate debt having a term of at least ten (10) years; it being understood and agreed that (i) Lessor and Lessee shall cooperate in good faith to properly divide such Capital Addition from the applicable Property and to grant such easements and use restrictions as shall be necessary to avoid any disruption of Lessee's Business on such Property; (ii) to the extent not inconsistent with the provisions of this Section 10.2, such Capital Addition shall remain subject to the other terms and provisions of this Lease; and (ii) upon the expiration or termination of this Lease with respect to such Property, Lessee, at its sole cost and expense, shall cause all such Lien(s) to be released from such Capital Addition and within ten (10) Business Days after such expiration or termination.

### 10.3. Capital Additions Funded by Lessor

(a) If Lessee desires for Lessor to fund a Capital Addition on the Property, Lessee shall request the same by submitting to Lessor a written request, including a written proposal setting forth in reasonable detail any such proposed Capital Addition (a "Request"). Lessee acknowledges and agrees that Lessor shall have the sole and exclusive right to fund all Capital Additions to the Leased Property during the first five (5) years of the Fixed Term in accordance with Section 10.3(c). In addition, Lessee shall promptly furnish to Lessor such additional information relating to such proposed Capital Addition as Lessor may reasonably request. Lessor shall have thirty (30) days following receipt of the last of the information so requested to respond by delivering to Lessee (the "ROFO Exercise Notice") a written offer to fund the proposed Capital Addition, including the proposed terms thereof and the terms of any amendments to this Lease to be executed in connection therewith; it being agreed that Lessor's failure to timely deliver a ROFO Exercise Notice shall be deemed a rejection of the Request to provide the funding for such proposed Capital Addition. If Lessee accepts the offer set forth in the ROFO Exercise Notice, the parties shall consummate the funding contemplated thereby within sixty (60) days on the terms and conditions set forth in the ROFO Exercise Notice. If Lessee does not accept the offer set forth in a ROFO Exercise Notice, Lessee may, for a period of one hundred eighty (180) days from the date of receipt by Lessee of the ROFO Exercise Notice, obtain a commitment to finance a Capital Addition from any Person on terms and conditions no more favorable, in the aggregate, to the applicable lender than those set forth in such ROFO Exercise Notice. If Lessee does not obtain a commitment for third-party financing before the end of such one hundred eighty (180) day period, Lessee shall not finance such Capital Addition without repeating the foregoing procedures of this Article X.

(b) At the request of Lessee, from time to time, Lessor and its Affiliates shall fund (or cause the funding of) a cumulative amount of up to Thirty-Five Million Dollars (\$35,000,000) of Capital Additions per year under this Lease and the Mortgage Loan Agreement until the third (3rd) anniversary of the Initial Commencement Date in accordance with Section 10.3(c).

(c) In connection with any Capital Addition funded by Lessor, the terms and conditions set forth on Schedule 10.3 shall apply. The costs of any such Capital Addition funded by Lessor hereunder shall be added to the Lease Base related to the applicable to the Property as provided on Schedule 3.1(a).

10.4. Salvage. All materials that are scrapped or removed in connection with the making of either Capital Additions or repairs hereunder shall be or become the property of Lessee, and Lessee shall remove the same at its sole cost and expense.

**ARTICLE XI.  
LIENS**

11.1. General Restrictions; Acknowledgment of Intercreditor.

(a) Subject to the provisions of Article XII relating to permitted contests, Lessee will not directly or indirectly create or allow to remain and will promptly discharge at its expense any lien, encumbrance, attachment, title retention agreement or claim upon any Property or any attachment, levy, claim or encumbrance in respect of the Rent or any funds or amounts that are or will be provided by Lessor or its Affiliates to Lessee at any time during the Term in accordance with this Lease; excluding, however, (a) this Lease; (b) the Permitted Exceptions; (c) restrictions, liens and other encumbrances which are consented to in writing by Lessor, or any easements granted pursuant to the provisions of Section 7.3; (d) liens for those taxes of Lessor which Lessee is not required to pay hereunder; (e) liens for Impositions or for sums resulting from noncompliance with Legal Requirements so long as (1) the same are not yet payable or are payable without the addition of any fine or penalty or (2) such liens are in the process of being contested as permitted by Article XII; (f) liens of mechanics, laborers, materialmen, suppliers or vendors for sums either disputed or not yet due, provided that (i) the payment of such sums shall not be postponed for more than sixty (60) days after the completion of the action giving rise to such lien and such reserve or other appropriate provisions as shall be required by law or GAAP shall be been made therefore, or (ii) any such liens are in the process of being contested as permitted by Article XII; (g) the Tenant Leases; (h) Liens which are permitted in accordance with Section 10.2 hereof; and (i) any liens which are the responsibility of Lessor pursuant to the provisions of Article XXXVI of this Lease. Lessee shall not mortgage or grant any interest or security interest in, or otherwise assign, any part of Lessee's rights and interests in this Lease or any Property during the Term.

(b) Lessor acknowledges and consents (i) to Steward Health, its Subsidiaries and applicable Affiliates entering into the ABL Credit Agreement, (ii) to the incurrence of the obligations thereunder and (iii) to the granting of liens and security interests in favor of the lenders as contemplated under the ABL Credit Agreement, in each case, subject to the terms and conditions of the Intercreditor Agreement.

**ARTICLE XII.  
PERMITTED CONTESTS**

12.1. **Permitted Contests.** Lessee, at Lessee's expense, may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any Imposition, Legal Requirement, Insurance Requirement,

lien, attachment, levy, encumbrance, charge or claim not otherwise permitted by Article XI, provided that (a) in the case of an unpaid Imposition, lien, attachment, levy, encumbrance, charge or claim, the commencement and continuation of such proceedings shall suspend the collection thereof from Lessor and from the Leased Property (or if not so suspended, clause (b) shall be true); (b) neither the Leased Property nor any Rent therefrom nor any part thereof or interest therein would, as determined in Lessor's reasonable discretion, be in any immediate danger of being sold, forfeited, attached or lost; (c) in the case of a Legal Requirement, Lessor would not be in any immediate danger of civil or criminal liability for failure to comply therewith pending the outcome of such proceedings; (d) in the event that any such contest shall involve a sum of money or potential loss in excess of One Million and No/100 Dollars (\$1,000,000.00), then, in any such event, the applicable Facility Lessee shall deliver to Lessor an Officer's Certificate from a duly authorized officer of the applicable Facility Lessee regarding the matters set forth in clauses (a), (b) and (c), to the extent applicable (it being understood if the relevant amount involved in such contest (or the potential loss) is less than such amount, no such certification is required); (e) in the case of a Legal Requirement and/or an Imposition, lien, encumbrance or charge involving potential loss in excess of One Million and No/100 Dollars (\$1,000,000.00), Lessee shall deposit with Lessor an amount equal to the contested amount as security to ensure the ultimate payment of the Imposition, lien, attachment, levy, encumbrance, charge or claim and to prevent any sale or forfeiture of the affected Property or the Rent by reason of such non-payment or non-compliance; provided, however, the provisions of this Article XII shall not be construed to permit Lessee to contest the payment of Rent (except as to contests concerning the method of computation or the basis of levy of any Imposition or the basis for the assertion of any other claim) or any other sums payable by Lessee to Lessor hereunder; (f) in the case of an Insurance Requirement, the coverage required by Article XIII shall be maintained; and (g) if such contest be finally resolved against Lessor or Lessee, Lessee shall, as Additional Charges due hereunder, promptly pay the amount required to be paid, together with all interest and penalties accrued thereon, or comply with the applicable Legal Requirement or Insurance Requirement. Lessor, at Lessee's expense, shall execute and deliver to Lessee such authorizations and other documents as may reasonably be required in any such contest and, if reasonably requested by Lessee or if Lessor so desires, Lessor shall join as a party therein. Lessee shall indemnify and hold Lessor harmless against any liability, cost or expense of any kind that may be imposed upon Lessor in connection with any such contest and any loss resulting therefrom.

### **ARTICLE XIII. INSURANCE**

#### **13.1. General Insurance Requirements.**

(a) During the Term, Lessee shall at all times keep the Leased Property and Lessee's Personal Property, insured against loss or damage from such causes as are customarily insured against, by prudent owners of similar facilities. Without limiting the generality of the foregoing, throughout the Term, Lessee shall maintain at its sole cost and expense (except as otherwise provided in this Article XIII), at a minimum, the insurance coverages required herein. This insurance shall be written in form reasonably satisfactory to Lessor and by insurance companies (i) reasonably acceptable to Lessor (Lessor acknowledging that Tailored Risk Assurance Company, Ltd. ("Traco") is acceptable to Lessor for the provision of the coverages

described in subsections (ii), (iv) and (vi) below), (ii) that are rated at least an "A-VIII" or better by Best's Insurance Guide (except for Traco, for which no rating is required), and (iii) unless otherwise approved by Lessor, authorized, licensed and qualified to do insurance business in the state in which the Leased Property is located. The aggregate amount of coverage by a single company must not exceed Five Percent (5%) of the insurance company's policyholders' surplus. The minimum limits required herein may be met through a combination of underlying and excess policies. With respect to each Property, the policies required hereunder relating to such Property shall insure against the following:

(i) Commercial Property insurance written on a broad "all risk" or special cause of loss policy form covering physical loss or damage to the Leased Property including building and improvements and betterments on a replacement cost basis (provided that such commercial property coverage shall be in an amount of one hundred ten percent (110%) of the replacement cost of each such Property). Such coverage shall be written on a blanket limit basis. This coverage shall be placed by the Lessor. Lessee shall reimburse Lessor for the costs of such coverages, including any required deductibles or retention payments, promptly upon request by Lessor. Such deductible or retentions shall not exceed Three percent (3%) of the insurable value of the Leased Property, to the extent that such a deductible is commercially available. In the event of a loss, Lessee shall abide by all provisions of the insurance contract, including proper and timely notice of the loss to Lessor. The policy shall also include the following coverages: (A) Flood and earthquake insurance shall be required only in the event that a Property is located in a 100 or 500 year flood plain or high hazard seismic zone with limits in accordance with standard industry practice; and (B) Business interruption insurance covering rents and other impositions otherwise payable to Lessor for a period of not less than twelve (12) months. Coverage shall be written on an "actual loss sustained" form.

(ii) Commercial General Liability insurance in a minimum amount of One Million and No/100 Dollars (\$1,000,000.00) per claim and Two Million Dollars (\$2,000,000) in the aggregate for bodily injury or death of any one person and for Property Damage for damage to or loss of the property of others, subject to a Two Million (\$2,000,000.00) annual aggregate policy limit for all bodily injury and property damage claims, occurring on or about such Property or in any way related to such Property, including but not limited to, any swimming pools or other rehabilitation and recreational facilities or areas that are located on such Property or otherwise related to such Property.

(iii) Automobile and vehicle liability insurance coverage for all owned, non-owned, leased or hired automobiles and vehicles with a limit of One Million (\$1,000,000.00) per accident for bodily injury and property damage.

(iv) Professional liability insurance for Lessee and all employed professionals (including any physicians) in an amount of not less than One Million and No/100 Dollars (\$1,000,000.00) per individual claim and Three Million and No/100 Dollars (\$3,000,000.00) annual aggregate. All contractors, agents and other persons (including physicians) who perform professional services for Lessee shall meet such required minimum insurance requirements of One Million and No/100 Dollars (\$1,000,000.00) per individual claim and Three Million and No/100 Dollars (\$3,000,000.00) annual aggregate.

(v) Worker's Compensation insurance for all persons employed by Lessee on such Property with statutory limits in accordance with the requirements of the particular state(s) in which they are operating and Employer's Liability insurance with minimum limits of One Million and No/100 (\$1,000,000) each accident and disease.

(vi) Umbrella/Excess Liability insurance in the minimum amount of Twenty Million and No/100 Dollars (\$20,000,000.00) for each claim and aggregate. The Umbrella Liability policy shall name in its underlying schedule the Commercial General Liability, Automobile liability, Professional liability and Employer's Liability insurance policies. The Umbrella policy shall provide follow form coverage for each of the underlying policies.

(vii) Pollution Liability/Environmental Impairment Liability with minimum limits of Two Million Dollars (\$2,000,000) per claim, covering bodily injury or death of any one person and for property damage to, loss of use of, or clean-up costs of the property of others, as well as first party clean-up costs, subject to an aggregate of Four Million Dollars (\$4,000,000). These limits shall be applicable collectively to all Properties, with coverage including, but not limited to, liability from storage tanks, healthcare medical waste (including at non-owned disposal sites), mold, fungi and/or Legionella Pneumophila conditions, or other exposures typical to healthcare facilities. Deductible amounts shall be reasonably acceptable to Lessor.

(viii) Cyber Liability insurance with minimum limits of Ten Million Dollars (\$10,000,000) per claim and in the aggregate covering Lessee and its employees. Such policy shall include coverage for claims, demands and regulatory investigations resulting from Lessee's or its subcontractor's wrongful acts in the performance of or failure to perform all services or support for services including but not limited to claims, demands, fines, penalties and other payments Lessor may be legally or contractually obligated to pay for infringement of intellectual property, failures in systems and information security, breach of confidentiality and invasion of or breach of privacy. Reasonable sublimits for ancillary coverages shall be allowed as commercially available subject to further discussion on an annual basis. To the extent that independent contractors or other subcontractors are hired or retained by Lessee to perform or contribute to any part of the services or support of services, Lessee shall require that such contractors shall maintain insurance with limits in accordance with standard industry practice. Lessor reserves the right to review and accept the evidence of such insurance for Lessee, its independent contractors and subcontractors.

(ix) Crime/Employee Dishonesty insurance covering all employees with a minimum limit of not less than Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) per claim.

(x) Non-Owned Aviation and Premises Liability insurance including coverage for the helipad and any other aviation exposures at the premises with minimum limits of Five Million Dollars (\$5,000,000) per occurrence.

13.2. **Additional Insurance.** Notwithstanding anything contained herein to the contrary, Lessor shall not be prohibited, at its sole cost and expense, from purchasing and maintaining such additional insurance as it may reasonably determine to be necessary to protect its interest in all or any portion of the Leased Property.

13.3. **Endorsements and Other Requirements.** The insurance as required in this Article XIII shall comply with the following:

(a) Except for Worker's Compensation/Employer's Liability and crime insurance policies, all other insurance policies required herein shall name Lessor (and any other entity that Lessor may deem reasonably necessary) as Additional Insureds with respect to any liability arising from Lessee's use, occupancy or maintenance of the Leased Property.

(b) All policies of insurance required herein (i) shall include clauses providing that each underwriter shall waive its rights of recovery, under subrogation or otherwise, against Lessor or any of Lessor's affiliates or subsidiary companies; and (ii) shall be primary and non-contributory to the extent commercially available, (except for Worker's Compensation/Employer's Liability, crime and cyber insurance ) to any other insurance available to Lessor.

(c) Lessee shall, prior to any cancellation, non-renewal or material change to reduce limits or coverage terms, provide at least thirty (30) days' prior written notice or ten (10) days prior written notice for non-payment of premium at Lessor's notice address as specified in this Lease (the "Lessor's Notice Address"), with a simultaneous copy to (A) MPT Operating Partnership, L.P., Attention: Chrissy McCreary, Risk Manager, 1000 Urban Center Drive, Suite 501, Birmingham, Alabama 35242, and (B) McGriff, Seibels & Williams, Inc., Attention: John F. Carter, 2211 7th Avenue South, Birmingham, Alabama 35233.

(d) Lessee shall be responsible for funding all deductibles and retentions, including those which may be applicable to Lessor as an additional insured or named insured thereunder.

13.4. **Evidence of Insurance.** Lessee shall deliver "verification" of insurance to Lessor as set forth below.

(a) At least five (5) Business Days prior to the applicable Commencement Date, Lessee shall provide verification of required insurance coverage which shall include the following:

(i) True and certified copies of the insurance policies, including evidence of all specific coverage requirements and endorsements, as required herein.

(ii) A statement of values for all property locations if Lessee maintains blanket insurance covering facilities other than the Leased Property; and

(iii) A summary of insurance program showing significant coverage limits, sublimits, deductibles and retentions.

(b) At least ten (10) Business Days prior to any insurance policy expiration date, Lessee shall provide verification of the renewal for the required insurance coverage for the following year which shall include the following:

(i) Insurance certificates acceptable to Lessor evidencing coverage for the renewed insurance policies, including evidence of specific coverage requirements and endorsements as required herein.

(ii) No later than ninety (90) days, after the renewal date of such policies, or such other reasonable timeframe as mutually agreed upon by Lessor and Lessee, Lessee shall provide true and certified copies of all required insurance policies, including evidence of specific coverage requirements and endorsements as stated herein.

(c) In the event Lessee does not provide timely or proper verification, or does not maintain the insurance required hereunder or pay the premiums as required hereunder, Lessor shall be entitled after notice to Lessee, but shall have no obligation, to obtain such insurance and pay the premiums therefor, which premiums shall be repayable to Lessor promptly following request by Lessor (but in no event later than fifteen (15) days after delivery of such request).

13.5. **Increase in Limits.** In the event that Lessor shall at any time in its reasonable discretion deem the limits of the personal injury, property damage or general public liability insurance then carried to be insufficient, the parties shall endeavor to agree on the proper and reasonable limits for such insurance to be carried and such insurance shall thereafter be carried with the limits thus agreed on until further change pursuant to the provisions of this Section 13.5. If the parties shall be unable to agree thereon, the proper and reasonable limits for such insurance to be carried shall be determined by an impartial third party selected by the parties.

13.6. **Blanket Policy.** Notwithstanding anything to the contrary contained in this Article XIII, Lessee's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Lessee provided that:

(a) Any such blanket policy or policies are acceptable to and have been approved by Lessor, which approval shall not be unreasonably withheld, conditioned or delayed;

(b) Any such blanket policy or policies shall not be changed, altered or modified without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed; and

(c) Any such blanket policy or policies shall otherwise satisfy the insurance requirements of this Article XIII.

13.7. **No Separate Insurance.** Lessee shall not, on Lessee's own initiative or pursuant to the request or requirement of any third party, take out separate insurance concurrent in form or contributing in the event of loss with that required in this Article XIII to be furnished by, or which may reasonably be required to be furnished by, Lessee, or increase the amounts of any then existing insurance by securing an additional policy or additional policies, unless all parties having an insurable interest in the subject matter of the insurance, including in all cases Lessor

and all Facility Lenders, are included therein as additional insureds and the loss is payable under said insurance in the same manner as losses are required to be payable under this Lease. Lessee shall promptly notify Lessor of the taking out of any such separate insurance or of the increasing of any of the amounts of the then existing insurance by securing an additional policy or policies.

#### **ARTICLE XIV. FIRE AND CASUALTY**

14.1. **Insurance Proceeds.** Except for the proceeds from Lessee's business interruption insurance policy which shall be paid to Lessee so long as Lessee continues to pay Rent to Lessor in accordance with the terms of this Lease, all proceeds payable by reason of any loss or damage to the Leased Property, or any portion thereof, and insured under any policy of insurance required by Article XIII shall be paid to Lessor and held by Lessor in trust (subject to the provisions of Section 14.7) and shall be made available for reconstruction or repair, as the case may be, of any damage to or destruction of the Leased Property, or any portion thereof, and shall be paid out by Lessor from time to time for the reasonable cost of such reconstruction or repair. Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of the Leased Property, or any portion thereof (or in the event neither Lessor nor Lessee is required or elects to repair and restore), all such insurance proceeds shall be paid by Lessor to Lessee free and clear upon completion of any such repair and restoration except as otherwise specifically provided below in this Article XIV. All salvage resulting from any risk covered by insurance shall belong to Lessee and any salvage relating to Capital Additions paid for by Lessee as described in Section 10.2 or to Lessee's Personal Property shall belong to Lessee.

#### 14.2. **Reconstruction in the Event of Damage or Destruction Covered by Insurance.**

(a) Except as provided in Section 14.7, with respect to any Property, if during the Term such Property is totally or partially destroyed from a risk covered by the insurance described in Article XIII and such Property is thereby rendered Unsuited for its Primary Intended Use (the "Casualty Impacted Property"), Lessee shall elect, by giving written notice to Lessor within sixty (60) days following the date of such destruction, one of the following: (i) to restore such Casualty Impacted Property to substantially the same condition as existed immediately before the damage or destruction, or (ii) so long as the damage or destruction was not caused by the negligence of Lessee, its agents, servants, employees or contractors, to terminate this Lease with respect to the Casualty Impacted Property and, in this event, the total Base Rent payable hereunder shall be reduced in accordance with Section 5.2, Lessor shall be entitled to retain the insurance proceeds, and Lessee shall pay to Lessor on demand, the amount of any deductible or uninsured loss arising in connection therewith.

(b) Except as provided in Section 14.7, with respect to any Property, if, during the Term, such Property is totally or partially destroyed from a risk covered by the insurance described in Article XIII, but such Property is not thereby rendered Unsuited for its Primary Intended Use, Lessee shall restore such Property to substantially the same condition as existed immediately before the damage or destruction. Such damage or destruction shall not terminate this Lease with respect to such Property.

14.3. **Reconstruction in the Event of Damage or Destruction Not Covered by Insurance.** Except as provided in Section 14.7 and without limiting Section 14.2, if during the Term a Property is totally or partially damaged or destroyed from a risk not covered by the insurance described in Article XIII but that would have been covered if Lessee carried the insurance customarily maintained by, and generally available to, the operators of reputable health care facilities in the region in which such Property is located, then, whether or not such damage or destruction renders such Property Unsuitable for its Primary Intended Use, Lessee shall, at its sole cost and expense, restore such Property to substantially the same condition it was in immediately before such damage or destruction and such damage or destruction shall not terminate this Lease with respect to such Property.

14.4. **Lessee's Personal Property.** All insurance proceeds payable by reason of any loss of or damage to any Lessee's Personal Property or any Capital Addition shall be paid to Lessee to pay the cost of repairing or replacing the damage to Lessee's Personal Property or the Capital Additions paid for by Lessee with respect thereto.

14.5. **Restoration of Lessee's Property.** If Lessee is required or elects to restore any Property as provided in Sections 14.2 or 14.3, Lessee shall also restore all alterations and improvements made to Lessee's Personal Property with respect thereto and all Capital Additions paid for by Lessee with respect thereto.

14.6. **No Abatement of Rent.** This Lease shall remain in full force and effect, and Lessee's obligation to pay Rent and all other charges required by this Lease shall remain unabated during any period required for repair and restoration; provided however, the proceeds of all rental stream insurance, if any, will first be paid to or retained by Lessor in satisfaction of Lessee's obligations to pay Rent.

14.7. **Damage Near End of Term.** Notwithstanding any provisions of Sections 14.2 (but without limiting Lessee's rights under Section 14.2(a)) or 14.3 to the contrary, if damage to or destruction of any Property occurs during the last twenty-four (24) months of the Term, and if such damage or destruction cannot be fully repaired and restored within six (6) months immediately following the date of such loss as determined in Lessor's reasonable discretion, either party shall have the right to terminate this Lease with respect to such Property by giving notice to the other within thirty (30) days after the date of damage or destruction, in which event Lessor shall be entitled to retain the insurance proceeds and Lessee shall pay to Lessor on demand the amount of any deductible or uninsured loss arising in connection therewith; provided, however, that any such notice given by Lessor shall be void and of no force and effect if Lessee exercises an available option to extend the Term for one (1) Extension Term within thirty (30) days following receipt of such termination notice.

14.8. **Waiver.** Lessee hereby waives any statutory or common law rights of termination which may arise by reason of any damage to or destruction of any portion of the Leased Property.

**ARTICLE XV.  
CONDEMNATION**

15.1. **Parties' Rights and Obligations.** If during the Term there is any Taking of all or any part of a Property or any interest in this Lease relating to such Property by Condemnation, the rights and obligations of the parties shall be determined by this Article XV.

15.2. **Total Taking.** If there is a Taking of all of a Property by Condemnation, this Lease shall terminate with respect to such Property on the Date of Taking.

15.3. **Partial Taking.**

(a) If there is a Taking of a part, but not all, of a Property by Condemnation, this Lease shall remain in effect with respect to such Property if such Property is not thereby rendered Unsuited for its Primary Intended Use.

(b) If, however, such portion of such Property is thereby rendered Unsuited for its Primary Intended Use, Lessee shall elect (i) to restore such portion of such Property, at its own expense and to the extent possible, to substantially the same condition as existed immediately before the partial Taking, (ii) to terminate this Lease with respect to such Property (in which event the Base Rent payable hereunder shall be reduced in accordance with Section 5.2, or (iii) to continue using the remaining portion of such Property despite the Taking, in which case Rent for the Property shall be reduced proportionately based on the amount of any Award received by Lessor. Lessee shall exercise such election by giving Lessor notice thereof within sixty (60) days after Lessee receives notice of the Taking.

15.4. **Award Distribution.** In the event of a Taking, the entire Award shall belong to and be paid to Lessor; provided, however, that if this Lease is terminated pursuant to this Article XV with respect to such Property, Lessee shall be entitled to receive a sum attributable to Lessee's Personal Property relating thereto and any reasonable removal and relocation costs, provided in each case the Award specifically includes such items. If Lessee is required or elects to restore such Property, Lessor agrees that the Award shall be used for that restoration, and it shall hold such portion of the Award in trust for application to the cost of the restoration.

15.5. **Temporary Taking.** The Taking of any Property or any part thereof by military or other public authority shall constitute a Taking by Condemnation only when the use and occupancy by the Taking authority has continued for longer than six (6) months. During any such six (6)-month period all the provisions of this Lease shall remain in full force and effect and the Rent with respect to such Property shall not be abated or reduced during such period of Taking.

**ARTICLE XVI.  
DEFAULT**

16.1. **Events of Default.** The occurrence of any one or more of the following events (individually, an "Event of Default") shall constitute Events of Default hereunder:

(a) if Lessee shall fail to make a payment of the Rent or any other monetary obligation when the same becomes due and payable by Lessee under this Lease (including, but not limited to, the failure to pay Insurance Premiums or Impositions) and the same shall remain unpaid for more than ten (10) days following receipt by Lessee of written notice thereof from Lessor; provided, however, in no event shall Lessor be required to give more than two (2) such written notices hereunder during any consecutive twelve (12) month period; or

(b) if Lessee shall fail to observe or perform any other term, covenant or condition of this Lease and such failure is not cured by Lessee within a period of thirty (30) days after receipt by Lessee of written notice thereof from Lessor (except that in the event Lessee shall fail to comply with any request pursuant to Sections 38.3 and 38.4 hereof, and such failure shall continue for ten (10) days after receipt by Lessee of such request from Lessor), unless such failure cannot, in Lessor's reasonable determination, with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed to continue if, in Lessor's reasonable determination, Lessee commences to cure such failure within the thirty (30) day period and proceeds with due diligence to complete the curing thereof; *provided, however*, in no event shall Lessor be required to give more than two (2) such written notices hereunder for Lessee's failure to observe or perform the same (or repetitive) covenant or condition in any consecutive twelve (12) month period; or

(c) if (i) any Facility Lessee or the Guarantor shall admit in writing its inability to pay its debts as they become due; or (ii) any Facility Lessee or the Guarantor shall file a petition in bankruptcy as a petition to take advantage of any insolvency act; or (iii) any Facility Lessee or the Guarantor shall be declared insolvent according to any law; or (iv) any Facility Lessee or the Guarantor shall make any general assignment for the benefit of its creditors; or (v) if the estate or interest of any Facility Lessee in the Leased Property or any part thereof shall be levied upon or attached in any proceeding and the same shall not be vacated or discharged within the later of ninety (90) days after commencement thereof or sixty (60) days after receipt by such Facility Lessee of written notice thereof from Lessor (unless such Facility Lessee shall be contesting such lien or attachment in good faith in accordance with Article XII); or (vi) any petition shall be filed against any Facility Lessee or the Guarantor to declare such Facility Lessee or the Guarantor bankrupt, to take advantage of any insolvency act, or to delay, reduce or modify such Facility Lessee's or the Guarantor's capital structure and the same shall not be removed or vacated within ninety (90) days from the date of its creation, service or attachment; or (vii) any Facility Lessee or the Guarantor shall, after a petition in bankruptcy is filed against it, be adjudicated a bankrupt, or a court of competent jurisdiction shall enter an order or decree, with or without the consent of such Facility Lessee or the Guarantor, as the case may be, appointing a trustee, examiner or receiver of such Facility Lessee or the Guarantor or the whole or substantially all of its property, or approving a petition filed against such Facility Lessee or the Guarantor seeking reorganization or arrangement of such Facility Lessee or the Guarantor under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such judgment, order or decree shall not be vacated or set aside or stayed within ninety (90) days from the date of the entry thereof; or

(d) if any Facility Lessee shall have any of its material Licenses, material Participation Agreements (including participation or certification in Medicare or Medicaid or any material other third-party payor program) terminated by the applicable government program for fraud or willful violation of the terms of such program; or

(e) a Change of Control Transaction shall occur with respect to any Facility Lessee or Guarantor which is not approved by Lessor in advance; or

(f) if, with respect to any Property, the applicable Facility Lessee that operates the Business at such Property abandons or vacates the same (such Facility Lessee's absence therefrom for thirty (30) consecutive days shall constitute abandonment) and thereafter fails to comply with any other covenants or conditions set forth in this Lease with respect to such Facility Lessee or such Property (subject to any other applicable notice and cure periods set forth herein); it being understood that such Facility Lessee may cease operations of the Business at such Property so long as such Facility Lessee complies with all other non-operational covenants and conditions set forth in this Agreement; or

(g) if any Facility Lessee or the Guarantor shall be liquidated or dissolved, or shall begin proceedings toward such liquidation or dissolution, or shall, in any manner, permit the sale or divestiture of substantially all of its assets, or any such Facility Lessee or the Guarantor shall enter into an agreement respecting same; or

(h) if an "Event of Default" shall occur under and as defined in the Mortgage Loan Agreement or a monetary default or a material non-monetary default shall occur under any other Obligation Document (other than this Lease) which is not waived in writing or cured within the cure period as provided therein (it being understood that a violation of the LLC Agreement with respect to any MPT Required Provision is a material non-monetary default and shall not be subject to any notice or cure period); or

(i) if any monetary or material non-monetary default or event of default occurs with respect to any Material Obligation of any Facility Lessee or Guarantor which is not waived in writing or cured within the applicable notice and cure period provided by the document evidencing the Material Obligation; or

(j) if, at any time during the Term, for two (2) consecutive calendar quarters:

(i) commencing the quarter ending December 31, 2017 and continuing for the first three calendar quarters in 2018, EBITDAR of Steward Health and its Subsidiaries shall be less than Two Hundred and Five Percent (205%) of the Realty Payments (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(ii) commencing the quarter ending December 31, 2018 and continuing for the first three calendar quarters in 2019, EBITDAR of Steward Health and its Subsidiaries shall be less than Two Hundred and Fifteen Percent (215%) of the Realty Payments (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(iii) commencing the quarter ending December 31, 2019 and continuing for the first three calendar quarters in 2020, EBITDAR of Steward Health and its Subsidiaries

shall be less than Two Hundred and Twenty Percent (220%) of the Realty Payments (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(iv) commencing the quarter ending December 31, 2020 and continuing for each calendar quarter thereafter, EBITDAR of Steward Health and its Subsidiaries shall be less than Two Hundred and Twenty-Five Percent (225%) of the Realty Payments (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(k) if, at any time during the Term, for two (2) consecutive calendar quarters

(i) commencing the quarter ending December 31, 2017 and continuing for the first three calendar quarters in 2018, EBITDAR of Steward Health and its Subsidiaries shall be less than One Hundred and Five Percent (105%) of Consolidated Fixed Charges (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(i) commencing the quarter ending December 31, 2018 and continuing for the first three calendar quarters in 2019, EBITDAR of Steward Health and its Subsidiaries shall be less than One Hundred and Fifteen Percent (115%) of Consolidated Fixed Charges (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(ii) commencing the quarter ending December 31, 2019 and continuing for the first three calendar quarters in 2020, EBITDAR of Steward Health and its Subsidiaries shall be less than One Hundred and Twenty Percent (120%) of Consolidated Fixed Charges (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(iii) commencing the quarter ending December 31, 2020 and continuing for each calendar quarter thereafter, EBITDAR of Steward Health and its Subsidiaries shall be less than One Hundred and Twenty-Five Percent (125%) of Consolidated Fixed Charges (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(l) Notwithstanding the foregoing, in the event that Lessee fails (or, but for the operation of this paragraph, would fail) to comply with the requirements of Section 16.1(j) or (k), until the thirtieth (30th) day subsequent to the earlier of (1) the date Lessee becomes aware of such noncompliance or (2) the date of delivery of written notice from Lessor relating to such failure (the “Equity Cure Expiration Date”), Steward Health shall have the right to issue its equity interests for cash or to receive an equity contribution in respect of its equity interests (the “Equity Cure Right”), and upon the receipt by Steward Health of such cash (the “Specified Equity Contribution”) EBITDAR shall be recalculated giving effect to the following pro forma adjustments:

(i) EBITDAR for the applicable calendar quarter (and any four-quarter period that contains such quarter) shall be increased, solely for the purpose of determining compliance with Section 16.1(j) and (k), by an amount equal to the Specified Equity Contribution; and

(ii) if, after giving effect to the foregoing recalculations, Lessee shall then be in compliance with the requirements of Section 16.1(j) and (k), Lessee shall be deemed to have satisfied the requirements of such section as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable Event of Default that had occurred shall be deemed cured for purposes of this Lease.

(m) Notwithstanding anything herein to the contrary, after the failure to comply with the requirements of Section 16.1(j) or (k), if Lessee has given Lessor notice that Lessee intends to cure such failure with the proceeds of a Specified Equity Contribution, Lessor shall not exercise any rights or remedies under Section 16 available during the continuance of any Event of Default on the basis of any actual or purported failure to comply with Section 16.1(j) or (k) until such failure is not cured on or prior to the Equity Cure Expiration Date.

If an Event of Default has occurred, Lessor shall have the right at its election, then or at any time thereafter, to pursue any one or more of the following remedies (subject to applicable law), in addition to any remedies which may be permitted by law, by other provisions of this Lease or otherwise, without notice or demand, except as hereinafter provided:

A. If Lessee deserts, abandons or vacates any Property (the “Vacated Property”), Lessor may enter upon and take possession of either (i) the Vacated Property; or (ii) if there has occurred a Major Event of Default, any one or more (including all, if so elected by Lessor) of the Properties, regardless of whether such Event of Default emanated from or related primarily to a single Property (whether one or more, and whether pursuant to clause (i) or (ii), the “Entered Property”), to protect it from deterioration and continue to demand from Lessee Rent and other charges as provided in this Lease, without any obligation to relet (except to the extent required by applicable law); but if Lessor does relet the Entered Property (on such terms and conditions as Lessor, in its sole discretion, shall deem reasonable), such action by Lessor shall not be deemed an acceptance of Lessee’s surrender of the Entered Property unless Lessor expressly notifies Lessee of such acceptance in writing, Lessee hereby acknowledging that Lessor shall otherwise be reletting as Lessee’s agent and Lessee furthermore hereby agreeing to pay to Lessor on demand any deficiency that may arise between the Rent and other charges as provided in this Lease and that are actually collected by Lessor relating to the Entered Property.

B. Lessor, or anyone acting on Lessor’s behalf, may without notice or demand to Lessee, either (i) enter the Property from which such Event of Default emanated or to which such Event of Default related primarily; or (ii) if there has occurred a Major Event of Default, peaceably enter any one or more (including all, if so elected by Lessor) of the Properties, regardless of whether such Event of Default emanated from or related primarily to a single Property (whether one or more, and whether pursuant to clause (i) or (ii), the “Defaulted Property”), to the extent permitted by applicable laws and regulations without liability to action for prosecution or damages for such entry or for the manner thereof, and do whatever Lessee is

obligated or permitted to do under this Lease. Lessee hereby releases and discharges Lessor and its agents from all claims, actions, suits, damages and penalties for or by reason of any such entry. Lessee agrees to reimburse Lessor on demand for all expenses, including, without limitation, attorneys' fees and expenses, that Lessor may incur in effecting compliance with Lessee's obligations under this Lease, and Lessee further agrees that Lessor shall not be liable for any damages resulting to Lessee from such action.

C. Lessor may immediately terminate Lessee's right of possession of the Defaulted Property, but not terminate this Lease with respect to the Defaulted Property, and without notice or demand, except as may be required and/or permitted by applicable law, enter upon such Defaulted Property or any part thereof and take absolute possession of the same, and at Lessor's sole option may relet such Defaulted Property or any part thereof for such terms and such rents as Lessor may reasonably elect. In the event of such reletting, the rent received by Lessor from such reletting shall be applied in the manner set forth in Section 16.4, and Lessee shall satisfy and pay any deficiency upon demand therefor from time to time. Any entry into and possession of the Defaulted Property by Lessor shall be without liability or responsibility to Lessee and shall not be in lieu of or in substitution for any other legal rights of Lessor hereunder. Lessee further agrees that Lessor may file suit to recover any sums due under the terms of this Lease and that no recovery of any portion due Lessor hereunder shall be any defense to any subsequent action brought by Lessor for any other amounts not reduced to judgment in favor of Lessor. Reletting any portion of the Defaulted Property relating to any one or more of the Properties shall not be construed as an election on the part of Lessor to terminate this Lease with respect to such Defaulted Property and, notwithstanding any such reletting without termination, Lessor may at any time thereafter elect to terminate this Lease for default with respect to the Defaulted Property.

D. Lessor may terminate this Lease with respect to the Defaulted Property (whether one or more, the "Terminated Property"), by written notice to Lessee, in which event Lessee shall immediately surrender to Lessor such Terminated Property, and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which Lessor may have for possession or arrearages in Rent or any other payments under this Lease (including any interest and payment penalty which may have accrued pursuant to the terms of this Lease), peaceably enter upon and take possession of such Terminated Property and remove the applicable Facility Lessee and any other Person who may be occupying such Terminated Property or any part thereof, to the extent permitted by applicable laws and regulations without being liable for prosecution or any claim for damages therefor. Except as otherwise may be required by applicable law, Lessee hereby waives any statutory requirement of prior written notice for filing eviction or damage suits for nonpayment of Rent or any other payments under this Lease. In addition, Lessee agrees to pay to Lessor on demand the amount of all loss and damage which Lessor may suffer by reason of any termination effected pursuant to this Section 16.1D, which loss and damage shall be determined, at Lessor's option, by either of the following alternative measures of damages:

(ii) Until Lessor is able to relet such Terminated Property, although Lessor shall be under no obligation to attempt to do so (unless required by applicable law), Lessee shall pay to Lessor, on or before the first day of each calendar month, the monthly rentals and other charges provided in this Lease relating to such Terminated Property. After such Terminated Property has been relet by Lessor, Lessee shall pay to Lessor on

the tenth (10th) day of each calendar month the difference between the monthly rentals and other charges provided in this Lease related to such Terminated Property for the preceding calendar month (had this Lease not been terminated) and those actually collected by Lessor with respect to such reletting for that month. If it is necessary for Lessor to bring suit to collect any deficiency, Lessor shall have the right to allow such deficiencies to accumulate and to bring an action on several or all of the accrued deficiencies at one time. Any such suit shall not prejudice in any way the right of Lessor to bring a similar action for any subsequent deficiency or deficiencies. Any amount collected by Lessor from subsequent Tenants related to such Terminated Property for any calendar month in excess of the monthly Rent (including Additional Charges) herein allocated to such Terminated Property had this Lease not been terminated with respect thereto shall be credited to Lessee in reduction of Lessee's liability for any calendar month for which the amount collected by Lessor will be less than the monthly Rent (including Additional Charges) herein allocated to such Terminated Property had this Lease not been terminated with respect thereto such Terminated Facility, but Lessee shall have no right to any excess other than the above described credit.

(iii) When Lessor desires, Lessor may demand a final settlement with respect to such Terminated Property. Upon demand for a final settlement, Lessor shall have a right to, and Lessee hereby agrees to pay, the difference between the total of all monthly Rent (including Additional Charges) allocated to such Terminated Property for the remainder of the Term and the reasonable rental value thereof for such period, with such difference to be discounted to present value at a rate equal to the 5-Year U.S. Treasury Rate plus Two Percent (2%) per annum in effect upon the date of determination.

If Lessor elects to exercise the remedies prescribed in subsections A or B above, this election shall in no way prejudice Lessor's right at any time thereafter to cancel said election in favor of the remedy prescribed in subsection D or elsewhere in this Lease. Similarly, if Lessor elects to compute damages in the manner prescribed by subsection D(i) above, this election shall in no way prejudice Lessor's right at any time thereafter to demand a final settlement in accordance with subsection D(ii). Pursuit of any of the above remedies shall not preclude pursuit of any other remedies prescribed in other sections of this Lease and any other remedies provided by law or equity. Forbearance by Lessor to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such default.

E. In the event that Lessor has either repossessed a Vacated Property pursuant to subsection A, repossessed a Defaulted Property pursuant to subsection C, or terminated this Lease with respect to one or more (or all, if so elected by Lessor) Defaulted Properties pursuant to subsection D, and Lessor elects to enter upon such portion of the Leased Property as provided herein, Lessor may change, alter, and/or modify the door locks on all entry doors of such portion of the Leased Property, thereby permanently excluding Lessee and its officers, principals, agents, employees, representatives and invitees therefrom, but only to the extent that such exclusion does not interfere with patient care and safety. Lessor shall not thereafter be obligated to provide Lessee with a key to such portion of Leased Property at any time, regardless of any amounts subsequently paid by Lessee; provided, however, that in any such instance, during Lessor's normal business hours and at the convenience of Lessor, and upon receipt of written request from Lessee accompanied by such written waivers and releases as Lessor may reasonably require,

Lessor may escort Lessee or its authorized personnel to such Leased Property to retrieve any personal belonging or other property of Lessee, whereupon Lessor shall remove such property and make it available to Lessee at a time and place designated by Lessor. However, Lessee shall pay, in cash in advance, all reasonable out-of-pocket costs and expenses estimated by Lessor to be incurred in removing such property and making it available to Lessee and all moving and/or storage charges theretofore incurred by Lessor with respect to such property (plus an additional Seven Percent (7%) thereof to cover Lessor's administrative costs). If Lessor elects to exclude Lessee from any Defaulted Property (or all of the Defaulted Properties if so elected by Lessor) without repossessing or terminating pursuant to the foregoing provisions of this Lease, then Lessor shall not be obligated to provide Lessee a key to re-enter such Property or Properties until such time as all delinquent Rent has been paid in full and all other defaults, if any, have been completely cured to Lessor's satisfaction (if such cure occurs prior to any actual repossession or termination), and Lessor has been given assurance reasonably satisfactory to Lessor evidencing Lessee's ability to satisfy its remaining obligations under this Lease. To the extent permitted by law, the foregoing provision shall override and control any conflicting provisions of any applicable statute governing the right of a lessor to change the door locks of commercial leases.

F. Intentionally Deleted.

G. In addition to any other available remedies, at Lessor's option, with respect to each Defaulted Property or Entered Property, Lessor shall have those rights (i) to purchase Lessee's Personal Property in the manner provided in Section 34.1 hereof and (ii) to effect a transfer of the Licenses pursuant to the terms of Article XXXVIII hereof.

H. Exercise any and all other rights and/or remedies granted or allowed to landlords by any existing or future statute or other law of the applicable State where the Entered Property or the Defaulted Property, as applicable, is located.

I. Lessor shall use reasonable efforts to the extent required by applicable law to relet such Property or Properties on such terms and conditions as Lessor, in its sole good faith judgment, may determine (including, without limitation, a lease term different than the Term, rental concessions, alterations and repair any such Property); provided, however, that, with respect to any such Property or Properties (i) Lessor shall not be obligated to relet such Property before leasing other vacant space owned or operated by Lessor, (ii) Lessor reserves the right to refuse to lease such Property to any potential tenant that does not meet Lessor's reasonable standards and criteria for leasing any other comparable space owned or operated by Lessor (it being understood and agreed that it shall be deemed reasonable for Lessor to refuse to lease to a prospective tenant who owns, leases or operates a business similar to that conducted on such Property within ten (10) miles of any point on or within which such Property is located), and (iii) Lessor shall not be obligated to undertake any greater efforts to relet such portion of the Leased Property than Lessor utilizes to lease any other vacant space owned or operated by Lessor. In any proceeding in which Lessor's efforts to mitigate damages and/or its compliance with this subsection is at issue, Lessor shall be presumed to have used reasonable efforts to mitigate damages and Lessee shall bear the burden of proof to establish that such reasonable efforts were not used.

J. No receipt of moneys by Lessor from Lessee after a termination of this Lease with respect to any one or more of the Properties or of Lessee's rights under this Lease by Lessor with respect thereto shall reinstate, continue or extend the Term of this Lease with respect to such one or more Properties or affect any notice theretofore given to Lessee, or operate as a waiver of the right of Lessor to enforce the payment of Rent and any related amounts to be paid by Lessee to Lessor then due or thereafter falling due, it being agreed that after the commencement of suit for possession of any such Property, or after final order or judgment for the possession of any such Property, Lessor may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such suit, order or judgment, all such money collected being deemed payments on account of the use and occupation of any such Property or, at the election of Lessor, on account of Lessee's liability hereunder. Lessee hereby waives any and all rights of redemption provided by any law, statute or ordinance now in effect or which may hereafter be enacted.

K. No right or remedy herein conferred upon or reserved to Lessor is intended to be exclusive of any other right or remedy, and every right and remedy shall be cumulative and in addition to any other legal or equitable right or remedy given hereunder, or at any time existing. The failure of Lessor to insist upon the strict performance of any provision or to exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or a relinquishment thereof for the future, and no acceptance of full or partial payment of Rent or any other payment due under the terms of this Lease during the continuance of any such breach shall constitute a waiver of any such breach or any such term. To the extent permitted by law, no waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect with respect to any other then existing or subsequent breach. Lessor and Lessee agree that no waiver shall be effective hereunder unless it is in writing.

16.2. **Additional Expenses.** It is further agreed that, in addition to payments required pursuant to Section 16.1 above and the provisions of Section 40.3, Lessee shall compensate Lessor and its Affiliates for (a) all reasonable, out-of-pocket expenses incurred by Lessor and its Affiliates in enforcing the provisions of this Lease and in repossessing the Leased Property or any portion thereof (including among other expenses, any increase in insurance premiums caused by the vacancy of all or any portion of the Leased Property); (b) all reasonable, out-of-pocket expenses incurred by Lessor and its Affiliates in reletting (including among other expenses, repairs, remodeling, replacements, advertisements and brokerage fees); (c) all concessions granted to a new Tenant or Tenants upon reletting (including among other concessions, renewal options); (d) Lessor's and its Affiliates' reasonable, out-of-pocket attorneys' fees and expenses arising from or related to an Event of Default; and (e) all losses incurred by Lessor and its Affiliates as a direct or indirect result of such Event of Default (including, among other losses, any adverse action by Facility Lenders).

16.3. **Waivers.**

(a) If this Lease is terminated pursuant to Section 16.1, Lessee waives, to the extent permitted by applicable law, (i) any right to a trial by jury in the event of summary proceedings to enforce the remedies set forth in this Article XVI and (ii) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt. Lessee acknowledges and agrees that no waiver by Lessor of any provision of this Lease shall be deemed to have been made unless made under signature of an authorized representative of Lessor.

(b) To the extent permitted by applicable law, Lessee waives any and all rights or defenses arising by reason of: (i) any “one action” or “anti-deficiency” law or any other law which may prevent Lessor from bringing any action, including a claim for deficiency, against Lessee or any one or more of the Facility Lessees or the Guarantor, before or after Lessor’s commencement or completion of any foreclosure or similar action or actions, either judicially or by exercise of a power of sale; (ii) any election of remedies by Lessor which destroys or otherwise adversely affects Lessee or any one or more of the Facility Lessee’s or Guarantor’s subrogation rights or rights to proceed against any Person for reimbursement, including, without limitation, any loss of rights Lessee or the Guarantor may suffer by reason of any law limiting, qualifying, or discharging Lessee’s and Guarantor’s obligations under this Lease or the other Obligation Documents (as applicable); (iii) any right to claim discharge of the obligations under this Lease on the basis of unjustified impairment of any collateral for such obligations; or (iv) any defenses given to guarantors, sureties, and/or co-makers at law or in equity other than actual payment and performance of Lessee’s and Guarantor’s obligations under this Lease or the other Obligation Documents (as applicable).

16.4. **Application of Funds.** Any payments otherwise payable by Lessee which are received by Lessor under any of the provisions of this Lease during the existence or continuance of any Event of Default shall be applied to Lessee’s obligations in the order which Lessor may reasonably determine.

16.5. **Notices by Lessor.** The provisions of this Article XVI concerning notices shall be liberally construed insofar as the contents of such notices are concerned, and any such notice shall be sufficient if reasonably designed to apprise Lessee of the nature and approximate extent of any default, it being agreed that Lessee is in as good or a better position than Lessor to ascertain the exact extent of any default by Lessee hereunder.

#### **ARTICLE XVII. LESSOR’S RIGHT TO CURE**

Subject to the provisions of Article XII relating to permitted contests, if Lessee shall fail to make any payment, or to perform any act required to be made or performed under this Lease and to cure the same within the relevant time periods provided in Section 16.1, after reasonable written notice to Lessee, Lessor, without waiving or releasing any obligation or Event of Default, may (but shall be under no obligation to) at any time thereafter make such reasonable payment or perform such reasonable act for the account and at the expense of Lessee, and may, to the extent permitted by law, enter upon any portion of the Leased Property, but only in accordance with Lessee’s reasonable security procedures and all applicable laws, including, but not limited to all Information Privacy and Security Laws, for such purpose and take all such action thereon as, in Lessor’s opinion, may be necessary or appropriate therefor. No such entry shall be deemed an eviction of Lessee.

All sums so paid by Lessor and all reasonable, out-of-pocket costs and expenses (including, without limitation, reasonable, documented, out-of-pocket attorneys’ fees and expenses, in each case, to the extent permitted by law) so incurred, together with a late charge

thereon (to the extent permitted by law) at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Lessor until reimbursed, shall be paid by Lessee to Lessor on demand.

**ARTICLE XVIII.  
INTENTIONALLY DELETED**

**ARTICLE XIX.  
HOLDING OVER**

If Lessee shall for any reason remain in possession of any Property after the expiration of the Term or any earlier termination of the Term with respect to thereto, such possession shall be as a tenancy at will, during which time Lessee shall pay, as rental each month, one and one-half (1-1/2) times the aggregate of (a) one-twelfth (1/12) of the aggregate Allocated Base Rent relating to such Property payable with respect to the last complete twelve (12)-month period prior to the expiration of the Term; (b) all Additional Charges relating to such Property accruing during the month, and (c) all other sums, if any, payable by Lessee pursuant to the provisions of this Lease with respect to such Property. During such period of tenancy, Lessee shall be obligated to perform and observe all of the terms, covenants and conditions of this Lease, but shall have no rights hereunder other than the right, to the extent given by law to tenancies at will, to continue its occupancy and use of such Property. Nothing contained herein shall constitute the consent, express or implied, of Lessor to the holding over of Lessee after the expiration or earlier termination of this Lease.

**ARTICLE XX.  
INTENTIONALLY DELETED**

**ARTICLE XXI.  
RISK OF LOSS**

During the Term, the risk of loss of, or decrease in, the enjoyment and beneficial use of the Leased Property in consequence of the damage or destruction thereof by fire, the elements, casualties, thefts, riots, wars or otherwise, or in consequence of foreclosures, attachments, levies or executions (other than by Lessor and those claiming from, through or under Lessor) is assumed by Lessee and, Lessor shall in no event be answerable or accountable therefor nor shall any of the events mentioned in this Article XXI entitle Lessee to any abatement of Rent except as specifically provided in this Lease.

**ARTICLE XXII.  
INDEMNIFICATION**

**NOTWITHSTANDING THE EXISTENCE OF ANY INSURANCE OR SELF INSURANCE PROVIDED FOR IN ARTICLE XIII, AND WITHOUT REGARD TO THE POLICY LIMITS OF ANY SUCH INSURANCE OR SELF INSURANCE, IN ADDITION TO ANY OTHER INDEMNIFICATION OBLIGATIONS OF LESSEE AND GUARANTOR AS PROVIDED IN THIS LEASE, LESSEE WILL PROTECT, INDEMNIFY, SAVE HARMLESS AND DEFEND LESSOR FROM AND AGAINST ALL LIABILITIES, OBLIGATIONS, CLAIMS, DAMAGES, PENALTIES, CAUSES OF**

ACTION, REASONABLE, OUT-OF-POCKET COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND EXPENSES) TO THE EXTENT PERMITTED BY LAW), IMPOSED UPON OR INCURRED BY OR ASSERTED AGAINST LESSOR BY REASON OF: (A) ANY ACCIDENT, INJURY TO OR DEATH OF PERSONS OR LOSS OF PERSONAL PROPERTY OCCURRING ON OR ABOUT THE LEASED PROPERTY OR ADJOINING SIDEWALKS, INCLUDING WITHOUT LIMITATION ANY CLAIMS OF MALPRACTICE DURING THE TERM OR WHICH RELATE TO THE PERIOD OF LESSEE'S POSSESSION DURING THE TERM, (B) ANY USE, MISUSE, NO USE, CONDITION, MAINTENANCE OR REPAIR BY LESSEE OF THE LEASED PROPERTY DURING THE TERM OR WHICH RELATE TO THE PERIOD OF LESSEE'S POSSESSION DURING THE TERM, (C) ANY IMPOSITIONS (WHICH ARE THE OBLIGATIONS OF LESSEE TO PAY PURSUANT TO THE APPLICABLE PROVISIONS OF THIS LEASE), (D) ANY FAILURE ON THE PART OF LESSEE TO PERFORM OR COMPLY WITH ANY OF THE TERMS OF THIS LEASE, (E) THE NON-PERFORMANCE OF ANY OF THE TERMS AND PROVISIONS OF ANY AND ALL EXISTING AND FUTURE SUBLEASES OF THE LEASED PROPERTY TO BE PERFORMED BY THE LANDLORD (LESSEE) THEREUNDER DURING THE TERM OR WHICH RELATE TO THE PERIOD OF LESSEE'S POSSESSION DURING THE TERM, (F) ANY AND ALL LAWFUL ACTION THAT MAY BE TAKEN BY LESSOR IN CONNECTION WITH THE ENFORCEMENT OF THE PROVISIONS OF THIS LEASE, WHETHER OR NOT SUIT IS FILED IN CONNECTION WITH SAME, OR IN CONNECTION WITH LESSEE OR A GUARANTOR AND/OR ANY PARTNER, JOINT VENTURER, MEMBER OR SHAREHOLDER THEREOF BECOMING A PARTY TO A VOLUNTARY OR INVOLUNTARY FEDERAL OR STATE BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDING, (G) WITH RESPECT TO EACH PROPERTY, TO THE EXTENT ARISING DURING THE TERM OR WHICH RELATE TO THE PERIOD OF LESSEE'S POSSESSION DURING THE TERM, ANY (i) ENCROACHMENTS ONTO OR FROM ADJACENT PROPERTIES; (ii) VIOLATIONS OF SET-BACK, BUILDING OR SIDE LINES; (iii) ENCROACHMENTS ONTO ANY EASEMENTS OR SERVITUDES LOCATED ON SUCH PROPERTY; (iv) PENDING OR THREATENED BOUNDARY LINE DISPUTES; (v) PORTIONS OF SUCH PROPERTY LOCATED IN A FLOOD PLAIN OR IN AN AREA DEFINED AS A WETLAND UNDER APPLICABLE STATE OR FEDERAL LAW; (vi) CEMETERIES OR GRAVESITES LOCATED ON, WITHIN OR UNDER SUCH PROPERTY; OR (vii) MINE SHAFTS UNDER SUCH PROPERTY OR ANY OTHER LATENT DEFECTS, SUCH AS SINKHOLES, REGARDING OR AFFECTING SUCH PROPERTY, (H) ANY GRANTS, CONVEYANCES OR TRANSFERS OF ANY INTERESTS OR RIGHTS IN OR TO THE LEASED PROPERTY (INCLUDING, WITHOUT LIMITATION, EASEMENTS, RIGHTS-WAY, RESTRICTIONS) MADE BY LESSEE OR ANY OTHER PERSON WHICH ARE NOT APPROVED BY LESSOR PRIOR TO PLACING THE SAME OF RECORD ON THE LEASED PROPERTY, INCLUDING, WITHOUT LIMITATION, THOSE PRIOR TO THE LESSOR TAKING TITLE TO THE LEASED PROPERTY, (I) TO THE EXTENT ARISING DURING THE TERM, THE IMPROVEMENTS HAVING INSUFFICIENT ACCESS TO A PUBLIC RIGHT OF WAY OR FAILING TO BE IN COMPLIANCE WITH ALL RULES, REGULATIONS AND ORDINANCES OF ALL GOVERNMENTAL AUTHORITIES HAVING JURISDICTION OVER THE

IMPROVEMENTS AND THE LAND, INCLUDING, WITHOUT LIMITATION, THOSE PERTAINING TO ZONING AND PARKING. ANY AMOUNTS WHICH BECOME PAYABLE BY LESSEE UNDER THIS ARTICLE XXII SHALL BE PAID WITHIN FIFTEEN (15) DAYS AFTER DEMAND THEREFOR BY LESSOR AND, IF NOT TIMELY PAID, SHALL BEAR A LATE CHARGE (TO THE EXTENT PERMITTED BY LAW) AT THE OVERDUE RATE FROM THE EXPIRATION OF SAID FIFTEEN (15) DAY PERIOD UNTIL THE DATE OF PAYMENT AND A LATE PAYMENT PENALTY on such amount. LESSEE, AT ITS EXPENSE, SHALL CONTEST, RESIST AND DEFEND ANY SUCH CLAIM, ACTION OR PROCEEDING ASSERTED OR INSTITUTED AGAINST LESSOR AND MAY COMPROMISE OR OTHERWISE DISPOSE OF THE SAME, SUBJECT TO the approval of LESSOR. NOTHING HEREIN SHALL BE CONSTRUED AS INDEMNIFYING LESSOR AGAINST Its OWN Bad Faith, GROSSLY NEGLIGENT ACTS OR OMISSIONS, WILLFUL MISCONDUCT OR ANY WILLFUL BREACH OF ITS OBLIGATIONS UNDER THIS LEASE.

**ARTICLE XXIII.  
ASSIGNMENT, SUBLETTING AND SUBLEASE SUBORDINATION**

23.1. **Assignment and Subletting.**

(a) Lessee shall not assign this Lease without Lessor's prior written consent; *provided, however,* that Lessor's consent shall not be required for an assignment of this Lease to a Qualified Transferee (*provided, that,* if such assignment is in connection with an asset based transfer, such Qualified Transferee and its Affiliates shall enter into such guaranty agreements, security agreements, assignments of rents and leases, pledge agreements, non-competition agreements, environmental indemnification agreements, and other similar security documents (collectively, the "Qualified Transferee Credit Enhancements") as are necessary in Lessor's reasonable determination to assure that Lessor receives such collateral and other credit enhancements as are comparable to those provided by Lessee, Guarantor and their respective Affiliates in connection with this Lease). Lessor shall not unreasonably withhold, condition or delay its consent to any assignment, provided, that (i) such assignee shall assume in writing and agree to keep and perform all of the terms of this Lease on the part of Lessee to be kept and performed; and (ii) an original counterpart of the assignment, duly executed by Lessee and such assignee in form and substance reasonably satisfactory to Lessor, shall be delivered promptly to Lessor; it being understood and agreed, however, that if, in connection with any such assignment, Lessee desires that Lessor release Lessee from its obligations under this Lease, Lessor's review and approval of any assignee shall be in Lessor's sole and absolute discretion. The parties agree that Lessor's failure or refusal to approve an assignment to an assignee that does not have the financial or operating characteristics reasonably satisfactory to Lessor shall be reasonable on its face. Notwithstanding anything contained in this Lease to the contrary, any assignment must be of all of Lessee's right, title and interest in and to this Lease and the Leased Property such that this Lease is not severed with respect to any one or more of the Properties.

(b) Lessee shall not sublease any portion of a particular Property if such Tenant Lease would exceed One Million Dollars (\$1,000,000) in annual rent without Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Lessee agrees that (i) each Tenant Lease shall comply with the provisions of this Article XXIII.

(ii) subject to Section 23.4, a copy of each such Tenant Lease, duly executed by Lessee and such Tenant in form and substance reasonably satisfactory to Lessor, shall be delivered promptly to Lessor and (iii) Lessee shall remain primarily liable, as principal rather than as surety, for the prompt payment of the Rent and for the performance and observance of all of the obligations, covenants and conditions to be performed by Lessee hereunder and under all of the other documents executed in connection herewith. Any modifications, amendments and restatements of any Tenant Leases (but excluding renewals and extensions) hereafter entered into (other than those having less than One Million Dollars (\$1,000,000) in annual rent) must be approved by Lessor in accordance with this Article XXIII. In no event shall Lessee sublease all or substantially all of any Property without Lessor's prior written consent, which may be withheld in Lessor's sole discretion.

23.2. **Sublease Limitations.** In addition to the sublease limitations as set forth in Section 23.1, above, and notwithstanding anything contained in this Lease to the contrary, Lessee shall not sublet the Leased Property on any basis such that the rental to be paid by the Tenant thereunder would be based, in whole or in part, on either (a) the income or profits derived by the business activities of the Tenant, or (b) any other formula such that any portion of the Tenant Lease rental received by Lessor would fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto. Moreover, Lessee shall not sublet any portion of the Leased Property for a term extending beyond the Fixed Term without the express consent of Lessor. In addition, all Tenant Leases shall comply in all material respects with the Healthcare Laws. Lessor and Lessee acknowledge and agree that all Tenant Leases entered into relating to the Leased Property, whether or not approved by Lessor, shall not, without the prior written consent of Lessor, be deemed to be a direct lease between Lessor and any Tenant. Lessee agrees that all Tenant Leases executed after the Initial Commencement Date must include provisions to the effect that (i) such sublease is subject and subordinate to all of the terms and provisions of this Lease, to the rights of Lessor hereunder, and to all financing documents relating to any Facility Loan in connection with the Leased Property, (ii) in the event this Lease shall terminate or be terminated before the expiration of the Tenant Lease, the Tenant will, at Lessor's option, exercisable at any time in Lessor's discretion, attorn to Lessor and waive any right the Tenant may have to terminate the sublease or to surrender possession thereunder as a result of the termination of this Lease, (iii) in the event of a termination of this Lease with respect to all or the applicable Property, at Lessor's option, exercisable at any time in Lessor's discretion, the sublease may be terminated or left in place by Lessor, (iv) Tenant shall from time to time upon request of Lessee or Lessor furnish within twenty (20) days from request an estoppel certificate in form and content reasonably acceptable to Lessor or any Facility Lender relating to the Tenant Lease, (v) in the event the Tenant receives a written notice from Lessor or Lessor's assignees, if any, stating that an Event of Default under this Lease has occurred, the Tenant shall, to the extent specified in such notice, thereafter be obligated to pay all rentals accruing under said Tenant Lease directly to the Person giving such notice, or as such Person may direct, and such Tenant shall be entitled to conclusively rely on such notice (all rentals received from the Tenant by Lessor or Lessor's assignees, if any, as the case may be, shall be credited against the amounts owing by Lessee under this Lease), and (vi) such Tenant Lease shall at all times be subject to the obligations and requirements as set forth in this Article XXIII. Lessee acknowledges and agrees that the provisions of this Section 23.2 shall be applicable to all tenants, subtenants or licensees of any material portion of the Leased Property, whether under a Tenant Lease or any other written Lease, sublease, license or rental agreement.

**23.3. Sublease Subordination and Non-Disturbance.**

(a) With respect to the Existing Subleases, and within twenty (20) days after the Initial Commencement Date, Lessee shall use commercially reasonable efforts to cause such Tenant to execute and deliver to Lessor a subordination, non-disturbance and attornment agreement relating to each such Existing Sublease, which subordination, non-disturbance and attornment agreement shall be in reasonable form mutually satisfactory to Lessor and Lessee.

(b) At any time during the Term, within twenty (20) days following written request by Lessor with respect to any Tenant, Lessee shall use commercially reasonable efforts to cause any applicable Tenant to execute and deliver to Lessor (a) an estoppel certifying such matters as Lessor may reasonably request, including, without limitation, that such Tenant Lease is unmodified and in full force and effect (or setting forth the modifications), the term and expiration thereof and the dates to which the Rent has been paid; and/or (b) a subordination, non-disturbance and attornment agreement relating to the applicable Tenant Lease, which subordination, non-disturbance and attornment agreement shall be in reasonable form mutually satisfactory to Lessor and Lessee.

(c) Within twenty (20) days from the date of request of Lessor, a Facility Lender or Lessee, with respect to any Tenant, Lessee shall use commercially reasonable efforts to cause such Tenant and Lessor shall cause such Facility Lender to enter into a written agreement in a form reasonably acceptable to such Facility Lender and such Tenant whereby (i) such Tenant subordinates the Tenant Lease and all of its rights and estate thereunder to the lien of each such mortgage or deed of trust that encumbers the Leased Property or any part thereof and agrees with each such Facility Lender that such Tenant will attorn to and recognize such Facility Lender or the purchaser at any foreclosure sale or any sale under a power of sale contained in any such mortgage or deed of trust, as the case may be, as Lessor under this Lease for the balance of the Term then remaining, subject to all of the terms and provisions of the Tenant Lease and (ii) such Facility Lender shall agree that Tenant shall not be disturbed in peaceful enjoyment of the applicable portion of the Leased Property nor shall the applicable Tenant Lease be terminated or canceled at any time, except as specified in the applicable Tenant Lease.

23.4. **Existing Subleases.** Notwithstanding anything contained herein to the contrary, Lessor and Lessee acknowledge that there currently exist certain leases, subleases or licenses on the Leased Property, with annual rental payments in excess of One Million and No/100 Dollars (\$1,000,000) as described on **Exhibit C** (collectively the "**Existing Subleases**"). Any material modifications, amendments and restatements of the Existing Subleases or any Tenant Lease hereafter entered into (but excluding renewals and extensions that do not otherwise materially modify or amend the relevant Existing Sublease or Tenant Lease) must be approved by Lessor in accordance with this **Article XXIII**.

**ARTICLE XXIV.  
OFFICER'S CERTIFICATES; FINANCIAL STATEMENTS; NOTICES AND OTHER CERTIFICATES**

(a) At any time and from time to time, but not more than once per calendar quarter, within twenty (20) days following reasonable written request by Lessor, each Facility Lessee shall furnish to Lessor an Officer's Certificate certifying that this Lease is unmodified and in full force and effect (or that this Lease is in full force and effect as modified and setting forth the modifications) and the dates to which the Rent has been paid. Any such Officer's Certificate furnished pursuant to this Article may be relied upon by Lessor and any prospective purchaser of the Leased Property.

(b) Each Facility Lessee shall furnish, or cause to be furnished, to Lessor the following statements, notices and certificates in such form and detail as Lessor may reasonably require:

(i) within one hundred twenty (120) days after the end of each year, audited Financial Statements of such Facility Lessee and Steward Health (which Financial Statements may be provided on a consolidated basis so long as such consolidated Financial Statements provide a supplementary schedule of such Facility Lessee's statements of operations and, if such Facility Lessee owns any assets or conducts any other operations other than the Business, then of the Facility separately, prepared by a nationally recognized accounting firm or an independent certified public accounting firm reasonably acceptable to Lessor, all in accordance with GAAP for the year then ended; and

(ii) within (x) one hundred twenty (120) days after the end of the fourth quarter of each year and (y) forty-five (45) days after the end of each other quarter, (A) current quarterly income statements of Steward Health and a written calculation of the then current EBITDAR (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis), and (B) quarterly income statements of such Facility Lessee, and, if such Facility Lessee owns any assets or conducts any other operations other than the Business, then of its Facility separately, certified to be true and correct by an officer of such Facility Lessee; and

(iii) within thirty (30) days after the end of each month, monthly income statements (if available or produced in the ordinary course of business) of such Facility Lessee and statistics of its Facility, including, but not limited to, the number of patient discharges, the number of inpatient days, the case mix index, the payor sources for inpatient days (by inpatient days) and outpatient utilization by service (ER, non-ER); and

(iv) within ten (10) days after receipt, any and all material written notices from any and all licensing and/or certifying agencies that any license or certification, including, without limitation, the Medicare and/or Medicaid certification and/or material managed care contract necessary for the operation of the Facility for the Primary Intended Use is being revoked, or suspended, or that action is pending or being considered to revoke or suspend such Facility's license or certification; and

(v) with reasonable promptness, such other information respecting the financial condition of such Facility Lessee, Steward Health and their respective Subsidiaries as Lessor may reasonably request from time to time.

(c) Upon Lessor's reasonable request, each Facility Lessee and Steward Health shall furnish to Lessor a certificate in form reasonably acceptable to Lessor certifying that no Event of Default then exists and to Lessee's knowledge no event has occurred (that has not been cured) and no condition currently exists that would, but for the giving of any required notice or expiration of any applicable cure period, constitute an Event of Default, or disclosing that such an event or condition, if any, exists.

(d) Within five (5) Business Days after receipt, each Facility Lessee shall furnish to Lessor copies of all written notices and demands from any third-party payor, including, without limitation, Medicare and/or Medicaid, concerning any overpayment which will or could reasonably be expected to require a repayment or a refund in excess of Ten Million and No/100 Dollars (\$10,000,000.00) with respect to such Facility Lessee.

(e) Each Facility Lessee shall furnish to Lessor within ten (10) Business Days written notice of, and any written information related to, any governmental investigations of such Facility Lessee or the Guarantor (or any of their respective Affiliates), or any inspections or investigations of the Facility operated by such Facility Lessee which are conducted by the United States Attorney, State Attorney General, the Office of the Inspector General of the Department of Health and Human Services (the "OIG"), the United States Department of Justice or any other Governmental Body (except for such inspections or investigations that are being conducted by a Governmental Body other than the United States Attorney, State Attorney General, OIG or the Department of Justice, unless such inspections or investigations by such other Governmental Body is reasonably expected to have a material adverse effect on such Facility Lessee or the Guarantor, in which event such Facility Lessee shall furnish all such information as contemplated herein), and provide to Lessor, on a monthly basis, ongoing status reports (in form and content acceptable to Lessor) of any such government investigations; provided that no Facility Lessee shall be required to furnish any such information to the extent attorney-client privileged information or disclosure thereof would violate any applicable law (including without limitation HIPAA).

(f) Each Facility Lessee shall furnish to Lessor within five (5) Business Days after receipt thereof copies of all written pre-termination notices from Medicare and/or Medicaid, all written notices of material adverse events or material deficiencies as defined by the regulations and standards of the state Medicare and/or Medicaid certification agency, the Joint Commission (formerly known as the Joint Commission on the Accreditation of Healthcare Organizations) (the "Joint Commission") or the equivalent accrediting body relied upon by such Facility Lessee in the operation of the Facility operated by such Facility Lessee or any part thereof.

(g) Each Facility Lessee shall provide to Lessor prompt written notice of any monetary or material non-monetary default or event of default with respect to any Material Obligation of such Facility Lessee or the Guarantor and, upon Lessor's request, such Facility Lessee or the Guarantor shall furnish to Lessor a certificate in form reasonably acceptable to

Lessor certifying that, with respect to each Material Obligation, no monetary or material non-monetary event of default, to such Facility Lessee or such Guarantor's knowledge, then exists thereunder.

(h) Lessor reserves the right to require such other financial information from Lessee at such other times as it shall deem reasonably necessary. All financial statements and information must be in such form and detail as Lessor shall from time to time, but not unreasonably, request.

**ARTICLE XXV.  
INSPECTIONS**

Upon reasonable prior written notice, Lessee shall permit Lessor, or its designated Affiliate, and their respective authorized representatives to inspect the Leased Property during usual business hours subject to any security, health, safety or confidentiality requirements of Lessee and Lessee's policies with respect to facility security and/or HIPAA compliance, any governmental agency, any Insurance Requirements relating to the Leased Property, or imposed by law or applicable regulations, except that, in the event of an emergency, Lessor shall have the right to inspect the Leased Property upon reasonable notice (which in this circumstance may be verbal) under the circumstances to Lessee.

**ARTICLE XXVI.  
NO WAIVER**

Any provision of this Lease or Exhibits hereto may be amended or waived only in a writing signed by the parties hereto. No waiver of any provision hereunder or any breach or default thereof shall extend to or affect in any way any other provision or prior or subsequent breach or default.

**ARTICLE XXVII.  
REMEDIES CUMULATIVE**

To the extent permitted by law, each legal, equitable or contractual right, power and remedy of Lessor or Lessee now or hereafter provided either in this Lease or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Lessor or Lessee of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Lessor or Lessee of any or all of such other rights, powers and remedies.

**ARTICLE XXVIII.  
SURRENDER**

No surrender to Lessor of this Lease or of the Leased Property, or of any part thereof or interest therein, shall be valid or effective unless agreed to and accepted in writing by Lessor, and no act by Lessor or any representative or agent of Lessor, other than such a written acceptance by Lessor, shall constitute an acceptance of any such surrender.

**ARTICLE XXIX.  
NO MERGER OF TITLE**

There shall be no merger of this Lease or of the leasehold estate created hereby by reason of the fact that the same person, firm, corporation or other entity may acquire, own or hold, directly or indirectly, (a) this Lease or the leasehold estate created hereby or any interest in this Lease or such leasehold estate and (b) the fee estate in the Leased Property.

**ARTICLE XXX.  
TRANSFERS BY LESSOR; SEVERANCE RIGHTS**

30.1. **Transfers by Lessor.** Lessee acknowledges that Lessor may sell its interest in the Leased Property in whole or in part, and that Lessor may assign its interest in this Lease in whole or in part, in any such case, to any other Person without Lessee's prior written consent or approval, so long as such Person is not a Non-Permitted Assignee; provided, however, that (i) if an Event of Default has occurred and is continuing, Lessor may sell, assign or transfer any such rights and obligations to a Non-Permitted Assignee without the written consent of Lessee, and (ii) such restrictions to a sale or assignment shall not apply to or otherwise restrict any actions, negotiations or agreements in respect of any Portfolio Sale. If Lessor or any successor owner of any Property shall convey such Property in accordance with the terms hereof, other than as security for a debt, the grantee or transferee of such Property shall expressly assume all obligations of Lessor hereunder arising or accruing from and after the date of such conveyance or transfer, and Lessor or such successor owner, as the case may be, shall thereupon be released from all future liabilities and obligations of Lessor under this Lease relating to such Property arising or accruing from and after the date of such conveyance or other transfer and all such future liabilities and obligations shall thereupon be binding upon the new owner. Lessee agrees that any successor purchaser may exercise any and all rights of Lessor; provided, however, such successor purchaser shall be subject to the same restrictions imposed upon Lessor hereunder. Subject to the execution by a prospective purchaser of a written confidentiality agreement on terms reasonably acceptable to Lessee, Lessor may divulge to any such prospective purchaser all information, reports, financial statements, certificates and documents obtained by it from Lessee (including all such information and documents relating to the Guarantor).

30.2. **Severance Rights.** Notwithstanding the unitary nature of this Lease, Lessor may at any time and from time to time (including, without limitation, in connection with a partial assignment under Section 30.1 hereof) cause this Lease to be severed with respect to any one or more of the Properties (each, a "Severed Property"). If Lessor shall desire to sever this Lease pursuant to this Section 30.2, Lessor shall deliver written notice (each, a "Severance Notice") to Lessee not less than thirty (30) days prior to the date that this Lease shall be severed with respect to the Severed Property or Severed Properties identified in the Severance Notice (such date identified in a Severance Notice, a "Severance Date"). The Severance Notice shall specify the Severed Property and the Severance Date. Effective upon a Severance Date, the applicable Severed Property shall no longer be part of the Leased Property under this Lease and such Severed Property shall be deemed to be and shall be leased by Lessor (or an assignee of Lessor) to Lessee for the amount of Rent allocable to such Severed Property pursuant to a separate lease (a "Severed Lease") upon the same terms and conditions as provided in this Lease (except for such provisions as by their terms are not applicable to such Severed Property); it being agreed,

however, that the liability of the applicable lessor under the Severed Lease shall be limited to such lessor's interest in the Severed Property. The portion of the Base Rent allocable to the Severed Property shall be the Allocated Base Rent for such Severed Property. Effective upon the Severance Date, (a) the Rent payable with respect to each Severed Property shall no longer be payable by Lessee under this Lease and shall instead be payable under the Severed Lease applicable to such Severed Property, and (b) the parties shall enter into the Severed Lease, an amendment of this Lease, an amendment of the applicable other Obligation Documents that assures (i) that Lessor continues to receive the benefits currently provided by such Obligations Documents for this Lease as so amended, and (ii) Lessor (or Lessor's assignee) also receives the benefit of such items (the "Other Credit Enhancements") under and with respect to the Severed Lease. For so long as Lessor under this Lease shall be the lessor under a Severed Lease, any such Severed Lease and the related Other Credit Enhancements shall be deemed "Obligation Documents" for all purposes under this Lease, any Event of Default under such Severed Lease or Other Credit Enhancements shall constitute an Event of Default under this Lease, any Event of Default under this Lease or the other Obligation Documents shall constitute an Event of Default under such Severed Lease, and the lessee(s) under the Severed Lease shall be deemed a "Subsidiary" of Steward Health for purposes of calculating compliance under Section 16.1(j) and (k) and the same or comparable covenant under the Mortgage Loan Agreement. Lessor will prepare the Severed Lease, the Other Credit Enhancements, the Lease amendment and, if necessary, the amendments to the other applicable Obligation Documents with respect to each Severed Property consistent with the provisions of this Section 30.2 and the parties agree to execute and deliver or cause to be executed and delivered.

**ARTICLE XXXI.  
QUIET ENJOYMENT**

So long as Lessee shall pay all Rent as the same becomes due and shall fully comply with all of the terms of this Lease and fully perform its obligations hereunder, Lessee shall peaceably and quietly have, hold and enjoy the Leased Property for the Term hereof, free of any claim or other action by Lessor or anyone claiming by, through or under Lessor, but subject to the Permitted Exceptions, any Facility Loan and all liens and encumbrances of record. No failure by Lessor to comply with the foregoing covenant shall give Lessee any right to cancel or terminate this Lease, or to fail to pay any other sum payable under this Lease, or to fail to perform any other obligation of Lessee hereunder. Notwithstanding the foregoing, Lessee shall have the right by separate and independent action to pursue any claim it may have against Lessor as a result of a breach by Lessor of the covenant of quiet enjoyment contained in this Article XXXI.

**ARTICLE XXXII.  
NOTICES**

All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Lease shall be in writing and shall be deemed to have been given or delivered (a) when personally delivered, (b) when transmitted via telecopy (or other facsimile device) to the number set out below if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), (c) the day following the day (except if not a Business Day then the next Business Day) on which the same has been delivered prepaid to a reputable national overnight air courier service or (d) the third Business

Day following the day on which the same is sent by certified or registered mail, postage prepaid. Notices, demands and communications, in each case to the respective parties, shall be sent to the applicable address set forth below, unless another address has been previously specified in writing:

if to Lessee: c/o Steward Health Care System LLC  
500 Boylston Street, Fifth Floor  
Boston, Massachusetts 02116  
Attn: Joseph C. Maher, Jr.  
Fax: (617) 419-4800

with a copy to: McDermott Will & Emery LLP  
227 West Monroe Street  
Chicago, Illinois 60606-5096  
Attn: Ankur Gupta, Esq.  
Facsimile: (312) 984-7700

if to Lessor: c/o MPT Operating Partnership, L.P.  
1000 Urban Center Drive, Suite 501  
Birmingham, Alabama 35242  
Attn: Legal Department  
Fax: (205) 969-3756

with a copy to: c/o MPT Operating Partnership, L.P.  
1000 Urban Center Drive, Suite 501  
Birmingham, Alabama 35242  
Attn: Legal Department  
Fax: (205) 969-3756

or to such other address as either party may hereafter designate in writing, and shall be effective upon receipt. A notice, demand, consent, approval, request and other communication shall be deemed to be duly received if delivered in person or by a recognized delivery service, when left at the address of the recipient and if sent by facsimile, upon receipt by the sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety to the recipient's facsimile number; provided that if a notice, demand, consent, approval, request or other communication is served by hand or is received by facsimile on a day which is not a Business Day, or after 5:00 p.m. on any Business Day (based upon Birmingham, Alabama time), such notice or communication shall be deemed to be duly received by the recipient at 9:00 a.m. (based upon Birmingham, Alabama time) on the first Business Day thereafter.

**ARTICLE XXXIII.  
APPRAISAL**

If it becomes necessary to determine the Fair Market Value of any Property, each party, within ten (10) Business Days following the date of the event which makes such determination

necessary, shall, by notice to the other, appoint an appraiser (each of whom must be a member of the AIREA and adhere to the USPAP standards in the preparation of the appraisal). The appraisers thus appointed shall appoint a third appraiser (such third appraiser must also be a member of the AIREA and adhere to the USPAP standards in the preparation of the appraisal) and such third appraiser shall appraise such Property to determine the Fair Market Value thereof; provided, however, that if a party fails to appoint an appraiser within such required period, the sole appraiser appointed shall conduct the appraisal and the parties shall use commercially reasonable efforts to cause such appraisal to be completed within forty-five (45) days following the event which makes such determination necessary. This provision for determination by appraisal shall be specifically enforceable to the extent such remedy is available under applicable law, and any determination hereunder shall be final and binding upon the parties except as otherwise provided by applicable law. Lessor and Lessee shall each pay one-half (1/2) of all costs and expenses incurred in connection with such appraisal. Any appraisal shall assess the Fair Market Value of the applicable Property or Lessee's Personal Property as of the date of the event which makes such assessment necessary.

#### **ARTICLE XXXIV. PURCHASE RIGHTS**

34.1. **Lessor's Option to Purchase Lessee's Personal Property.** Upon the occurrence and continuance of an Major Event of Default, continuing for thirty (30) days beyond any applicable notice and cure period, in addition to other rights and remedies Lessor may have in this Lease and at law and in equity, Lessor shall have the right and option, but not the obligation, to purchase from Lessee, all (but not less than all) of the applicable Facility Lessee's Personal Property with respect to such Facility and all rights title, and interest of the applicable Facility Lessee therein for an amount equal to the then fair market value of the Facility Lessee's Personal Property with respect to such Facility as determined by independent, third party appraisal reasonably acceptable to Lessor and Lessee, subject in all cases to, and with appropriate price adjustments for, all equipment leases, conditional sale contracts, security interests and other encumbrances to which such Personal Property is subject. If the Lessor determines to exercise its option pursuant hereto, then Lessor shall provide Lessee with written notice of its intent to exercise such option and Borrower shall be obligated to sell, assign, transfer and convey to Lessor, its designee or assignee, on an AS IS, WHERE IS BASIS, and without representation or warranty of any kind or nature whatsoever, express or implied, all such Facility Lessee's Personal Property with respect to such Facility and all rights title, and interest of the applicable Facility Lessee therein subject to the terms and conditions set forth herein. Notwithstanding anything contained in this Section 34.1 to the contrary, the options to purchase granted under this Section 34.1, do not pertain to any of the Licenses, it being understood and agreed that all matters relating to the transfer of the Licenses are addressed in Section 38.4.

34.2. **Lessee's First Right of Refusal.**

(a) Subject to the limitations described in Section 34.2(b) below, upon the expiration of the Fixed Term and during the continuation of any Extension Terms, and so long as no Event of Default has occurred and is continuing, Lessee shall have a first refusal option to purchase the Leased Property as provided herein. In the event that Lessor or its Affiliate receives a bona fide written offer during the Extension Terms from an unaffiliated third party in

a letter of intent form (which offer the Lessor or its Affiliate intends to accept) to purchase all or any portion of the Leased Property (in each case, a "Third Party Offer"), then Lessor shall promptly (but in no event later than ten (10) Business Days following Lessor's delivery to Lessee of an executed letter of intent) provide Lessee with a copy of such Third Party Offer (the "Third Party Offer Notice") and Lessee shall have the Decision Period (as hereinafter defined) in which to confirm in writing its intention to purchase all or such portion of the Leased Property (as applicable) on the same terms and conditions contained in the Third Party Offer. If Lessee shall fail to provide a written response to Lessor within the Decision Period, then Lessee shall be deemed to have elected not to exercise its option and Lessor and the third party shall be entitled to proceed with the sale of the Leased Property on the same terms as those set forth in the letter of intent, free and clear of any Lessee rights of first refusal to purchase the Leased Property. As used herein, the term "Decision Period" shall mean the period of time commencing on the date that Lessee receives the Third Party Offer Notice and ending on the later to occur of (i) the sixtieth (60th) day immediately following the date that Lessee receives the Third Party Offer Notice, or (ii) the thirtieth (30th) day immediately following the date that the Lessor or its Affiliate enters into a binding definitive agreement accepting the Third Party Offer (the "Binding Agreement").

(b) If, prior to the closing of any such sale of the Leased Property in accordance with any Third Party Offer, Lessor agrees to reduce the offering price set forth in the Third Party Offer to an amount which is less than ninety-eight (98%) of the original offered amount, or to modify or amend any material terms or conditions set forth in the Third Party Offer or the Binding Agreement such that they are materially more favorable to the third party purchaser than those terms and conditions initially set forth in the Third Party Offer on which the sale of the Leased Property was initially offered to Lessee, then Lessor shall give Lessee written notice thereof and all supporting documentation (the "Revised Sale Terms"). Lessee shall have fifteen (15) days after the receipt of said notice and Revised Sale Terms in which to confirm in writing its intention to purchase the Leased Property on the same terms and conditions contained in the Third Party Offer or Binding Agreement, as applicable and as modified by the Revised Sale Terms. If Lessee shall fail to provide a written response to Lessor within such fifteen (15) day time period, then Lessee shall be deemed to have elected not to exercise its option and Lessor and the third party shall be entitled to proceed with the sale of the Leased Property free and clear of any Lessee rights of first refusal to purchase the Leased Property.

(c) If Lessee exercises the foregoing option, then such purchase shall be consummated on the earlier of (i) the closing date specified in the Third Party Offer or Binding Agreement, as applicable, but no earlier than expiration of the Decision Period, or (ii) the thirtieth (30th) day immediately following Lessor's receipt of Lessee's written confirmation of Lessee's intent to exercise its option as provided herein.

(d) In the event that such sale of the Leased Property to such third party fails to close for whatever reason, Lessee shall be entitled to exercise its right of first refusal as provided in this Section 34.2 as to any subsequent Third Party Offer that occurs during the Term of this Lease. In the event that Lessee shall fail to exercise its option as provided herein, and Lessor shall consummate a sale of the Leased Property to such third party during the Term, then the Lessee shall remain entitled to exercise its right of first refusal as provided in this Section 34.2 as to any subsequent sale or transfer during the Term by such third party of the Leased Property which is subject to Lessee's right of first refusal granted herein.

(e) In addition to the conditions and limitations set forth in Section 34.2(a), Lessee's first refusal option with respect to the Leased Property shall not apply to or otherwise restrict any actions, negotiations or agreements in respect of (i) the sale, transfer or other disposition of the Leased Property to any unaffiliated third party third party prior to the expiration of the Fixed Term, or (ii) the sale, transfer or other disposition of the Leased Property which constitutes a Portfolio Sale.

**ARTICLE XXXV.  
INTENTIONALLY DELETED**

**ARTICLE XXXVI.  
FINANCING OF THE LEASED PROPERTY**

Lessor agrees that, if it grants or creates any mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit agreement, lien (statutory or otherwise) or preference, security interest or other encumbrance of any kind or nature whatsoever ("Liens") upon any Property after the Commencement Date, Lessor will obtain an agreement from the holder of each such Lien whereby such holder agrees (a) to give the Facility Lessee which operates such Property the same notice, if any, given to Lessor of any default or acceleration of any obligation underlying any such Lien or any sale in foreclosure of such Lien, (b) to permit such Facility Lessee, after twenty (20) days' prior written notice, to cure any such default on Lessor's behalf within any applicable cure period, (c) to permit such Facility Lessee to appear with its representatives and to bid at any foreclosure sale with respect to any such Lien, (d) that, if subordination by such Facility Lessee is requested by the holder of each such Lien, to enter into an agreement with such Facility Lessee containing the provisions described in Article XXXVII, and (e) to execute and deliver to such Facility Lessee a written agreement consenting to this Lease and agreeing that, notwithstanding any such other Facility Instrument or any default, expiration, termination, foreclosure, sale, entry or other act or omission thereunder, such Facility Lessee shall not be disturbed in peaceful enjoyment of such portion of the Leased Property nor shall this Lease be terminated or canceled at any time, except in accordance with Article XVI as a result of an Event of Default.

**ARTICLE XXXVII.  
SUBORDINATION AND NON-DISTURBANCE**

At the request from time to time by one or more Facility Lenders with respect to any Facility Lessee, within twenty (20) days from the date of request, such Facility Lessee shall execute and deliver within such twenty (20)-day period, to such Facility Lender, an estoppel certificate along with a written agreement in form and content reasonably acceptable to such Facility Lender and Facility Lessee whereby, as to any Property of such Facility Lessee encumbered by a Facility Instrument of such Facility Lender, such Facility Lessee subordinates this Lease and all of its rights and estate hereunder to each such Facility Instrument and agrees with each such Facility Lender that such Facility Lessee will attorn to and recognize such Facility Lender or the purchaser at any foreclosure sale or any sale under a power of sale contained in any such Facility Instrument, as the case may be, as Lessor under this Lease with

respect to such Property for the balance of the Term then remaining, subject to all of the terms and provisions of this Lease; provided, however, that each such Facility Lender simultaneously executes and delivers to such Facility Lessee a written agreement in form and content reasonably acceptable to such Facility Lessee consenting to this Lease and agreeing that, notwithstanding any such other mortgage, deed of trust, right, title or interest, or any default, expiration, termination, foreclosure, sale, entry or other act or omission under, pursuant to or affecting any of the foregoing, such Facility Lessee shall not be disturbed in peaceful enjoyment of such Property nor shall this Lease be terminated or canceled at any time, except as a result of an Event of Default.

**ARTICLE XXXVIII.  
LICENSES**

38.1. **Maintenance of Licenses.** With respect to each Facility, each Facility Lessee (a) shall maintain at all times during the Term and any holdover period, (i) the Operating Agreements, (ii) the Participation Agreements and (iii) all material federal, state and local governmental licenses, approvals, qualifications, variances, certificates of need, franchises, accreditations, certificates, certifications, consents, permits and other authorizations and contracts, which may be necessary for the operation of the Facility operated by such Facility Lessee for the Primary Intended Use, or required for certification and participation under Medicare and Medicaid legislation and regulations, the provider programs of the State Regulatory Authorities for each particular Facility (“DHS”), the United States Department of Health and Human Services (“DHHS”), and the Centers for Medicare and Medicaid Services (“CMS”), and/or state or federal Title XVIII and/or Title XIX provider programs applicable for each such Facility (the items described in this subsection (iii), collectively, the “Licenses”); (provided, however, that no Facility Lessee shall be required to maintain any Operating Agreements or Participation Agreements unless such agreements are required for participation in Medicare and Medicaid programs and/or required for the maintenance of federal, state, and local licenses) and (b) shall remain in compliance, in all material respects, with all state and federal laws, rules, regulations and procedures with regard to the operation of the Facility operated by such Facility Lessee, including, without limitation, HIPAA and the regulations promulgated by the State Regulatory Authorities, as applicable for each such Facility, as they may from time to time exist.

38.2. **No Transfers or Alterations of Licenses.** Except in connection with a permitted assignment of this Lease, Lessee covenants and agrees that during the Term it shall not, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed, (a) sell, move, modify, cancel, surrender, transfer, assign, sell, relocate, pledge, secure, convey or in any manner encumber any material Licenses (including, without limitation, any Medicare provider number or agreement), or (b) effect or attempt to effect any change in the license category or status of any Facility or any part thereof to the extent such change (as described in (a) or (b) above) has a material adverse effect on the Primary Intended Use or the ability of the Lessee to meet its obligations under this Lease.

38.3. **Notifications; Corrective Actions.** Each Facility Lessee shall notify Lessor in writing within five (5) Business Days after such Facility Lessee’s receipt of any written notice, action, proceeding or inquiry of any governmental agency, bureau or other authority, whether

federal, state or local, of any kind, nature or description, which could adversely affect any material License for the Facility operated by such Facility Lessee, or the ability of such Facility Lessee to maintain its status as the licensed and accredited operator of such Facility, or which alleges any material noncompliance with any law. At the time of delivery of such notification to Lessor, such Facility Lessee shall furnish Lessor with a copy of any and all such notices or inquiries. Each Facility Lessee shall act diligently to correct any deficiency or deal effectively with any material "adverse action" or other proceedings, inquiries or other governmental actions, so as to maintain the material Licenses and Medicare and/or Medicaid certification, status for the Facility operated by such Facility Lessee in good standing at all times. No Facility Lessee shall agree to any settlement exceeding Five Million and No/100 Dollars (\$5,000,000.00) or other action with respect to such proceedings or inquiries which affects the use of all or any portion of the Leased Property or any part thereof for the Primary Intended Use without the prior written consent of Lessor, which consent shall not be unreasonably conditioned or delayed.

**38.4. Termination of Lease.** SUBJECT TO SECTION 38.6, UPON THE TERMINATION OF THIS LEASE OR LESSEE'S RIGHT OF POSSESSION HEREUNDER WITH RESPECT TO ANY ONE OR MORE PROPERTIES, WITHOUT ANY ADDITIONAL CONSIDERATION TO ANY FACILITY LESSEE, THE APPLICABLE FACILITY LESSEE SHALL, FOR REASONABLE PERIODS OF TIME AFTER SUCH TERMINATION, USE ITS COMMERCIALY REASONABLE EFFORTS TO FACILITATE AN ORDERLY TRANSFER OF THE OPERATION AND OCCUPANCY OF SUCH PROPERTY TO LESSOR OR ITS DESIGNEE, AND SUCH COOPERATION SHALL INCLUDE, WITHOUT LIMITATION, (1) SUCH FACILITY LESSEE'S EXECUTION AND SUBMISSION TO THE APPROPRIATE AUTHORITY OF ANY AND ALL DOCUMENTS REQUIRED TO EFFECT THE TRANSFER, ISSUANCE OR ASSIGNMENT TO LESSOR OR ITS DESIGNEE OF ANY AND ALL LICENSES AND PARTICIPATION AGREEMENTS, (2) SUCH FACILITY LESSEE'S MAINTENANCE OF THE EFFECTIVENESS OF ANY AND ALL SUCH LICENSES AND PARTICIPATION AGREEMENTS UNTIL SUCH TIME AS ANY NEW LICENSES NECESSARY FOR ANY NEW LESSEE OR OPERATOR TO OPERATE THE FACILITY OPERATED BY SUCH FACILITY LESSEE HAVE BEEN ISSUED, AND (3) THE TAKING OF SUCH OTHER ACTIONS AS REASONABLY REQUESTED BY LESSOR OR REQUIRED BY APPLICABLE LAW; IT BEING UNDERSTOOD AND AGREED THAT THE PERFORMANCE OR EXERCISE OF ANY OF THE FOREGOING RIGHTS, REMEDIES, DUTIES AND OBLIGATIONS SHALL BE WITHOUT ANY ADDITIONAL CONSIDERATION TO SUCH FACILITY LESSEE.

**38.5. Material Condition of Lease.** IT IS AN INTEGRAL CONDITION OF THIS LEASE, AND A MATERIAL INDUCEMENT TO LESSOR'S AGREEMENT TO ENTER INTO THIS LEASE, THAT EACH FACILITY LESSEE ACKNOWLEDGES AND AGREES TO COOPERATE WITH AND ASSIST LESSOR AND/OR ITS DESIGNEE IN CONNECTION WITH ANY TRANSFER OF THE LICENSES AND PARTICIPATION AGREEMENTS OR THE OPERATIONS OF THE FACILITIES IN ACCORDANCE WITH THIS ARTICLE XXXVIII. INCLUDING, WITHOUT LIMITATION, IN CONNECTION WITH A TERMINATION OF THIS LEASE OR REMOVAL OF LESSEE FROM POSSESSION OF ONE OR MORE PROPERTIES IN THE MANNER SET FORTH IN SECTION 38.4 ABOVE, WHICH COOPERATION AND ASSISTANCE SHALL BE WITHOUT ANY ADDITIONAL CONSIDERATION TO LESSEE.

38.6. **Cooperation; Applicable Transfer Requirements.** The obligations of each Facility Lessee set forth in Sections 38.4 and 38.5 shall include, without limitation, such Facility Lessee using its commercially reasonable efforts to assist and cooperate with Lessor (or its designee) in (i) obtaining any new material Licenses and Participation Agreements or (ii) transferring or assigning any existing material Licenses and Participation Agreement, which shall include, without limitation, each Facility Lessee using its commercially reasonable efforts to execute and deliver such change of ownership documentation required to transfer any material Licenses and Participation Agreements (including, without limitation, any Form CMS 855 to assign any Medicare provider agreements) to Lessor or its designee. Lessor acknowledges that the obligations of each Facility Lessee set forth in Sections 38.4 and 38.5 shall be subject to all applicable notice, review, or approval requirements of any Governmental Body including, without limitation, any requirements of the Massachusetts Department of Health and Human Services or other State Regulatory Authority (collectively, the "Transfer Requirements"); *provided, however*, that until such time as all applicable Transfer Requirements have been satisfied, each Facility Lessee shall continue to use its commercially reasonable efforts to satisfy the obligations set forth in Sections 38.4 and 38.5.

**ARTICLE XXXIX.  
INTENTIONALLY DELETED**

**ARTICLE XL.  
MISCELLANEOUS**

40.1. **General.** The parties agree that each provision of this Lease shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Lease or any application of this Lease to any party or otherwise) is held to be prohibited by or invalid under applicable law, such provision or application shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Lease or any other applications of this Lease. If any late charges provided for in any provision of this Lease are based upon a rate in excess of the maximum rate permitted by applicable law, the parties agree that such charges shall be fixed at the maximum permissible rate. All the terms and provisions of this Lease shall be binding upon and inure to the benefit of the parties and their respective successors and assigns (subject to Article XXIII); *provided, however*, that (a) this Lease shall not inure to the benefit of any assignee pursuant to an assignment which violates the terms of this Lease and (b) neither this Lease nor any other document or agreement contemplated under this Lease shall be deemed to confer upon any Person not a party (other than any Non-Recourse Party with respect to Section 40.7) to this Lease any rights or remedies contained in this Lease. The headings in this Lease are for convenience of reference only and shall not limit or otherwise affect its meaning.

40.2. **Bankruptcy Waivers.**

(a) **Unitary and Non-Severable Lease.** The parties agree that for the purposes of any assumption, rejection or assignment of this Lease under 11 U.S.C. Section 365 or any amendment or successor section thereof, this is one indivisible and non-severable lease dealing with and covering one legal and economic unit which must be assumed, rejected or assigned as a whole with respect to all (and only all) the Leased Property covered hereby.

(b) **Relief from Stay.** Lessee acknowledges and agrees that in the event any Lessee or any Leased Property relating to any Facility shall become the subject of any bankruptcy or insolvency estate, then (i) Lessee shall not oppose any request by Lessor to obtain an order from the court granting relief from the automatic stay pursuant to Section 362 of the Bankruptcy Code so as to permit the exercise of all rights and remedies pursuant to this Lease, and (ii) the occurrence or existence of any Event of Default under this Lease shall, in and of itself, constitute “cause” for relief from the automatic stay pursuant to the provisions of Section 362(d)(1) of the Bankruptcy Code, based on the fact that the non-existence of a bankruptcy proceeding was a material inducement for the entry by Lessor into this Lease.

(c) **Automatic Stay.** Lessee hereby waives the stay imposed by 11 U.S.C. Section 362(a) as to actions by the Lessor against each Facility. Lessee acknowledges and agrees that in the event of the filing of any voluntary or involuntary petition in bankruptcy by or against Lessee, it shall not assert or request that any other party assert that the automatic stay provided by Section 362 of the Bankruptcy Code shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of Lessor to enforce any rights or remedies held by virtue of the Lease or applicable law.

(d) **Patient Care Ombudsman.** Lessee hereby agrees (i) to use its best efforts to contest the necessity of the appointment of a Patient Care Ombudsman for such Facility as that term is defined in 11 U.S.C. Section 333, and/or (ii) to join with Lessor in requesting a waiver of or contesting the appointment of such a Patient Care Ombudsman.

40.3. **Lessor’s Expenses.** In addition to the other provisions of this Lease, including, without limitation, Section 16.2 hereof, Lessee agrees and shall pay and/or reimburse Lessor and its Affiliates’ reasonable and documented out-of-pocket costs and expenses, including, without limitation, the costs and expenses of reports and investigations and reasonable legal fees and expenses attributable to an Event of Default and Lessor’s pursuing the rights and remedies provided herein and under applicable law, incurred or resulting from or relating to (a) requests by Lessee for approval or consent under this Lease or any other Obligation Document (including any consents relating to management, the placing of liens on Lessee’s Personal property and any intercreditor issues which arise in connection with any Material Obligations), (b) any circumstances or developments which give rise to Lessor or its Affiliates’ right of consent or approval under this Lease or any other Obligation Document, (c) a request for changes, including, but not limited to, (i) the permitted use of the Leased Property, (ii) alterations and improvements to the Leased Improvements, (iii) subletting or assignment, and (iv) any other changes in the terms, conditions or provisions of this Lease or any other Obligation Document, and (d) enforcement by Lessor or its Affiliates of any of the provisions of this Lease or any other Obligation Document. Such expenses and fees shall be paid by Lessee within thirty (30) days of the submission of a statement in reasonable detail for the same or such amount(s) shall be subject to interest at the Overdue Rate from the expiration of said thirty (30) day period to the date of payment, plus a Late Payment Penalty with respect to such unpaid amount.

40.4. **Prevailing Party Expenses.** In addition to the other provisions of this Lease but subject to the provisions of Section 40.3, if any of the Lessee Parties on the one hand or the Lessor Parties on the other hand brings any action, suit or other legal action or proceeding to enforce or establish any right of such party under this Lease, the party prevailing in such action,

suit or proceeding shall be entitled to recover all reasonable and documented out-of-pocket costs and expenses incurred by the prevailing party in connection therewith, including, without limitation, court costs and documented out-of-pocket attorneys' fees.

40.5. **Entire Agreement; Modifications.** This Lease, together with all exhibits, schedules and the other documents referred to herein, embody and constitute the entire understanding between the parties with respect to the transactions contemplated herein, and all prior and contemporaneous agreements, understandings, representations and statements (oral or written) are merged into this Lease. Neither this Lease, any exhibit or schedule attached hereto, nor any provision hereof or thereof may be modified or amended except by an instrument in writing signed by Lessor and Lessee.

40.6. **Lessor Securities Offering and Filings.** Notwithstanding anything contained herein to the contrary, Lessee shall, at Lessor's sole cost and expense, cooperate with Lessor in connection with any securities offerings and filings, or Lessor's efforts to procure or maintain financing for, or related to, the Leased Property, or any portion thereof and, in connection therewith, Lessee shall furnish Lessor, in a timely fashion, with such financial and other information (including audited financial statements and consents of auditors) as Lessor shall reasonably request, provided that the disclosure of such information is not prohibited under any Information Privacy and Security Laws. In accordance with all Information Privacy and Security Laws, Lessor may disclose that Lessor has entered into this Lease with Lessee and may provide and disclose information regarding this Lease, Lessee, the Guarantor, the Leased Property and each Facility, and such additional information which Lessor may reasonably deem necessary, to its proposed investors in such public offering or private offering of securities, or any current or prospective lenders with respect to such financing, and to investors, analysts and other parties in connection with earnings calls and other normal communications with investors, analysts, and other parties. In accordance with all Information Privacy and Security Laws, upon reasonable advance notice, Lessor, its legal and financial representatives, and any lender providing financing for all or any portion of the Leased Property shall have the right to access, examine and copy all agreements, records, documentation and information relating to Lessee, the Guarantor, and such Leased Property, and to discuss such affairs and information with the officers, employees and independent public accountants of Lessee as often as reasonably necessary. The additional costs of Lessee in complying with the foregoing shall be reimbursed to Lessee by Lessor.

40.7. **Non-Recourse as to Parties.**

(a) Anything contained herein to the contrary notwithstanding, any claim based on, or in respect of, any liability of Lessor under this Lease shall be enforced only against the Lessor's interest in the Leased Property and any proceeds therefrom and not against any other assets, properties or funds of (i) Lessor, (ii) any director, officer, general partner, member, shareholder, limited partner, beneficiary, employee, representative, contractor or agent of Lessor or any of its Affiliates (collectively, the "Lessor Parties") (or any legal representative, heir, estate, successor or assign of Lessor or any of the Lessor Parties), (iii) any predecessor or successor partnership or corporation (or other entity) of Lessor or any of the Lessor Parties, either directly or through Lessor or the Lessor Parties, or (iv) any person or entity affiliated with any of the foregoing.

(b) Notwithstanding anything that may be expressed or implied in this Lease, or in any document or instrument delivered in connection herewith, the Lessor Parties by their execution hereof and by their acceptance, directly or indirectly, of the benefits of this Lease, expressly covenants, acknowledges and agrees that no Person other than the Lessee or Guarantor shall have any obligation hereunder (and with respect thereto, only to the extent expressly provided herein) and that no recourse hereunder shall be had against, and no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any of such Obligor's former, current and future direct or indirect equity holders, controlling persons, directors, officers, employees, agents, advisors, members, managers, general or limited partners, assignees, or representatives or any of their respective former, current or future direct or indirect equity holders, controlling persons, directors, officers, employees, agents, advisors, members, managers, general or limited partners or assignees, or representatives (each being referred to as a "Non-Recourse Party", and together with the Lessee and Guarantor, collectively, the "Lessee Parties"), for any obligations of the Lessee or Guarantor under this Lease, or for any claim based on, in respect of, or by reason of any such obligations or their creation, through Lessee, Guarantor or otherwise, whether by or through attempted piercing of the corporate veil, by or through a claim by or on behalf of any Lessor Party against Lessee or Guarantor, by the enforcement of any judgment or assessment or by any legal or equitable proceeding, by virtue of any law, statute, or regulation, or otherwise. Lessor Parties hereby covenant and agree that they shall not institute, and shall cause each of their Affiliates and their equity holders and representatives not to attempt to assign or institute, directly or indirectly, any claim, suit or proceeding or bring, or attempt to assign, any other claim arising under, or in connection with, this Lease, against any Non-Recourse Party.

40.8. **Covenants, Restrictions and Reciprocal Easements.** Lessor shall not place of record any covenants, restrictions or reciprocal easements on all or any portion of the Land (collectively, the "Declarations") without Lessee's prior written consent, not to be unreasonably withheld, conditioned or delayed.

40.9. **Force Majeure.** Except for Rent and other monetary obligations payable pursuant to the terms of this Lease (which shall not be extended or excused), in the event that Lessor or Lessee shall be delayed, hindered in or prevented from the performance of any act required under this Lease by reason of strikes, lockouts, labor troubles, or other industrial disturbances, inability to procure materials, failure of power, unavailability of any utility service, restrictive governmental laws or regulations, acts of public enemies, war, blockades, riots, insurrections, earthquakes, fires, storms, floods, civil disturbances, weather-related acts of God, failure to act, or default of another party, or other reason beyond Lessor's or Lessee's control (individually "Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period of the performance of any such act shall be extended for a period equivalent to the period of such delay. Within ten (10) Business Days following the occurrence of Force Majeure, the party claiming a delay due to such event shall give written notice to the other setting forth a reasonable estimate of such delay.

40.10. **Management Agreements.** Lessee shall not engage, terminate, remove or replace any Management Company without providing Lessor with fifteen (15) days' prior written notice and an opportunity to provide consultation as to any successor manager. Lessee shall require any Management Company to execute and deliver to Lessor within ten (10)

Business Days from Lessor's request an estoppel certificate, as required by Lessor and/or any Facility Lender, in such form and content as is reasonably acceptable to Lessor and/or such Facility Lender.

40.11. **Non-Competition.** Each Facility Lessee hereby acknowledges the Non-Competition Agreement and, as an inducement to Lessor to enter into this Lease and as a condition precedent to this Lease, each Facility Lessee agrees that the terms, covenants and conditions of the Non-Competition Agreement are binding on it and incorporated herein by reference.

40.12. **Governing Law.** THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS EXECUTED AND PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO CONFLICTS OF LAW PRINCIPLES. NOTWITHSTANDING THE FOREGOING, ALL PROVISIONS OF THIS LEASE RELATING TO THE CREATION OF THE LEASEHOLD ESTATE AND ALL REMEDIES SET FORTH IN ARTICLE XVI RELATING TO THE RECOVERY OF POSSESSION OF THE LEASED PROPERTY (SUCH AS AN ACTION FOR UNLAWFUL DETAINER OR OTHER SIMILAR ACTION) SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE LEASED PROPERTY IS LOCATED.

40.13. **Jurisdiction and Venue.** LESSOR AND LESSEE CONSENT TO PERSONAL JURISDICTION IN THE STATE OF DELAWARE. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 40.13, LESSOR AND LESSEE AGREE THAT ANY ACTION OR PROCEEDING ARISING FROM OR RELATED TO THIS LEASE SHALL BE BROUGHT AND TRIED EXCLUSIVELY IN THE STATE OR FEDERAL COURTS OF DELAWARE. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT. LESSOR AND LESSEE EXPRESSLY ACKNOWLEDGE THAT DELAWARE IS A FAIR, JUST AND REASONABLE FORUM AND AGREE NOT TO SEEK REMOVAL OR TRANSFER OF ANY ACTION FILED BY THE OTHER PARTY IN SAID COURTS. FURTHER, LESSOR AND LESSEE IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY CERTIFIED MAIL ADDRESSED TO A PARTY AT THE ADDRESS DESIGNATED PURSUANT TO ARTICLE XXXII SHALL BE EFFECTIVE SERVICE OF PROCESS AGAINST SUCH PARTY FOR ANY ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT. A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT MAY BE ENFORCED IN ANY OTHER COURT TO WHOSE JURISDICTION ANY OF THE PARTIES IS OR MAY BE SUBJECT. NOTWITHSTANDING THE FOREGOING, THE PARTIES FURTHER AGREE THAT ALL ACTIONS AND PROCEEDINGS RELATING TO THE CREATION OF THE LEASEHOLD ESTATE AND ALL REMEDIES RELATING TO THE RECOVERY OF POSSESSION OF ALL OR ANY PORTION OF THE LEASED PROPERTY (SUCH AS AN ACTION FOR UNLAWFUL DETAINER OR OTHER SIMILAR ACTION) MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF THE STATE WHERE THE APPLICABLE PORTION OF THE LEASED PROPERTY IS LOCATED.

40.14. **True Operating Lease.** Lessor and Lessee agree that this Lease is intended as and shall for all purposes constitute a true operating lease and not a capital lease or financing and nothing herein shall be construed as conveying to Lessee any right, title or interest in or to the Leased Property or to any remainder or reversionary estates in the Leased Property held by any Person, except, in each instance, as a lessee. Under no circumstances shall this Lease be regarded as an assignment of all of Lessor's interest in and to the Leased Property; instead, Lessor and Lessee shall have the relationship between them of Lessor and Lessee, pursuant to the terms and provisions of this Lease. In no event shall Lessee, Steward or any of their respective Subsidiaries claim depreciation, amortization or interest deductions as owner of any portion of the Leased Property for United States federal, state or local income tax purposes (except as to Capital Additions not funded by Lessor). It is an integral condition of this Lease, and a material inducement to Lessor's agreement to enter into this Lease, that Lessee agrees this Lease is an operating lease and not a capital lease or financing. Neither Lessor nor Lessee shall assert, and each hereby waives, any right to demand, request or plead for the re-characterization of this Lease or any other Obligation Document, whether or not in a proceeding related to any bankruptcy or insolvency of Lessor or Lessee.

40.15. **[Intentionally Deleted]**.

40.16. **Compliance with Anti-Terrorism Laws.** Lessor hereby notifies Lessee that pursuant to the requirements of certain Anti-Terrorism Laws (including, without limitation, the Patriot Act) and Lessor's policies and practices, Lessor is required to obtain, verify and record certain information and documentation that identifies Lessee, which information includes the name, address and identification number of Lessee. Lessee will not, directly or indirectly, knowingly enter into any lease for the operation of any part of a Facility or any other lease or any material contracts with any person listed on the OFAC List. Lessee shall promptly notify Lessor if Lessee has knowledge that Lessee or any of its principals or Affiliates or the Guarantor is listed on the OFAC List or (a) is convicted on, (b) pleads nolo contendere to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering. Lessee will not, directly or indirectly (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224, or other Anti-Terrorism Law.

40.17. **Electronically Transmitted Signatures.** In order to expedite the execution of this Lease, telecopied signatures or signatures sent by electronic mail may be used in the place of original signatures on this Lease. The parties intend to be bound by the signatures of the telecopied or electronically mailed signatures, and hereby waive any defenses to the enforcement of the terms of this Lease based on the form of the signature. Following any facsimile or electronic mail transmittal, the party shall promptly deliver the original instrument by reputable overnight courier in accordance with the notice provisions of this Lease.

40.18. **Waiver of Jury Trial.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, LESSOR AND LESSEE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF EITHER PARTY OR ANY EXERCISE OF ANY PARTY OF THEIR RESPECTIVE RIGHTS HEREUNDER OR IN ANY WAY RELATING TO THIS LEASE OR THE LEASED PROPERTY (INCLUDING ANY CLAIM OR DEFENSE ASSERTING THAT THIS LEASE WAS FRAUDULENTLY INDUCED OR IS OTHERWISE VOID OR VOIDABLE). THIS WAIVER IS A MATERIAL INDUCEMENT FOR LESSOR TO ENTER INTO THIS LEASE.

40.19. **Counterparts.** This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

40.20. **Survival.** Notwithstanding any provision of this Lease to the contrary, the parties acknowledge and agree that, all claims against, and liabilities of, Lessee or Lessor which relate to acts or omissions prior to the date of expiration or termination of this Lease, and the covenants and obligations under this Lease which expressly relate to periods after the expiration or earlier termination of Lessee's tenancy under this Lease, including, without limitation, all indemnification obligations and those covenants and obligations described in Sections 8.1 (final sentence only), 8.2(c), 8.3 (final sentence only), 16.2, 38.4, 38.5, 40.3, 40.4 and Articles XVIII, XIX and XXII, shall survive such expiration or earlier termination.

40.21. **Continuation of Defaults.** Notwithstanding any provision hereof to the contrary, whenever in this Lease the phrases "continuing," "continuation of" or similar words or phrases are used in connection with Events of Default, defaults, or events which with notice or passage of time would constitute Events of Default, such phrases or words shall not be construed to create any right in the Lessee to have additional periods of time to cure such defaults or Events of Default other than those specific cure periods provided in this Lease.

40.22. **Specific Performance.** In addition to any rights and remedies available to the parties hereunder or at law, each party shall be entitled to bring an action for specific performance and to seek other equitable relief in connection with any breach or violation, or any attempted breach or violation, of the provisions of this Lease, without the necessity of showing actual damages or furnishing bond or other security.

40.23. **Joint Drafting.** The parties hereto and their respective counsel have participated in the drafting and redrafting of this Lease and the general rules of construction which would construe any provisions of this Lease in favor of or to the advantage of one party as opposed to the other as a result of one party drafting this Lease as opposed to the other or in resolving any conflict or ambiguity in favor of one party as opposed to the other on the basis of which party drafted this Lease are hereby expressly waived by all parties to this Lease.

40.24. **Joint and Several Obligations.** Each Facility Lessee shall be jointly and severally liable for all of the liabilities and obligations of Lessee under this Lease. Additionally, each Facility Lessee acknowledges and agrees that all of the representations, warranties, covenants, obligations, conditions, agreements and other terms contained in this Lease shall be applicable to and shall be binding upon and enforceable against any one or more Facility Lessees.

40.25. **Representations, Agreements and Covenants relating to Certain Properties.** Further representations, agreements and covenants regarding certain of the Properties are set forth on Schedule 40.25 attached hereto and are hereby incorporated herein by reference.

40.26. **Necessary Actions.** Each party shall perform any further acts and execute and delivery any documents that may be reasonably necessary to carry out the provisions of this Lease.

40.27. **Arbitration**

If Lessee disputes Lessor's determination of Fair Market Value Rent, Lessee shall give notice to Lessor of such dispute within ten (10) Business Days after delivery of the Rent Notice, and such dispute shall be determined by arbitration in accordance with the then prevailing Expedited Procedures of the Arbitration Rules for the Real Estate Industry of the American Arbitration Association or its successor for arbitration of commercial disputes, except that the rules shall be modified as follows:

(a) In its demand for arbitration, Lessee shall specify the name and address of the person to act as the arbitrator on Lessee's behalf. The arbitrator shall be a real estate broker with at least ten (10) years full-time commercial retail brokerage experience who is familiar with the fair market value of comparable healthcare facility space in the county in which the Property is located. Failure on the part of Lessee to make the timely and proper demand for such arbitration shall constitute a waiver of the right thereto and the Allocable Base Rent shall be as set forth in the Rent Notice. Within ten (10) Business Days after the service of the demand for arbitration, Lessor shall give notice to Lessee specifying the name and address of the person designated by Lessor to act as arbitrator on its behalf, which arbitrator shall be similarly qualified. If Lessor fails to notify Lessee of the appointment of its arbitrator within such ten (10) Business Day period, and such failure continues for three (3) Business Days after Lessee delivers a second notice to Lessor, then the arbitrator appointed by Lessee shall be the arbitrator to determine the Fair Market Value Rent for the Property.

(b) If two arbitrators are chosen pursuant to Section 40.27(a), the arbitrators so chosen shall meet within ten (10) Business Days after the second arbitrator is appointed and shall seek to reach agreement on Fair Market Value Rent. If, within twenty (20) Business Days after the second arbitrator is appointed, the two arbitrators are unable to reach agreement on Fair Market Value Rent, then the two arbitrators shall appoint a third arbitrator, who shall be a competent and impartial person with qualifications similar to those required of the first two arbitrators pursuant to Section 40.27(a). The third arbitrator shall decide the dispute, if it has not been previously resolved, by following the procedures set forth in Section 40.27(c). Each party shall pay the fees and expenses of its respective arbitrator and both shall share the fees and expenses of the third arbitrator. Attorneys' fees and expenses of counsel and of witnesses for the respective parties shall be paid by the respective party engaging such counsel or calling such witnesses.

(c) Fair Market Value Rent shall be fixed by the third arbitrator in accordance with the following procedures. Concurrently with the appointment of the third arbitrator, each of the arbitrators selected by the parties shall state, in writing, his or her determination of the Fair Market Value Rent supported by the reasons therefor. The third arbitrator shall have the right to consult experts and competent authorities for factual information or evidence pertaining to a determination of Fair Market Value Rent, but any such determination shall be made in the presence of both parties with full right on their part to cross-examine. The third arbitrator shall conduct such hearings and investigations as he or she deem appropriate and shall, within thirty (30) days after being appointed, select which of the two proposed determinations most closely approximates his or her determination of Fair Market Value Rent. The third arbitrator shall have no right to propose a middle ground or any modification of either of the two proposed determinations. The determination he or she chooses as that most closely approximating his or her determination of the Fair Market Value Rent shall constitute the decision of the third arbitrator and shall be final and binding upon the parties. The third arbitrator shall render the decision in writing with counterpart copies to each party. The third arbitrator shall have no power to add to or modify the provisions of this Lease. Promptly following receipt of the third arbitrator's decision, the parties shall enter into an amendment to this Lease evidencing the extension of the Lease Term for the applicable Extension Term and confirming the Allocable Base Rent for such Extension Term, but the failure of the parties to do so shall not affect the effectiveness of the third arbitrator's determination.

(d) In the event of a failure, refusal or inability of any arbitrator to act, his or her successor shall be appointed by him or her, but in the case of the third arbitrator, his or her successor shall be appointed in the same manner as that set forth herein with respect to the appointment of the original third arbitrator.

40.28. **Intercreditor Agreement.** Notwithstanding anything to the contrary contained in this Lease, the liens, security interests and rights granted pursuant to this Lease or any other Obligation Document shall be as set forth in, and subject to the terms and conditions of (and the exercise of any right or remedy by Lessor hereunder or thereunder shall be subject to the terms and conditions of), the Intercreditor Agreement. In the event of any conflict between this Lease or any other Obligation Document and the Intercreditor Agreement, the Intercreditor Agreement shall control, and no right, power, or remedy granted to Lessor hereunder or under any other Obligation Document shall be exercised by Lessor, and no direction shall be given by Lessor, in contravention of the Intercreditor Agreement.

#### **ARTICLE XLI. MEMORANDUM OF LEASE**

Lessor and Lessee shall, promptly upon the request of either, enter into a short form memorandum of this Lease, in form suitable for recording under the laws of the state in which the Leased Property is located, in which reference to this Lease, the Term and all options contained herein, shall be made. Lessee shall pay any recording taxes and other costs in connection therewith.



IN WITNESS WHEREOF, the parties have caused this Master Lease Agreement to be executed by their respective officers thereunto duly authorized.

**LESSOR:**

**MPT OF BRIGHTON-STEWARD, LLC  
MPT OF BROCKTON-STEWARD, LLC  
MPT OF TAUNTON-STEWARD, LLC  
MPT OF METHUEN-STEWARD, LLC  
MPT OF FALL RIVER-STEWARD, LLC**

By: MPT Operating Partnership, L.P  
Its: Sole Member of each above-referenced entity

By: /s/ Emmett E. McLean  
Name: Emmett E. McLean  
Its: Executive Vice President, COO, Treasurer and  
Secretary

*[Master Lease]*

**LESSEE:**

**STEWARD HOLY FAMILY HOSPITAL, INC.  
MORTON HOSPITAL, A STEWARD FAMILY  
HOSPITAL, INC.  
STEWARD GOOD SAMARITAN MEDICAL CENTER,  
INC.  
STEWARD ST. ANNE'S HOSPITAL CORPORATION  
STEWARD ST. ELIZABETH'S MEDICAL CENTER OF  
BOSTON, INC.**

By: /s/ Mark Rich

Name: Mark Rich

Title: Treasurer

*[Master Lease]*

**Exhibit A-1**

Good Samaritan Land

Real property in the City of Brockton, County of Plymouth, Commonwealth of Massachusetts described as follows:

Lot A shown on a Plan entitled "Plan of Land in Brockton, MA (Plymouth County) dated August 28, 2012 by Precision Land Surveyors, Inc. as recorded with Plymouth County Registry of Deeds in Plan Book 57, Page 616.

Contained within said Lot A are three parcels of registered land shown as Lot 121, 122 and 123 on Land Court Plan 19967-3 filed with Certificate of Title 11382.

Together with the benefit of a Grant of Drainage Easement from the Trustees of the Kechejian Family Limited Partnership Management Trust, dated June 24, 2008, filed as Document No. 640340, and recorded in Book 36290, Page 293, in common with other entitled thereto.

**Exhibit A-2**

Holy Family Land

**PARCEL 1**

A certain parcel of land, with all the buildings, facilities and improvements now and hereafter thereon, situated in Methuen, Essex County, Massachusetts, being shown as Lots 5, 6, 7 and 8 on Land Court Plan 19835D.

**PARCEL 2**

A certain parcel of land situated in Methuen, Massachusetts, shown as Lot 9 on a plan of land entitled "Plan of Land in Methuen, Mass., being a Subdivision of Lot 3 shown on Land Court Plan 19835C, Scale 1" = 40' July 1996, Stowers Associates, Inc., Reg. Land Surveyors, Methuen, Mass.," said plan having been approved by the Land Court on February 4, 1997, as Plan 19835E.

Said Lot 9 is bounded and described as follows:

WESTERLY two hundred thirteen (213.00) feet;

NORTHERLY two hundred sixty one (261.00) feet;

EASTERLY and

SOUTHEASTERLY four hundred ninety seven and 97/100 (497.97) feet;

SOUTHWESTERLY seventy and 70/100 (70.70) feet;

NORTHWESTERLY two hundred twenty seven and 52/100 (227.52) feet; and

SOUTHERLY one hundred ninety four and 84/100 (194.84) feet.

Said parcel containing 1.68 acres, more or less, according to said plan.

The premises are also described as follows:

A parcel of land, located in Methuen, Massachusetts, partially bounded by Ranger Road, Pleasantview Street, East Street, Brook Street and Jackson Street; said parcel shown as lots numbered 2, 3 and 4 on Land Court Plan #19835C more particularly described as follows:

Beginning at the northwesterly corner of the said parcel at a point at the intersection of the easterly side line of Pleasantview Street and the southerly sideline of Ranger Road;

Thence N 68°-40'-00" E, 1565.92' partially along the southerly sideline of Ranger Road to a point;

Thence S 21°-39'-25" E, 871.00' to a point;

Thence N 74°-30'-30" E, 360.75' to a point on the westerly sideline of Jackson Street;

Thence S 11°-45'-20" E, 177.40' along the westerly sideline of Jackson Street to a point at the intersection of the westerly sideline of Jackson Street and the northerly sideline of Brook Street;

Thence S58°-04'-30"W, 191.03';

Thence S46°-58'-55"W, 154.57';

Thence S44°-28'-20"W, 51.19';

Thence S35°-52'-30"W, 36.42';

Thence S26°-05'-40"W, 42.57';

Thence S10°-05'-00" W, 247.03';

Thence S15°-56'-50"W, 332.06';

Thence S25°-12'-10"W, 243.88';

Thence S26°-03'-50"W, 132.20';

Thence S27°-14'-35"W, 52.31';

Thence S29°-27'-50"W, 40.06'; the last eleven (11) courses being a long the northerly or westerly sideline of Brook Street;

Thence N46°-46'-25"W, 172.19' to a point;

Thence along a curve to the left of radius 260.00 and included angle of 50°-08'-35" an arc distance of 227.52' to a point of tangency;

Thence S85°25'-35"W, 271.84';

Thence S04°-34'-25"E, 454.00' to a point on the northerly sideline of East Street;

Thence N89°-48'-40"W, 18.27';

Thence N85°-12'-55", 118.91';

Thence N81°-07'-20"W, 20.24';

Thence N79°-40'-55"W, 32.93';

Thence N77°-15'-30"W, 31.25';

Thence N74°-21'-15"W, 21.23';

Thence N69°-37'-30"W, 17.67';

Thence N65°-43'-50"W, 15.53';

Thence N62°-06'-00"W, 16.01';

Thence N60°-30'-35"W, 38.74';

Thence N59°-23'-55"W, 402.11';

Thence N61°-26'-15"W, 67.69';

Thence N62°-08'-55"W, 53.17';

Thence N62°-22'-30"W, 20.39';

Thence N64°-38'-30"W, 42.52';

Thence N65°-45'-50"W, 54.66';

Thence N67°-01'-45"W, 481.95'; to a point at the intersection of the northerly sideline of East Street and the easterly sideline of Pleasantview Street, the last seventeen (17) courses being along the northerly sideline of East Street;

Thence N22°-15'-50"E, 394.07' along the easterly sideline of Pleasantview Street to a point of curvature;

Thence continuing along the easterly sideline of Pleasantview Street on a curve to the left of radius 1050.08' and included angle of 43°-35'-00" an arc distance of 798.77' to a point of tangency;

Thence continuing along the sideline of Pleasantview Street, N21°-19'-10"W, 46.69' to a point at the intersection of the easterly sideline of Pleasantview Street and southerly sideline of Ranger Road, said point being the point of beginning for this description.

Said parcel contains 72.0296 acres.

**Exhibit A-3**

Morton Land

Real property in the City of Taunton and Town of Middleborough, County of Bristol, Commonwealth of Massachusetts, described as follows:

**TRACT I:**

**(88 Washington Street including 31, 34, 35, 41 and 43 Grove Street and 37 North Pleasant Street, Taunton (“Lot 1”):**

A certain parcel of land in Taunton, Massachusetts being shown as “10.171 Acres” on a plan entitled “Plan of Land in Taunton, Massachusetts, Prepared for Morton Hospital and Medical Center, Inc., Scale 1” = 50’ dated February 10, 2004” by Hayward-Boynton & Williams, Inc., Land Surveyors & Civil Engineers, 60 Court St., Taunton, MA,” and recorded in Book 422, Page 72, and is further bounded and described according to said plan as follows:

Beginning at a point located on the easterly side of North Pleasant Street, said point being the southwesterly corner of land belonging to Rose D. Perra and the northwesterly corner of the herein described parcel.

Thence running along said Perra land, N78°36’20”E, 130.00 feet to a corner.

Thence turning and running still along said Perra land, N11°47’22”W, 32.50 feet to a corner and land now or formerly belonging to Otilia Ferreira.

Thence turning and running along said Ferreira land, N78°36’20”E, 128.28 feet to a corner and Grove Street.

Thence turning and running along said Grove Street, S 11°44’30”E, 70.00 feet to a corner.

Thence turning and running still along said Grove Street, N78°36’20”E, 36.00 feet to a corner.

Thence turning and running still along said Grove Street, N11°44’30”W, 255.67 feet to a corner and land belonging to Jeanette Thibodeau.

Thence turning and running along said Thibodeau land, N78°15’30”E, 90.00 feet to a corner and land belonging to Antonio B. Mello Trustee.

Thence turning and running along said Mello land and land belonging to Gaspar & Grace Miranda, Mauro N. & Luisa H. Delemos, Rui M. & Maria E. Cardoso, Troy J. & Mary Ellen Medeiros, S11°44’30”E, 253.73 feet to a corner.

Thence turning and running along said Medeiros land, N76°29'25"E, 87.24 feet to a corner and Hope Street.

Thence turning and running along said Hope Street, S13°30'35"E, 42.38 feet to a corner.

Thence turning and running along said Hope Street and Faith Street, N76°29'25"E, 125.96 feet to a corner and land belonging to Carl R & Ann C. Aschiero.

Thence turning and running along said Aschiero land and land belonging to the Roman Catholic Bishop of Fall River, S14°59'00"E, 191.30 feet to a point.

Thence running still along said Roman Catholic Bishop of Fall River land, S15°32'30"E, 237.67 feet to a point.

Thence running still along said Roman Catholic Bishop of Fall River land, S37°50'45"E, 120.05 feet to a corner and Washington Street.

Thence turning and running along said Washington Street, S52°56'40"W, 424.57 feet to a point. Thence turning and running still along said Washington Street, S54°01' 54"W, 39.48 feet to a point.

Thence turning and running still along said Washington Street, S53°15'32"W, 117.43 feet to a corner and land belonging to Rocky Knoll Estates, Inc.

Thence turning and running along said Rocky Knoll Estates, Inc. land, N11°55'03"W, 184.05 feet to a corner.

Thence turning and running still along said Rocky Knoll Estates, Inc. land, N77°54'25"E, 40.52 feet to a corner.

Thence turning and running still along said Rocky Knoll Estates, Inc. land, N12°18'35"W, 84.69 feet to a corner.

Thence turning and running still along said Rocky Knoll Estates, Inc. land, S77°41'25"W, 24.00 feet to a corner.

Thence turning and running still along said Rocky Knoll Estates, Inc. land, N36°22'20"W, 0.50 feet to a corner.

Thence turning and running still along said Rocky Knoll Estates, Inc. land, S81°06'50"W, 19.79 feet to a point.

Thence running still along said Rocky Knoll Estates, Inc. land, S77°54'25"W, 143.90 feet to a corner and North Pleasant Street.

Thence turning and running along said North Pleasant Street, N12°05'35"W, 486.78 feet to a point.

Thence running still along said North Pleasant Street, N11°47'22"W, 100.34 feet to a corner and the point of beginning.

**TRACT II:**

**PARCEL I (14 North Pleasant Street, Taunton):**

The land, with any buildings and improvements thereon, located on North Pleasant Street in Taunton, Bristol County, Massachusetts, described as follows:

Beginning at the southwesterly line of North Pleasant Street at a corner of land formerly of Galligan;

Thence southwesterly in line of said Galligan land, 235 feet, more or less;

Thence in line of land formerly of Ryan and land formerly of Duffy, northwesterly 70 feet, more or less;

Thence in line of land formerly of Paige, parallel to first-described line, northeasterly 235 feet, more or less, to said street;

Thence by said street, southeasterly 70 feet to the point of beginning.

**PARCEL II (36 North Pleasant Street, Taunton):**

That certain parcel of land situate in Taunton in the County of Bristol and said Commonwealth, bounded and described as follows:

Easterly by North Pleasant Street sixty-nine and 20/100 (69.20) feet; Southerly by lands now or formerly of Pincus Zwetchkenbaum and of Sarah J. Shaughnessy two hundred forty-four and 95/100 (244.95) feet;

Westerly by lands now or formerly of said Shaughnessy and of Anna A. Lubelczyk seventy-one (71) feet;

and Northerly by lands now or formerly of Emma E. Brown et al and of Minnie E. Donovan two hundred forty-six and 37/100 (246.37) feet.

All of said boundaries are determined by the Court to be located as shown on Plan No. 8158-A, drawn by E.D. Robinson, Surveyor, dated February 1, 1921, as modified and approved by the Court, filed in the Land Registration Office, a copy of a portion of which was filed with original Certificate of Title No. 95 in Book 1, Page 121.

**Exhibit A-4**

St. Anne's Land

**Parcel I – 795 Middle Street, 314 Osborn Street and 23 Melville Street**

The land with the buildings thereon and shown as Parcel 1, Parcel 2 and Parcel 3 on a plan of land entitled "81X Plan of Land in Fall River, Massachusetts, Owned by: St. Anne's Hospital Corporation" prepared by Co-Operative Land Surveyor's LLC, dated October 13, 2010, and recorded in Plan Book 150, Page 5 (the "Plan"). Parcel 1 contains 240,719 sq. ft., Parcel 2 contains 29,433 sq. ft. and Parcel 3 contains 5,375 sq. ft., all as more particularly shown on the Plan.

Included within Parcel 1 is a parcel of registered land described in Certificate of Title No. 1310 and shown on Land Court Plan No. 24396A, and more particularly bounded and described as follows:

Northeasterly by the southwesterly line of Oliver Street one hundred fifty-nine (159) feet; Southeasterly by the northwesterly line of Forest Street three hundred twenty-five and 42/100 (325.42) feet; Southwesterly by the northeasterly line of Osborn Street one hundred twenty-nine and 60/100 (129.60) feet; Northwesterly one hundred sixty-two and 66/100 (162.66) feet; Southwesterly thirty and 81/100 (30.81) feet; and Northwesterly one hundred sixty-three and 77/100 (163.77) feet by land now or formerly of Helen Rosenthal.

Together with the benefit of that easement as reserved in deed to Emily Grenier dated January 23, 1904 and recorded at Book 817, Page 444.

Together with the benefit of rights and easements, including but not limited to a perpetual right and easement to pass and repass in vehicle or on foot over and to park vehicles on a triangular portion of the premises, as reserved in deed by St. Anne's Hospital Corporation to St. Anne's Health Care System, Inc. dated June 7, 1995 and recorded at Book 2964, Page 341.

Together with the benefit of rights and easements as set forth in deed to St. Anne's Hospital Corporation dated December 10, 2002 and recorded at Book 4681, Page 77.

Together with the benefit of the easements set forth in that certain Reciprocal Easement Agreement between Steward St. Anne's Hospital Corporation, Steward Fall River Management Care Services LLC at HTA- St. Anne's MOB 2, LLC dated March 29, 2012 and recorded in Book 7894, Page 107.

Said premises are also described as follows:

**SURVEYOR'S METES & BOUNDS DESCRIPTION:**

**I.795 MIDDLE STREET, ACCESS PARCEL-314 OSBORN STREET**

Certain parcels of land situated in the City of Fall River, County of Bristol, Commonwealth of Massachusetts. Bounded and described as follows.

Beginning at the southeasterly intersection of South Main Street and Middle Street. Said intersection being the northwesterly corner of the herein described Parcels.

Thence: S 65° 09' 50" E along the southerly side of Middle Street for a distance of 419.72 feet to the southwesterly intersection of Middle Street and Forest Street to a point.

Thence: S 24° 45' 00" W along the westerly side of Forest Street for a distance of 565.42 feet to the northwesterly intersection Forest Street and Osborn Street to a point.

Thence: N 65° 30' 00" W along the northerly side of Osborn Street for a distance of 299.31 feet to a point.

Thence: N 23° 50' 30" E for a distance of 107.20 feet to a point.

Thence: N 65° 30' 00" W for a distance of 49.00 feet to a point.

Thence: N 65° 24' 11" W for a distance of 49.50 feet to a point.

Thence: S 24° 03' 21" W for a distance of 107.28 feet to the northerly side of Osborn Street to a point. Thence: N 65° 30' 00" W along the northerly side of Osborn Street for a distance of 87.25 feet to the northeasterly intersection of Osborn Street and South Main Street to a point.

Thence: N 31° 21' 00" E along the easterly side of South Main Street for a distance of 571.96 feet to the point of beginning.

#### PARCEL II - 23 Melville Street, First Parcel Second Parcel and D

Certain parcels of land situated in the City of Fall River, County of Bristol, Commonwealth of Massachusetts. Bounded and described as follows:

Beginning at the southwesterly intersection of Osborn Street and Melville Street. Said intersection being the northeasterly corner of the herein described Parcels.

Thence: S 24° 29' 31" W along the westerly side of Melville Street for a distance of 165.00 feet to a point.

Thence: N 65° 35' 59" W for a distance of 144.90 feet to a point.

Thence: N 24° 23' 23" E for a distance of 55.00 feet to a point.

Thence: N 65° 10' 40" W for a distance of 50.00 feet to a point.

Thence: N 24° 17' 57" E for a distance of 109.63 feet to the southerly side of Osborn Street to a point. Thence: N 65° 36' 00" E along the southerly side of Osborn Street for a distance of 195.37 feet to the point of beginning.

#### PARCEL III

A Certain parcel of land situated in the City of Fall River, County of Bristol, Commonwealth of Massachusetts. Bounded and described as follows.

Beginning at a point of commencement. Said point being 239.52 feet southwesterly of the southwesterly intersection of Osborn Street and Melville Street.

Thence: S 26° 15' 50" W along the westerly side of Melville Street for a distance of 89.00 feet to a point.

Thence: N 65° 22' 59" W for a distance of 60.43 feet to a point.

Thence: N 26° 15' 50" E for a distance of 88.96 feet to the point of beginning.

Thence: S 65° 25' 00" E for a distance of 60.43 feet to the southwesterly side of Melville Street to the point of beginning.

Note: The premises described above include the following addresses:

795 Middle Street

314 Osborn Street

23 Melville Street

**Exhibit A-5**

St. Elizabeth Land

**PARCEL I (253 Washington Street), Book 10091, Page 239; Confirmatory Book 15050, Page 314**

A certain parcel of land with all buildings, facilities, and improvements now and hereafter thereon, situate in Boston (Brighton District) Suffolk County, Massachusetts, the same being shown as "Parcel 1" on a plan entitled "Subdivision Plan of Land in Boston, Mass. Brighton District – Suffolk County", scale 1 inch = 40 feet, dated August 20, 1982, drawn by Miller & Nylander Co., recorded in the Suffolk County Registry of Deeds at the end of Book 10075, bounded and described as follows: WESTERLY by Washington Street, 273.88 feet; NORTHWESTERLY by Parcel 2 shown on said plan, 100.00 feet; WESTERLY by Parcel 2 shown on said plan, 53.66 feet; NORTHWESTERLY by Parcel 2 shown on said plan, 90.00 feet; NORTHERLY by Parcel 2 shown on said plan, 16.94 feet; NORTHWESTERLY by Parcel 2 shown on said plan, 64.40 feet; NORTHEASTERLY by Parcel 2 shown on said plan, 101.19 feet; NORTHWESTERLY by Parcel 2 shown on said plan, 84.22 feet; NORTHEASTERLY by Parcel 2 shown on said plan, 58.20 feet; and SOUTHEASTERLY by land now or formerly of St. Elizabeth's Hospital Foundation, Inc., by two lines respectively measuring, 240.79 feet and 99.47 feet.

Containing 73,505 square feet of land, more or less, or 1.687 acres, more or less, according to said plan.

Parcel I is also shown as the "Parcel I" containing 73,505+/- square feet on plan at Book 16789, End (plan shows two Parcel Is).

**PARCEL II (261 Washington Street), Book 3503, Page 545; Book 3552, Page 61; Book 3561, Page 165; Book 3561, Page 167; Book 4022, Page 521; Book 5596, Page 38; Book 6496, Page 90**

The land on Washington Street in Boston (Brighton District) Commonwealth of Massachusetts and being shown as Parcel 2, containing 415,382+/- square feet, on Plan entitled "Mortgage Plan of Land, St. Elizabeth's Hospital North Complex Project, Brighton District Boston, Mass.," dated June 14, 1988 prepared by BSC Group and recorded at Book 14983, Page 1.

Specifically excepting therefrom Parcel 3 as shown on Plan at Book 14983, Page 1 and which parcel was conveyed to St. Elizabeth's Realty Corp. by Deed dated September 21, 1990 and recorded at Book 16521, Page 283.

Together with appurtenant rights and easements set forth in Deed to Saint Elizabeth's Realty Corp. dated September 27, 1990 and recorded at Book 16521, Page 283.

Parcel 2 is also shown as the "Parcel 2" containing 415,382+/- square feet on plan at Book 16789 End (plan shows two Parcel 2s).

[There is no PARCEL III]

**PARCEL IV (Nevins Street)**

That certain parcel of land at the end of Nevin Street in said Boston (Brighton), being shown as Parcel B on a plan entitled "Plan of Land in Boston (Suffolk County)," dated January 24, 2014, revised December 23, 2015, by Precision Land Surveying, Inc., recorded with the Suffolk Registry of Deeds at Plan 2015, Page 537 .

**Together with** the benefit of the non-exclusive drainage easement appurtenant to Parcel 2 above (the "Easement") running from Parcel 2 to Washington Street and shown as the "Proposed 20' Utility and Drainage Easement" on the plan at Book 16789 End, and bounded and described as follows: Beginning at the Southeast corner of the northwesterly line of Parcel 2 as shown on said Plan; thence S 39° 30' 44" W across said Parcel 1 one hundred seventy eight and 45/100 (178.45) feet to a point on the northerly side of Washington Street, said point lying on the arc of a curve concave northeasterly, from which said point a radial line bears N32° 15' 25" E; thence running Northerly along said sideline and said arc twenty and 14/100 (20.14) feet; thence running N 39° 30' 44" E across said Parcel 1 one hundred eighty and 84/100 (180.84) feet to the said northwesterly line of Parcel 2; thence running S50° 29' 16" E along said northwesterly line twenty and 00/100 (20.00) feet to the point of beginning. Containing 3,560 square feet or 0.082 acres, more or less.

**Together with** the benefit of appurtenant rights and easement set forth in deed to St. Elizabeth's Hospital Foundation, Inc., Trustee dated October 14, 1982 and recorded at Book 10091, Page 239, as confirmed by Confirmatory Deed dated September 26, 1988 and recorded at Book 15050, Page 314.

**Exhibit B-1**

Permitted Exceptions - Good Samaritan Land

1. Survey entitled "ALTA/ACSM Land Title Survey, Steward Good Samaritan Medical Center, Inc., Brockton, Massachusetts", dated 9-23-16, by Holden Engineering & Surveying, Inc. (the "Survey"), discloses the following:
  - a. Pavement encroaches onto the subject property near North Pearl Street;
  - b. Garage encroaches onto the subject property near land n/f of Genefis Realty Trust on Oak Street.
2. Possible rights of others in Newland Avenue (Paper Street) as shown on the plan recorded at Plan Book 32 Page 207.
3. Taking of easements for the widening of Lovett's Brook by the City of Brockton dated February 4, 1935 and recorded at Book 1687, Page 106; as shown in Plan Book 5, Page 454.. (Affects Parcels 1, 2 and 3 on plan in Plan Book 32 Plan 207).
4. Taking in fee L.O. 4113 for highway purposes by the Department of Public Works, Commonwealth of Massachusetts dated January 19, 1954 and recorded at Book 2324, Page 171 and filed as Document 47638 (affects Parcels 1 and 5 on plan in Plan Book 32 Plan 207).
5. Taking of drain easements by the City of Brockton dated June 26, 1961 and recorded at Book 2861, Page 483, as shown on Plan No. 435 of 1961 (affects Parcel 3 on plan in Plan Book 32 Plan 207).
6. Taking of water easements by the City of Brockton dated December 10, 1962 and recorded at Book 2988, Page 470, as shown on Plan No. 939 of 1962 (affects Parcel 2 on plan in Plan Book 32 Page 207).
7. Taking of water easements by the City of Brockton dated December 10, 1962 and recorded at Book 2988, Page 470, as shown on Plan No. 939 of 1962 (affects Parcel 1 on plan in Plan Book 32 Page 207).
8. Zoning Decision, Variance, issued by the City of Brockton Board of Appeals, dated February 15, 1965, notice of which is recorded at Book 3184, Page 35 (affects Parcels 1,2 and 3 on the plan in Plan Book 32 Page 207).
9. Taking of easements for sewer purposes by the City of Brockton dated February 28, 1966 and recorded at Book 3280, Page 142, as shown on Plan No. 184 of 1966 (affects Parcels 1 and 3 on plan in Plan Book 32 Plan 207).

10. Zoning Decision, Variance, issued by the City of Brockton Board of Appeals, dated May 19, 1969, notice of which is recorded at Book 3521, Page 237.
11. Zoning Decision, Variance, issued by the City of Brockton Board of Appeals, dated December 12, 1974, notice of which is recorded at Book 4037, Page 583 (affects Parcel 4 on the plan in Plan Book 32 Page 207).
12. Zoning Decision, Variance, issued by the City of Brockton Board of Appeals, dated April 19, 1979, notice of which is recorded at Book 4643, Page 244 (affects Parcel 4 on the plan in Plan Book 32 Page 207).
13. Zoning Decision, Variance, issued by the City of Brockton Board of Appeals, dated September 18, 1980, notice of which is recorded at Book 4880, Page 183 (affects Parcel 4 on the plan in Plan Book 32 Page 207).
14. Order of Conditions, DEP File No. 118-314, issued by the Brockton Conservation Commission dated May 9, 1995 and filed as Document 389840 (affects Parcels 3,4 and 5 on plan in Plan Book 32 Page 207).
15. Riparian rights of others in Lovett's Brook and possible rights of others in Holworth Avenue, Rangeley Avenue and Ingleside Avenue, (paper streets) as shown on 1987 plan recorded as Plan Number 324 of 1989 in Plan Book 32, Page 207.
16. Taking of easements L.O. No. 7176 for highway purposes by the Department of Public Works, Commonwealth of Massachusetts, dated September 15, 1993 and recorded at Book 12223, Page 287 as shown on Plan No. 512 of 1993 (may affect Parcels 1 and 3 on plan in Plan Book 32 Plan 207).
17. Zoning Decision, Special Permit by the City of Brockton Zoning Board of Appeals, dated September 10, 1996, notice of which is recorded at Book 14838, Page 233 (affects Parcels 1-5 on the plan in Plan Book 32 Page 207).
18. Taking by the Commonwealth of Massachusetts for the relocation and alteration of North Pearl Street dated May 7, 1997 and recorded at Book 15190, Page 61, as shown on Plan No. 330 of 1997.
19. Taking in fee simple L.O. No. 7230 for highway purposes by the Department of Public Works, Commonwealth of Massachusetts, dated May 7, 1997 and recorded at Book 15190, Page 61 (affects Parcels 1, 2 and 3 on plan in Plan Book 32 Plan 207).
20. Zoning Decision, Variance, issued by the City of Brockton Board of Appeals, dated October 20, 2000, notice of which is recorded at Book 18993, Page 185 (affects Parcels 1, 2 and 3 on the plan in Plan Book 32 Page 207).

21. Terms and provisions of a lease between Caritas Good Samaritan Medical Center, Inc., Lessor and Nextel Communications of the Mid-Atlantic, Inc., Lessee, notice of which is dated September 12, 2000, recorded February 21, 2001 at Book 19395, Page 1 as affected by an Assignment and Assumption of Lease between Caritas Good Samaritan Medical Center, Inc. and Steward Good Samaritan Medical Center, Inc. dated November 5, 2010 and recorded on November 9, 2010 at Book 39243, Page 207. (Affects parcels 1 and 3 on the plan in Plan Book 32 Page 207)
22. Zoning Decision, Variance, issued by the City of Brockton Board of Appeals, dated October 23, 2001, notice of which is recorded at Book 20764, Page 199. (Affects Parcels 1, 2 and 3 on the plan in Plan Book 32 Page 207).
23. Order of Conditions, DEP File No. 118-492, issued by the Brockton Conservation Commission dated July 22, 2003 and filed as Document 543101, as affected by Certificate of Compliance with ongoing conditions, dated November 18, 2004, filed as Document 577524. (Affects Parcels 3,4 and 5 on plan in Plan Book 32 Page 207)
24. Grant of Easement to Titanium Group LLC, for driveway and access purposes, dated May 7, 2008, recorded at Book 35958, Page 339, as shown on Plan 251 of 2008 in Plan Book 54, Page 379.
25. Terms and provisions of Grant of Drainage Easement from the Trustees of The Kechejian Family Limited Partnership Management Trust, dated June 24, 2008, filed as Document No. 640340, and recorded at Book 36290, Page 293, as shown on Plan 440 of 2008 in Plan Book 54, Page 675. (Affects easement parcel only)
26. Easement to Massachusetts Electric Company, dated May 11, 2010, recorded at Book 38615, Page 78. Note: Not filed against registered land parcels, if it affects registered land parcels.
27. Master Lease between HTA - Good Sam Cancer Center, LLC, as Landlord, and Steward Good Samaritan Medical Center, Inc., as Tenant, dated as of March 29, 2012 as evidenced by a Notice of Master Lease dated March 29, 2012 and recorded in Book 41196, Page 108 as amended at Book 40386, Page 316 and assigned at Book 43086, Page 280.
28. Master Lease between HTA - Good Sam MOB, LLC, as Landlord, and Steward Good Samaritan Medical Center, Inc., as Tenant, dated as of March 29, 2012 as evidenced by a Notice of Master Lease dated March 29, 2012 and recorded in Book 41196, Page 94, as affected by Amended and Restated Notice of Lease recorded at Book 43086, Page 311.
29. Terms and provisions of a Reciprocal Easement Agreement between Steward Good Samaritan Medical Center, Inc., HTA – Good Sam MOB, LLC and HTA- Good Sam Cancer Center, LLC dated March 29, 2012 and recorded in Book 41197, Page 127 and filed as Document No. 690089 as amended by Amended and Restated Reciprocal Easement Agreement, dated May 15, 2013, recorded with said Deeds, Book 43086, Page 290 and filed with said Registry District as Document No. 708094.

30. Taking by the City of Brockton for the layout and widening of Oak Street, dated February 23, 1960, recorded at Book 2764, Page 298, as affected by a Certificate of Entry, recorded at Book 2843, Page 220.

31. Order for sewer construction by the City of Brockton, dated March 22, 1971, recorded at Book 3661, Page 674.

32. Taking by the Commonwealth of Massachusetts Department of State Highways of North Pearl Street (Route 27) and for the widening of a portion of Oak Street Extension, recorded at Book 15190, Page 61. Note: See Section 3 described therein.

33. Grant of Drainage Easement to Caritas Good Samaritan Medical Center, Inc., dated June 24, 2008 recorded at Book 36290, Page 293.

34. Notice of Right of First Refusal Agreement by HTA – Good Same MOB, LLC to Steward Good Samaritan Medical Center, Inc., recorded with said Deeds, Book 43086, Page 286 relating to 818 Oak Street and 830 Oak Street, Lot B shown on Plan Book 57, Page 616.

35. Grant of Easement to Massachusetts Electric Company, dated August 26, 2015, recorded with said Deeds, Book 45974, Page 45.

**Exhibit B-2**

Permitted Exceptions - Holy Family Land

1. Rights of others to use way extending from Pleasantview Street, as recited in deed to Bon Secours Hospital Inc. dated January 26, 1946 and recorded at Book 680, Page 489, which way is shown on Land Court Plan 19835B.
2. Access easement, utility easement and walls as disclosed on Land Court Plan 19835D.
3. Notice of Variance from Town of Methuen Board of Appeals dated May 27, 1970 to Bon Secours Hospital filed on May 27, 1970 as Document No. 21474.
4. Notice of Decision for Special Permit from Town of Methuen Zoning Board of Appeals filed December 10, 1982 as Document No. 33720.
5. Notice of Decision for Special Permit from Town of Methuen Zoning Board of Appeals filed December 20, 1984 as Document No. 37089.
6. Notice of Decision for Special Permit from Town of Methuen Zoning Board of Appeals filed October 25, 1984 as Document No. 36822.
7. Special Permit issued by Town of Methuen Board of Appeals dated April 12, 1988 and filed as Document No. 45241.
8. Notice of Decision from Town of Methuen Community Development Board Case No. 90-2 filed August 21, 1990 as Document No. 49293.
9. Terms and provisions of a Lease dated November 1, 1997 between Valley Regional Health System, Inc. and Robert C. Hannon, M.D. as evidenced by a Notice of Lease executed November 1, 1997 and filed on December 29, 1997 as Document No. 66490 as affected by Assignment and Sublease Agreement dated November 2, 1997 from Robert C. Hannon, M.D. to Salem Radiology Real Estate and Equipment Company filed on February 27, 1998 as Document No. 66905, as affected by an Assignment of Interests in Lease Agreement from Salem Radiology Real Estate and Equipment Company to Caritas Holy Family Hospital, Inc. dated October 29, 2010 and filed on October 29, 2010 as Document No. 101817, and further affected by an Assignment and Assumption of Lease between Caritas Valley Regional Health Systems, Inc. and Steward Holy Family Hospital dated November 5, 2010 and filed on November 9, 2010 as Document No. 101900.
10. Order of Conditions, issued by Town of Methuen, Conservation Commission, Methuen Wetlands Protection Ordinance Chapter 12.M.D.M. M.M.C. File Number 99-044 filed December 22, 1999 as Document No. 72003 as affected by Certificate of Compliance issued December 20, 2001 and filed as Document No. 77046.

11. Order of Conditions, issued by Town of Methuen, Conservation Commission, File Number 219-682 dated December 2, 1999 and filed December 22, 1999 as Document No. 72004; as affected by Certificate of Compliance filed on January 8, 2002 as Document No. 77047.
12. Decision from Town of Methuen Zoning Board of Appeals, Case No. 2001-49 filed on January 11, 2002 as Document No. 77073.
13. Order of Conditions, issued by Town of Methuen, Conservation Commission File Number 219-751 dated February 16, 2001 and filed October 12, 2001, as Document 76303, as affected by Certificate of Compliance with ongoing conditions dated December 12, 2002 and filed as Document 80640.
14. Order of Conditions, issued by Town of Methuen, Conservation Commission File Number 00-750 dated February 15, 2000 and filed October 12, 2001, as Document 76317, as affected by Certificate of Compliance with ongoing conditions dated December 12, 2002 and filed as Document 80641.
15. Notice of Contract dated July 31, 2003 between The Hartford Roofing Company and Admiral Building Products, Inc., Subcontractors by Peyton Construction Corporation, Contractor for Holy Family Hospital, Inc. f/k/a Bon Secours Hospital, Inc. and a/k/a Caritas Holy Family filed December 10, 2009 as Document No. 85204 and Statement of Account filed December 10, 2003 as Document No. 85205.
16. Notice of Contract dated August 1, 2002, signed October 3, 2002 between Coastline Company, Inc. f/k/a Coastline Fire Protection Co., Inc. as Subcontractor to Peyton Construction Corporation, as General Contractor to Valley Regional Health Systems, Inc., filed as Document No. 90523; as affected by Statement of Account filed October 12, 2005 as Document No. 90524.
17. Lease Agreement between Caritas Holy Family Hospital, Inc. as Sub-Lessor, and Ominipoint Communications, Inc., as Sub-Lessee, Notice of which is dated January 6, 2009, recorded at Book 11795, Page 229, as affected by an Assignment and Assumption of Lease between Caritas Valley Regional Health Systems, Inc., and Steward Holy Family Hospital, Inc., dated November 5, 2010 and recorded on November 9, 2010 in Book 12272, Page 285. NOTE: Not filed in Registered Land.
18. Lease in which Valley Regional Health System, Inc. is the Lessor and Bon Secours Hospital of Methuen, Inc. is the Lessee, Notice of which is filed as Document 37090 encumbering property shown on Land Court Plan 19835B, as affected by Release of certain property from lease (Lot 3 on Land Court Plan 198350) Release dated January 18, 1989 and filed as Document 46824 and as affected by Release of additional property (property shown on Easement Plan R-37) from Lease, Release dated February 26, 1998 and as filed as Document 66904, as affected by an Assignment and Assumption of Lease between Caritas Valley Regional Health Systems, Inc., and Steward Holy Family Hospital, Inc., dated November 5, 2010 and filed on November 9, 2010 as Document No. 101899.

19. Decision by the City of Methuen Community Development Board dated June 10, 2009 and recorded at Book 12016, Page 8. See also Plan entitled "Holy Family Hospital Emergency Department Addition Site Plan Approval" dated May 2009, revised July 10, 2009 by Woodard & Curran, recorded as Plan No. 16239. Note: Instruments mentioned in item 26 are recorded on the recorded side only.

20. Possible suggestion of easement as shown by Plan R-37 filed with said Registry District.

21. Notice of Lease Agreement, dated December 28, 2011 by and between Steward Holy Family Hospital, as Lessor and Sprint Spectrum L.P., as Lessee, filed with said Registry District as Document No. 104800.

22. Memorandum of Lease by and between Steward Holy Family Hospital, Inc., as Landlord, and New Cingular Wireless PCS LLC, as Tenant, dated October 7, 2014, filed as Document No. 110918.

23. The following matters shown on a plan of survey entitled "ALTA/ACSM Land Title Survey, # 70 East Street, City of Methuen, Massachusetts" date: September 26, 2016, Prepared by Merrimack Engineering Services (the "Survey"):

- a. Cart paths run through premises and onto abutters n/f Town of Methuen High School and n/f Town of Methuen and Lot 10;
- b. Drainage Brook runs along westerly side of premises;
- c. Electric Vault Building shows inside boundary line of East Street;
- d. 3 parking spaces in Lot 10 encroach over onto lot 9;
- e. Cement concrete walk connects to building on Lot 10; and
- f. Easement runs in the perimeter along Ranger Road and Way.

**Exhibit B-3**

Permitted Exceptions - Morton Land

**AFFECTS TRACT I**

1. Layout of Hope Street as a public way by the City of Taunton, dated October 22, 1908, recorded at Book 635, Page 12.
2. Notice of Variance granted by the Taunton Board of Appeals, dated June 9, 1965, recorded at Book 1480, Page 389; see Findings and Decisions dated May 16, 1965, certified June 10, 1965, recorded April 2, 1982 at Book 2182, Page 203.
3. Contract for Sale of Land for Private Redevelopment by and between the Taunton Redevelopment Authority and Morton Hospital dated April, 1981, recorded May 22, 1981 at Book 2104, Page 114, beginning at Page 115.
4. Decision on Special Permit by the City of Taunton Municipal Council, for parking purposes, dated March 30, 1982, certified April 20, 1982, recorded at Book 2191, Page 168.
5. Easement granted to New England Telephone Company dated April 2, 1982, recorded at Book 2200, Page 178. See Plan Book 197, Page 58.
6. Permanent utility easement granted to the City of Taunton dated April 2, 1982, recorded at Book 2200, Page 184. . See Plan Book 197, Page 58.
7. Agreement by and between the City of Taunton, Morton Hospital, Inc. and Rockyknoll Estates, Inc., dated December 2, 1983, recorded at Book 2414, Page 186. (Note: 2 Decisions contained within it).
8. Permanent utility easement granted to the City of Taunton, dated January 3, 1992 recorded at Book 5002, Page 313. See Plan Book 320, Page 13.
9. Utility easement granted to the City of Taunton dated January 3, 1992, recorded at Book 5002, Page 317. Deed Plan Book 320, Page 14.
10. Permanent utility easement granted to the City of Taunton, dated August 20, 1992 recorded at Book 5304, Page 267; see Discontinuance of a portion of Grove Street dated October 6, 1992 recorded at Book 5490, Page 224. See Plan Book 326, Plan 31.
11. Utility easement granted to the City of Taunton, dated March 15, 1995, recorded at Book 6304, Page 141, as shown in Plan Book 344, Plan 77 (imaged at 78).

12. Matters as shown on a survey entitled "ALTA/NSPS Land Title Survey in Taunton, MA (Bristol County), Tract I #88 Washington Street including 31, 34, 35, 41 and 43 Grove Street and 37 North Pleasant Street, Taunton ("Lot 1")," by Precision Land Surveying, Inc., Scale 1" = 40' dated September 26, 2016 (the "Survey") as follows:

- a. driveway and overhead wires of #35 North Pleasant Street encroach onto insured property by up to 5.8 feet;
- b. area in use by inhabitants of #40 and #42 Grove Street (multiple encroachments)
- c. parking lot in use by insured property and inhabitants of #53 Grove Street;
- d. fence encroaches onto land n/f of Thibodeau by up to 3.4 feet;
- e. overhead wires servicing insured property cross onto land n/f Pelletier by up to 1.0 feet;
- f. overhead wires cross lot lines onto land n/f Roman Catholic Archbishop of Fall River;
- g. 5 ft. chain link fence and stone retaining wall meander along lot line; and

h. Morton Hospital and Thayer Building operated as interconnected facilities without regard to lot lines and without a reciprocal easement agreement as to easements, encroachment and access issues.

13. Petition for Special Permit/Site Plan Removal, recorded with said Deeds, Book 21680, Page 195.

#### **AFFECTS TRACT II**

1. Matters as shown on a survey entitled "ALTA/NSPS Land Title Survey in Taunton, MA (Bristol County), Tract II #14 and #36 North Pleasant Street," by Precision Land Surveying, Inc., Scale 1" = 20' dated September 26, 2016 (the "Survey"), as follows:

- a. area maintained by n/f deMelo encroaches onto insured property by up to 3 ft.; and
- b. fence crosses lot lines

**Exhibit B-4**

Permitted Exceptions - St. Anne's Land

1. Zoning Decision, Fall River Board of Appeals dated August 16, 1973, notice of which is recorded at Book 1081, Page 379.
2. Zoning Decision, Fall River Board of Appeals dated April 21, 1977, notice of which is recorded at Book 1169, Page 212. Affects I.
3. Zoning Decision, Fall River Board of Appeals dated November 21, 1979, notice of which is recorded at Book 1300, Page 82. Affects I.
4. Zoning Decision, Fall River Board of Appeals dated September 2, 1980, notice of which is recorded at Book 1328, Page 254. Affects I.
5. Terms and provisions of Lease in which St. Anne's Hospital Corporation is the Landlord and Omnipoint Communications, Inc. is the Tenant, a Memo of which is dated April 10, 2006 and recorded at Book 6317, Page 228, as affected by an Assignment and Assumption of Lease from St. Anne's Hospital Corporation to Steward St. Anne's Hospital Corporation dated November 5, 2010 and recorded on November 9, 2010 in Book 7559, Page 21. Affects I.
6. Zoning Decision, Fall River Zoning Board of Appeal dated August 1, 2006, notice of which is recorded at Book 6388, Page 345. Affects I.
7. Decision by the Fall River Zoning Board of Appeals, dated January 8, 2008 recorded at Book 6849, Page 92. Affects I.
8. Notice of Activity and Use Limitation by St. Anne's Hospital Corporation, dated as of July 24, 2008, recorded at Book 6997, Page 123, and filed as Document No. 40203. See Plan Book 146, Page 15. Affects I.
9. Lease Agreement dated November 11, 2008, by and between Saint Anne's Hospital Corp., as Lessor and Metro PCS Massachusetts LLC, as Lessee, a Memorandum and Notice of which is dated November 18, 2008, recorded April 3, 2009 at Book 7149, Page 128, as affected by Assignment and Assumption Agreement from St. Anne's Hospital Corporation to Steward St. Anne's Hospital Corporation dated November 5, 2010 and recorded on November 9, 2010 in Book 7559, Page 14. Affects I.
10. Easement reserved and provisions contained in Report of Discontinuance of Oliver Street by the City of Fall River City Council dated December 4, 1979 and filed as Document No. 12247.
11. Zoning Decision by the Fall River Zoning Board of Appeals dated August 24, 2006 and filed as Document No. 38096.
12. Easement to Massachusetts Electric Company dated March 1, 2010 and recorded at Book 7414, Page 119.

13. Discontinuance of Forest Street by the City of Fall River dated April 8, 2010 and recorded on October 13, 2010 as Instrument No. 16729.

14. Reciprocal Easement Agreement between Steward St. Anne's Hospital Corporation, Steward Fall River Management Care Services LLC and HTA-St. Annes MOB 2, LLC dated March 29, 2012 and recorded in Book 7894, Page 107, as affected by Amended and Restated Reciprocal Easement Agreement, dated May 15, 2013, recorded with said Deeds, Book 8233, Page 85, as affected by Lender Consent and Subordination to Easement Agreement, undated but acknowledged on April 23, 2013, recorded with said Deeds, Book 8233, Page 104 and as further affected by Lender Consent and Subordination to Easement Agreement, undated but acknowledged on April 10, 2013, recorded with said Deeds, Book 8233, Page 102.

15. Reciprocal Easement Agreement between Por Cristo, Inc., HTA- St. Annes MOB 1, LLC and Steward St. Anne's Hospital Corporation, dated March 29, 2012 and recorded in Book 7893, Page 268 as affected by Termination of Reciprocal Easement Agreement, dated December 28, 2012, recorded with said Deeds, Book 8119, Page 323.

16. Grant of Easement to Comcast of Southern New England Inc., dated December 1, 2012, recorded with said Deeds, Book 8173 Page 17.

17. Matters disclosed by a Plan entitled "Correction Plan 81X, Plan of Land in Fall River Massachusetts, Owned by St. Annes Hospital Corporation, dated March 27, 2012 by Cooperative Land Surveys LLC, recorded with said Deeds, Plan Book 151 Page 63.

18. Grant of Easement to Massachusetts Electric Company, dated March 4, 2013 recorded in Book 8186, Page 154.

**Exhibit B-5**

Permitted Exceptions - St. Elizabeth Land

1. Easement granted to the City of Boston for the right to slope or bank the fillings where required for grading Cambridge Street by instrument dated November 20, 1899 and recorded at Book 2647, Page 417. Affects II
2. Easement granted to the City of Boston for the right to slope or bank the fillings where required for grading Cambridge Street by instrument dated November 20, 1899 and recorded at Book 2647, Page 590. Affects II
3. Easement to slope or bank granted by Ida Mason, et al, Executors, to the City of Boston by instrument dated February 4, 1908 and recorded at Book 3269, Page 562. Affects II.
4. Reservation of the right to slope or bank the filling where required for grading Nevins Street as set forth in deed to St. Elizabeth's Hospital of Boston dated March 26, 1917, recorded at Book 4022, Page 521. Affects II and IV.
5. Reservation of the right to slope or bank the filling where required for grading, filling and constructing Nevins Street as set forth in deed to The Passionist Missionary Society of Boston dated March 26, 1917, recorded at Book 4045, Page 341. Affects II and IV.
6. Easement granted to Boston Edison Company dated August 9, 1989 and recorded at Book 15781, Page 25. Affects II.
7. Matters set forth, including Drainage Easements, in Deed by St. Elizabeth's Hospital Foundation, Inc. to Saint Elizabeth's Hospital of Boston dated April 26, 1991 and recorded at Book 16819, Page 168. Affects V.
8. Preservation Restriction Agreement between the Commonwealth of Massachusetts by and through the Massachusetts Historical Commission, and the St. Elizabeth's Hospital Foundation, Inc., for St. Gabriel's Monastery Building, dated October 3, 2002, recorded at Book 31813, Page 52. Affects II.
9. License Maintenance and Indemnification Agreement with the City of Boston, acting by and through its Public Improvement Commission, dated June 11, 2007, recorded at Book 42761, Page 178, as shown on Plan No. 828 of 2007 and Plan No. 829 of 2007. Affects II.
10. License for passageway set forth in an Instrument dated January 15, 1953 and recorded in Book 6844, Page 593. (affects Parcel IV)
11. Easement contained in a deed from St. Elizabeth's Hospital of Boston, Inc. to St. Elizabeth's Hospital Foundation, Inc. dated October 14, 1982 and recorded in Book 10091, Page 239, as affected by a Confirmatory Deed from St. Elizabeth's Hospital of Boston to St. Elizabeth's Hospital Foundation, Inc. dated September 26, 1988 and recorded in Book 15050, Page 314. (affects Parcel I and II)

12. Easement Agreement from St. Elizabeth's Hospital Foundation, Inc. to St. Elizabeth's Hospital Foundation, Inc. as trustee u/d/t dated December 30, 1982, which Agreement is dated November 8, 1988 and recorded in Book 15663, Page 199. (affects Parcel IV)

13. Reciprocal Easement Agreement between Steward St. Elizabeth's Medical Center of Boston and Steward St. Elizabeth's Realty Corp. and HTA St. Elizabeth's MOB 1, LLC dated March 29, 2012 and recorded at Book 49309 Page 82, as affected by and Amended and Restated Reciprocal Easement Agreement dated May 15, 2013 and recorded in Book 51465, Page 117. (affects all)

14. Amendment and Assumption Agreement to License Maintenance and Indemnification Agreement by the City of Boston Public Improvements Commission, dated April 29, 2013, recorded with said Deeds, Book 52409, Page 85. (affects Parcel II)

15. Easement Agreement, dated December 29, 2015, recorded with said Deeds, Book 55541, Page 8. (affects Parcel IV)

16. The following matters shown on a plan of survey entitled "ALTA/NSPS Land Title Survey 736 Cambridge Street, 159, 201 Washington Street & 45 Nevins Street, Boston, Suffolk County Massachusetts Date 8-26-16, Prepared by: Holden Engineering & Surveying, Inc. (the "Survey"):

a. Existing 8' high iron fence on excepting parcel, Parcel A crosses over onto Land.

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**Exhibit C**

**Existing Subleases**

None

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**Exhibit D**

**Excluded Subsidiaries**

Steward PET Imaging LLC  
Tailored Risk Assurance Company, Ltd.  
Steward-Compass Ventures, LLC  
Miller Street Medical Center, LLC  
Steward Medical Laboratories LLC  
Steward Special Projects LLC  
Massachusetts Express Care, PLLC  
Orchard Surgical Center, LLC  
Provider Network Alliance, LLC

**Schedule 1-A**

MPT of Brighton-Steward, LLC,

MPT of Brockton-Steward, LLC,

MPT of Fall River-Steward, LLC

MPT of Methuen-Steward, LLC, and

MPT of Taunton-Steward, LLC,

each a Delaware limited liability company, collectively, jointly and severally, as Lessor.

**Schedule 1-B**

Steward St. Elizabeth's Medical Center of Boston, Inc.,

Steward Good Samaritan Medical Center, Inc.,

Steward Holy Family Hospital, Inc.,

Steward St. Anne's Hospital Corporation, and

Morton Hospital, A Steward Family Hospital, Inc.,

each a Delaware corporation, collectively, jointly and severally, as Lessee.

**Schedule 1-C**

Non-Permitted Assignees

**National Providers**

HCA  
Tenet  
Community  
Regional Care / Capella  
IASIS  
Prime  
Prospect  
Ardent

**Payors**

Optum  
United  
BCBS of MA  
BCBS of RI  
CIGNA  
AETNA  
Tufts  
HPHC  
BMC Health Net  
Centene

**Local Providers**

Partners, et al.  
BIDCO/BIDPO  
Southcoast / Care New England  
Lifespan  
UMass  
Boston Medical Center  
Tufts Medical Center / Wellforce

**Schedule 3.1(a)**

**Lease Bases**

The "Lease Base" for each of the Properties are as follows:

<u>Property</u>	<u>Lease Base</u>
Good Samaritan	\$ 98,000,000
Holy Family (Hospital)	\$129,000,000
Morton	\$ 88,000,000
St. Anne's	\$ 96,000,000
St. Elizabeth	\$189,000,000
	\$600,000,000

and, in each case, plus all out of pocket costs and expenses not included in such sum which are incurred or paid in connection with the purchase and lease of each of the Properties, including, but not limited to property transfer taxes, legal, appraisal, title, survey, environmental, seismic, engineering and other fees and expenses paid in connection with the inspection of the Properties and each Facility, and paid to advisors and brokers (except to the extent such items are paid by the Lessees), and shall include the costs of Capital Additions funded by Lessor (and Lessor's Affiliates) as provided in Section 10.3 of this Lease with respect to each Property. Notwithstanding any provision hereof, no item shall be included in the Lease Base for purposes of this Lease to the extent that such item (i) is paid separately by Lessee or is subject to a separate repayment obligation of Lessee, or (ii) was expressly required to be paid by Lessor or its Affiliates pursuant to the Real Estate Contact.

**Schedule 10.3**

Capital Additions

With respect to any Capital Additions funded by Lessor pursuant to Article X, the following terms and conditions shall apply:

- (a) Lessee agrees to pay or reimburse all of Lessor's reasonable, out-of-pocket costs and expenses paid or incurred in connection with such Capital Addition, including the reasonable costs of any construction consultant engaged by Lessor.
- (b) Lessee shall submit to Lessor a draw request in form reasonably acceptable to Lessor not less than twenty (20) days before the date on which Lessee desires a funding.
- (c) Lessee shall have the sole right to designate and/or approve the general contractor, developer, architect, construction company, engineer and other parties that will participate in the construction and development of such Capital Addition (each a "Third Party Contractor"). Lessee shall control the preparation and negotiation of the definitive agreements with Third Party Contractors but shall not execute any definitive agreements with such Third Party Contractor's without the giving Lessor a reasonable opportunity to review and comment to such definitive agreements prior to execution.
- (d) Lessee shall not authorize or permit any material change, modification, supplement or substitution to any construction contract, architect agreement, the site plan, the plans and specifications (or any working drawings), or the scope of work pursuant to any of the foregoing, without the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed.
- (e) Lessee shall submit to Lessor copies of all approvals, governmental approvals and permits necessary for such Capital Addition.
- (f) Lessee shall provide Lessor with all other customary documentation for projects similar in cost and scope of such Capital Addition, including without limitation, all executed contracts, collateral assignments of construction contracts and lien waivers in favor of Lessor, and certificates of insurance and insurance policies required under the construction contract for such Capital Addition, showing Lessor as named obligee, additional insured and loss payee.

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**Schedule 40.25**

State Specific Provisions

None.

**REAL ESTATE LOAN AGREEMENT**

**BY AND AMONG**

**THE ENTITIES LISTED ON SCHEDULE 1-A ATTACHED HERETO,**

(collectively, jointly and severally, "Lender")

**AND**

**THE ENTITIES LISTED ON SCHEDULE 1-B ATTACHED HERETO,**

(collectively, jointly and severally, the "Borrower")

**Dated as of October 3, 2016**

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**REAL ESTATE LOAN AGREEMENT**

This REAL ESTATE LOAN AGREEMENT (the "Agreement") is dated this 3rd day of October, 2016, and is by and among the entities listed on **Schedule 1-A** attached hereto and made a part hereof by reference and incorporation (collectively, jointly and severally, the "Lender"), having their principal office at c/o MPT Operating Partnership, L.P., 1000 Urban Center Drive, Suite 501, Birmingham, Alabama 35242, and the entities listed on **Schedule 1-B** attached hereto and made a part hereof by reference and incorporation (collectively, jointly and severally, the "Borrower"), having their principal office at c/o Steward Health Care System LLC, 500 Boylston Street, Fifth Floor, Boston, MA 02116, Attn: Joseph C. Maher, Jr.

**WITNESSETH:**

WHEREAS, contemporaneously herewith and pursuant to the Real Estate Contract (as herein defined), Lender has made a term loan to Borrower in the principal amount of Six Hundred Million and No/100 Dollars (\$600,000,000.00) (the "Loan"), as evidenced by the Note (as herein defined);

WHEREAS, the Loan is secured by, among other things, a first mortgage lien on the Real Property (as herein defined) and other collateral relating to the Facilities (as each term is herein defined);

WHEREAS, each of the Obligors (as herein defined) has derived, and will continue to derive, direct and indirect benefits (financial and otherwise) from the fundings and transactions contemplated under this Agreement and as contemplated under the other Obligation Documents (as herein defined); and

WHEREAS, Lender is willing to make and extend the Loan to Borrower on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

**ARTICLE I  
DEFINED TERMS**

**Section 1.1. Certain Defined Terms.** Capitalized terms used herein shall have the respective meanings ascribed to them in this Section 1.1.

ABL Credit Agreement: That certain Credit Agreement, dated as of the date hereof, among Citibank, N.A., as administrative agent on behalf of itself and the other lenders a party thereto, Steward Health and its Subsidiaries and applicable Affiliates a party thereto.

Additional Charges: As defined in Section 3.1.

Affiliate: With respect to any Person (i) any Person that, directly or indirectly, controls or is controlled by or is under common control with such Person, (ii) any other Person that owns,

beneficially, directly or indirectly, 25% or more of the outstanding capital stock, shares or Equity Interests of such Person. For the purposes of this definition, “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities or otherwise; provided that neither Cerberus Capital Management, L.P., nor any of its Affiliates (other than Steward Health and its subsidiaries), nor Ralph de la Torre, M.D. shall be deemed to be an Affiliate of Steward Health or any Facility Borrower.

Agreement: As defined in the preamble of this Agreement.

AIREA: The American Institute of Real Estate Appraisers, or any successor organization.

Allocation Schedule: As defined in Section 2.1.

Anti-Terrorism Laws: Any applicable laws, statutes and regulations relating to terrorism or money laundering, including Executive Order No. 13224 (effective September 24, 2001), the Patriot Act, the laws, statutes and regulations comprising or implementing the Bank Secrecy Act, and the laws, statutes and regulations administered by OFAC.

Award: All compensation, sums or anything of value awarded, paid or received from a total or partial Condemnation.

Bankruptcy Code: Chapter 11 U.S.C. § 101, et seq.

Base Interest Rate: A per annum rate equal to Seven and One-Half Percent (7.5%), as adjusted from time to time in accordance with the Note.

Blocked Person: Any Person: (a) listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (c) a Person with which any lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, (d) a Person that commits, threatens or conspires to commit or supports “terrorism” as defined in Executive Order No. 13224, or (e) a Person that is named a “specially designated national” or “security blocked person” on the OFAC List.

Borrower: As defined in the preamble to this Agreement.

Borrower Parties: As defined in Section 21.7(b).

Business: With respect to each of the Properties, the primary operation of a healthcare facility thereon and ancillary facilities related thereto, in each case, the engagement in and pursuit and conduct of any business venture or activity incident thereto.

Business Day: Each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which money centers in the City of New York, New York are authorized or obligated by law or executive order to close.

Capital Additions: With respect to each Property, (a) extraordinary renovations or expansions of buildings, structures or other improvements currently located on that Property (or on additional parcels added to such Property), (b) the addition of one or more parcels of land to such Property (whether by purchase or ground lease), or (c) the addition of one or more new buildings or additional structures placed on such Property or any such additional parcels of land, including, without limitation, the construction of a new wing or new story.

Capital Lease Obligations: With respect to any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

Carney Borrower: Steward Carney Hospital, Inc., a Delaware corporation, together with its successors and permitted assigns.

Carney Facility: That certain one hundred fifty-nine (159)-licensed bed general acute care hospital facility operated at the Carney Land, commonly known as "Carney Hospital."

Carney Land: That certain real property located in Suffolk County, Massachusetts more particularly described on Exhibit A-1 attached hereto and made a part hereof by reference and incorporation, together with all hereditaments, easements, mineral rights, rights of way and other appurtenances related thereto.

Carney Borrower: Steward Carney Hospital, Inc., a Delaware corporation, together with its successors and permitted assigns.

Carney Lender: MPT of Dorchester-Steward, LLC, a Delaware limited liability company, together with its successors and assigns.

Carney Property: The Carney Land and related Leased Improvements located thereon relating to the Carney Facility.

Cash Collections: Any and all payments received for patient related services that are posted to Borrower's accounting system for a Facility, including, without limitation, any such payments received from patients, insurance companies, managed care and preferred provider organizations, Medicaid, Medicare, or other payors.

Casualty Impacted Property: As defined in Section 10.1.

CERCLA: As defined in the definition of "Hazardous Materials Laws."

Change of Control Transaction: Shall mean (i) Steward Health ceasing to own in the aggregate, directly or indirectly, one hundred percent (100%) of the voting Equity Interests of

any Facility Borrower, or (ii) a majority of the voting Equity Interests of Steward Health or Steward Health Care Holdings, LLC are sold or transferred to a Person, and, following such sale or transfer, (A) such Person is not a Qualified Transferee or, (B) after giving pro forma effect to such sale or transfer, there exists a breach of Section 14.1(k) or (l), without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed; *provided, however*, that notwithstanding the foregoing, neither without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that notwithstanding the foregoing, neither (i) the sale or transfer of Equity Interests of Steward Health or Steward Health Care Holdings, LLC between or to the existing holders of the Equity Interests of Steward Health or Steward Health Care Holdings, LLC, as of the date hereof, (ii), the sale or transfer of Equity Interests held directly or indirectly by Cerberus Capital Management, L.P., a Delaware limited partnership ("Cerberus Capital Management"), between or to any other fund or managed account that, directly or indirectly, is controlled by Cerberus Capital Management, (iii) the sale or transfer of Equity Interests held directly or indirectly by Ralph de la Torre, M.D. between or to any other Person for which Ralph de la Torre, M.D. owns, beneficially, directly or indirectly, 51% or more of the outstanding capital stock, shares or Equity Interests of such Person, nor (iv) a Qualified Public Offering shall constitute a Change of Control. For the avoidance of doubt, the entering into a written agreement or the granting of an option to acquire Equity Interests or the issuance of debt convertible into Equity Interests shall be deemed to be the issuance of Equity Interests for purposes of determining whether a Change of Control Transaction has occurred. For the purposes of this definition, "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities or otherwise.

Claim: As defined in Section 5.4(c).

Closing Date: The date hereof.

CMS: As defined in Section 5.2(a).

Code: The United States Internal Revenue Code of 1986, as amended through the date hereof, and all regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

Collateral: Collectively, the Real Property, the Personal Property, and all other properties or assets of Borrower and its Affiliates that are subject or shall be subject to any lien, security interest, or other encumbrance pursuant to the Loan Documents, the Security Agreement, the Lease Assignments, the Pledge Agreement and certain other Obligation Documents.

Condemnation: Either (a) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor or (b) a voluntary sale or transfer by any Facility Borrower to any Condemnor, either under threat of Condemnation or while legal proceedings for Condemnation are pending, in all of the foregoing cases with respect to any portion of the Real Property.

Condemnor: Any public or quasi-public authority having the power of Condemnation.

Consolidated Fixed Charges: For any period, for Steward Health and its Subsidiaries on a consolidated basis, an amount equal to the sum for such period of (a) scheduled rent payments, plus, (b) consolidated interest charges, plus (c) consolidated maintenance capital expenditures, plus (d) scheduled principal payments of consolidated funded debt.

CPI: The Consumer Price Index, all urban consumers, all items, U.S. City Average, published by the United States Department of Labor, Bureau of Labor Statistics, in which 1982-1984 equals one hundred (100). If the Consumer Price Index is discontinued or revised during the Loan Term, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised.

Credit Enhancements: With respect to each Property, all security deposits, security interests, letters of credit, pledges, guaranties, prepaid rent or other sums, deposits or interests held by any Facility Borrower, if any, with respect to such Property, and the Tenant Leases relating to such Property for the Tenants or subtenants thereunder.

Date of Taking: The date the Condemnor has the right to possession of the property being condemned.

Declarations: As defined in Section 21.8.

Defaulted Property: As defined in Section 14.2(b).

DHS: As defined in Section 5.2(a).

DHHS: As defined in Section 5.2(a).

EBITDAR: For any period of four consecutive fiscal quarters of the Steward Health, Net Income for such period plus, to the extent not otherwise included in the determination of Net Income for such period, all proceeds of business interruption insurance policies, if any, received during such period, in an amount representing the earnings for the applicable period that such proceeds are intended to replace; plus (a) without duplication and to the extent deducted in determining Net Income for such period, the sum of (i) Interest Expense for such period, (ii) income tax expense for such period, (iii) all amounts attributable to depreciation and amortization expense for such period, (iv) rent expense for realty for such period, (v) (A) any non-cash extraordinary expenses, losses or charges for such period, (B) any severance costs or early retirement expenses incurred or paid in such period, and (C) any other unusual or non-recurring expenses, losses or charges for such period provided the aggregate amount of items in this clause (C) shall not exceed (I) \$35,000,000 for any such period ending on or prior to December 31, 2016 and (2) 10% of EBITDAR for any such period ending after December 31, 2016 (without giving effect to the adjustments in this clause (v)(C) or clauses (x) and (y) of clause (xiv)(B) below), (vi) any expenses, losses or charges from disposed, abandoned or discontinued operations for such period, (vii) any other non-cash expenses, losses or charges for such period (but excluding any non-cash expense, loss or charge in respect of an item that was included in Net Income in a prior period and any non-cash expense, loss or charge that relates to

the write-down or write-off of inventory), (viii) any up-front fees, transaction costs, commissions, expenses, premiums or charges incurred or paid prior to the date of this Agreement related to the issuance of Equity Interests, any investment, any acquisition, any asset sale or other disposition, any recapitalization or any incurrence of Indebtedness (in each case whether or not consummated) during such period, including (A) such fees, expenses or charges related to this Agreement or the ABL Credit Agreement and any amendment or other modification of this Agreement or the ABL Credit Agreement and (B) such fees, expenses or charges incurred or paid in such period prior to the date of this Agreement by Steward Health or any of its Subsidiaries in connection with any acquisition consummated by the Steward Health or any of its Subsidiaries prior to the date of this Agreement, (ix) any non-cash interest expense for such period in respect of any Plan, (x) any non-cash losses realized in such period in connection with adjustments to any Plan due to changes in actuarial assumptions, valuations or studies, (xi) any net working capital adjustment, earn-out or other deferred purchase price payment incurred in connection with any investment permitted under this Agreement or any investment consummated prior to the date of this Agreement, and paid or accrued during such period, (xii) any management, monitoring, consulting or advisory fees or expenses paid to Cerberus Capital Management, L.P. or any of its Affiliates (or any accruals relating to such fees and expenses) during such period to the extent otherwise permitted under this Agreement, (xiii)(A) any charge, expense or loss to the extent that a corresponding amount is received in cash by Steward Health or any of its Subsidiaries from a Person other than Steward Health Care Holdings, LLC or any of its Subsidiaries under any agreement or insurance providing for reimbursement of such expense or (B) any charge, expense or loss with respect to any liability or casualty event, business interruption or product recall to the extent covered by insurance proceeds received in cash during such period, and (xiv)(A) any up-front fees, transaction costs, commissions, expenses, premiums or charges incurred or paid on or after the date of this Agreement related to the issuance of Equity Interests, any investment, any acquisition, any asset sale or other disposition, any recapitalization or any incurrence of Indebtedness permitted hereunder (in each case whether or not consummated) during such period, including (I) such fees, expenses or charges related to this Agreement or the ABL Credit Agreement and any amendment or other modification of this Agreement or the ABL Credit Agreement and (II) such fees, expenses or charges incurred or paid in such period on or after the date of this Agreement by Steward Health or any of its Subsidiaries in connection with any acquisition consummated by Steward Health or any of its Subsidiaries prior to the date of this Agreement and (B) the amount of (I) any restructuring charges or reserves or non-recurring integration costs or business optimization expenses for such period, including any one-time costs incurred in connection with acquisitions permitted by this Agreement and costs related to the closure and/or consolidation of facilities (including costs relating to initiatives aimed at profitability) and (II) any net cost savings and synergies projected by the Steward Health in good faith to be realized as a result of specified actions taken prior to or during such period or to be taken within the first twelve months following of the end of such period; provided that in no event shall the sum of (x) the aggregate amounts under clause (xiv)(B) plus (y) the aggregate amount of any fees, costs, expenses, premiums or charges payable in respect of liabilities or fines paid or payable by Steward Health or its Subsidiaries pursuant to the Stark law (also known as the physician self-referral law) included in any calculation pursuant to this clause (a), exceed 15% of EBITDAR for such period (without giving effect to the adjustments described in the foregoing clauses (x) and (y)); minus (b) without duplication and to the extent included in Net Income, (i) any cash payments made during such period in respect of

non-cash expenses, losses or charges described in clause (a)(vii) taken in a prior period, (ii) any extraordinary gains and any extraordinary non-cash items of income for such period, all calculated for Steward Health and its Subsidiaries on a consolidated basis and (iii) any gains or income from disposed, abandoned or discontinued operations for such period (without giving effect to the financial results or accounts of the Excluded Subsidiaries) in accordance with GAAP.

Environmental Indemnification Agreement: That certain Environmental Indemnification Agreement, dated as of the date hereof, executed and delivered by each Guarantor to and in favor of Lender and certain of its Affiliates, as the same may be amended, modified and/or restated from time to time.

Equity Cure Expiration Date: As defined in Section 14.1.

Equity Cure Right: As defined in Section 14.1.

Equity Interests: With respect to any Person, the voting power, ownership, or other equitable interests of such Person, including any interest represented by any capital stock, convertible or participating debt instruments, membership interest, partnership interest, or any similar interest therein.

Equity Purchase Agreement: That certain Equity Purchase Agreement, dated as of September 26, 2016, among Steward Health, MPT and certain of their respective Affiliates, as the same may be modified, amended or restated from time to time.

Escrow Invoice: As defined in Section 3.1.

Existing Leases: As defined in Section 12.3.

Event of Default: As defined in Section 14.1.

Excluded Subsidiary: Any now existing or hereafter acquired direct or indirect subsidiary of a Steward Health, if (a) such subsidiary is identified on Exhibit D, (b) such subsidiary is not wholly-owned by Steward Health or any of its Subsidiaries and Steward Health or its Subsidiaries own in aggregate less than 80% of the voting stock of such subsidiary, (c) such subsidiary is a controlled foreign corporation (as that term is defined in the Code), (d) such subsidiary is organized as a non-profit corporation and does not distribute its surplus funds to its equity-holders or (e) such subsidiary is prohibited by applicable law from being, or otherwise requires the consent of any Governmental Body (which has not been obtained after Steward Health has used commercially reasonable efforts to obtain such consent) having jurisdiction over it to be, joined as a Borrower hereunder or under any other Obligation Document.

Facility: Each of the Carney Facility, the Holy Family Facility, the Nashoba Facility, and the Norwood Facility, sometimes collectively referred to as the "Facilities."

Facility Borrower: The Carney Borrower, with respect to the Carney Property; the Holy Family Borrower, with respect to the Holy Family Property; the Nashoba Borrower, with respect to the Nashoba Property; the Norwood Borrower, with respect to the Norwood Property; and the Borrower party thereto, with respect to any New Property.

**Facility Instrument:** A note (whether secured or unsecured), loan agreement, credit agreement, guaranty, security agreement, mortgage, deed of trust or other agreement pursuant to which a Facility Lender has provided financing to Lender in connection with the Real Property or any part thereof, or financing provided to Borrower, if such financing is provided by Lender or any Affiliate of Lender (other than any Obligor), or in connection with a Capital Addition, and any and all renewals, replacements, modifications, supplements, consolidations and extensions thereof.

**Facility Lender:** A holder (which may include any Affiliate of Lender) of any Facility Instrument.

**FATCA:** Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable therewith), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

**Financial Statements:** For any fiscal year or other accounting period for the applicable Person, balance sheets, statements of operations and capital accounts, and statements of cash flows setting forth in comparative form the corresponding figures for the year-earlier fiscal period, all prepared in accordance with GAAP.

**Fixtures:** All equipment, machinery, fixtures, and other items of real property, including all components thereof, now and hereafter located in, on, or used in connection with, and that are, in each case, permanently affixed to the Land, or affixed or incorporated into the buildings and structures on the Land, including, without limitation, all affixed furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment, and built-in oxygen and vacuum systems, all of which, to the greatest extent permitted by law, are hereby deemed by the parties to constitute real estate, together with all replacements, modifications, alterations and additions thereto.

**Force Majeure:** As defined in [Section 21.9](#).

**GAAP:** Generally accepted accounting principles in the United States as in effect from time to time and applied consistently throughout the periods involved.

**Governmental Body:** Any United States federal, state or local, or any supra national or non U.S., government, political subdivision, governmental, regulatory or administrative authority, instrumentality, agency body or commission, court, tribunal or judicial or arbitral body, in each case of competent jurisdiction, including the Securities and Exchange Commission.

**Guarantor:** Steward Health, its successors and permitted assigns.

**Guaranty:** That certain Guaranty, dated as of the date hereof, executed and delivered by Guarantor in favor of Lender and certain of its Affiliates, as the same may be modified, amended, restated and/or supplemented from time to time.

**Hazardous Materials:** Any substance deemed hazardous under any Hazardous Materials Laws, including without limitation, asbestos, the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, infectious wastes, biomedical and medical wastes, chemicals known to cause cancer or reproductive toxicity, lead and lead-based paints, radon, and any items included in the definition of hazardous or toxic wastes, materials or substances under any Hazardous Materials Laws.

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

**Health Benefit Laws:** Laws relating to the licensure, certification, qualification or authority to transact business relating to the provision of, or payment for, or both the provision of and payment for, health benefits, health care or insurance coverage, including ERISA, COBRA, HIPAA, SCHIP, Medicare, Medicaid, CHAMPUS/TriCare, and laws relating to the regulation of workers compensation and coordination of benefits.

**Health Compliance Laws:** All applicable laws pertaining to billing, kickbacks, false claims, self-referral, claims processing, marketing, HIPAA security standards for the storage, maintenance, transmission, utilization and access to and privacy of patient information, and HIPAA and state standards for electronic transactions and data code sets, including, without limitation, the False Claims Act (31 U.S.C. Section 3729 et seq.), the Anti-Kickback Act of 1986 (41 U.S.C. Section 51 et seq.), the Federal Health Care Programs Anti-Kickback Statute (42 U.S.C. Section 1320a-7a(b)), the Stark Law, the Civil Monetary Penalties Law (42 U.S.C. Section 1320a-7a), and any other applicable federal health care law or equivalent state statutes or any rule or regulation promulgated by an applicable Governmental Body with respect to any of the foregoing, as any of the same may be amended, modified and/or restated from time to time.

**Healthcare Laws:** Health Benefit Laws, Health Compliance Laws and Information Privacy and Security Laws.

Holy Family Borrower: Steward Holy Family Hospital, Inc., a Delaware corporation, together with its successors and permitted assigns.

Holy Family Facility: That certain one hundred twenty-four (124)-licensed bed general acute care hospital facility operated at the Holy Family Land, commonly known as "Merrimack Valley Hospital."

Holy Family Land: That certain real property located in Essex County, Massachusetts, as more particularly described on **Exhibit A-3** attached hereto and made a part hereof by reference and incorporation, together with all hereditaments, easements, mineral rights, rights of way and other appurtenances related thereto.

Holy Family Lender: MPT of Methuen-Steward, LLC, a Delaware limited liability company, together with its successors and assigns.

Holy Family Property: The Holy Family Land and related Leased Improvements located thereon relating to the Holy Family Facility.

HIPAA: The Health Insurance Portability and Accountability Act of 1996, as the same may be amended, modified or supplemented from time to time, and any successor statute thereto, and any and all rules or regulations promulgated from time to time thereunder.

Impartial Appraiser: As defined in Section 9.1(a).

Impositions: Collectively, with respect to each Property, all civil monetary penalties, fines and overpayments imposed by state and federal regulatory authorities, all Real Estate Taxes, all state and local sales and use taxes, single business, gross receipts, transaction privilege, rent or similar taxes, all assessments, charges and costs imposed under the Permitted Exceptions (including, without limitation, all penalties, fines, damages, costs and expenses for any violation of or a default under any of the Permitted Exceptions), Massachusetts excise taxes, franchise taxes (including but not limited to taxes based on capital, net worth or assets), license, business entity, annual report, registration and statutory representation fees and other taxes imposed on any business entities, including limited partnerships, limited liability companies and other "pass through" entities, and any such items imposed on Lender or Lender's Affiliates (including Lender's parent organizations), all assessments for utilities, public improvements or benefits, ground rents, water, wastewater, sewer, sanitary sewer or other rents and charges, excises, tax levies, fees (including, without limitation, impact, development, license, permit, inspection, authorization and similar fees), and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of such Property, the Loan Obligations relating thereto (including all interest and penalties thereon due to any failure in payment by Borrower), and all other reasonable out-of-pocket fees, costs and expenses which at any time prior to, during or in respect of the Loan Term may be charged, assessed or imposed on or in respect of or be a lien upon (a) Lender or Lender's Lien or interest in such Property, (b) such Property or any part thereof or any rent therefrom or any estate, right, title or interest therein, or (c) any occupancy, operation, use or possession of, sales from, or activity conducted on, or in connection with, such Property or the leasing or use of such Property or any part thereof. Notwithstanding any provision hereof to the contrary, nothing contained in this Agreement shall be construed to require Borrower to pay any

tax based on net income (whether denominated as a financial institutions or other tax) imposed on Lender, including, but not limited to, any franchise tax or business entity tax (other than any components of such tax which constitute a franchise or capital tax), or (2) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which Lender is located, or (3) any transfer tax of Lender, or (4) any tax imposed with respect to the sale, exchange or other disposition by Lender of any Property or the proceeds thereof, or (5) any backup withholding tax that is required by the Code to be withheld from amounts payable to a Lender that has failed upon request of Borrower to deliver initial or updated forms to determine Lender's withholding status including, without limitation, IRS Forms W-9, W-8BEN-E, W-8BEN, W-BECI or any similar or replacement forms, as applicable, or (6) any United States withholding tax imposed by FATCA, or (7) any interest, additions to tax or penalties in respect of the foregoing clauses (1) through (6), or (8) except as expressly provided elsewhere in this Agreement, any principal or interest on any Lien on any Property, except to the extent that any tax, assessment, tax levy or charge which Borrower is obligated to pay pursuant to the first sentence of this definition and which is in effect at any time during the Loan Term is totally or partially repealed, and a tax, assessment, tax levy or charge set forth in clause (1) or (2) is levied, assessed or imposed expressly in lieu thereof, in which case the substitute tax, assessment, tax levy or charge shall be deemed to be an Imposition.

**Improvements:** All buildings, structures, Fixtures and other improvements of every kind, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site), parking areas and roadways appurtenant to such buildings and structures presently or hereafter situated upon the Land, including, without limitation, any such items constituting Capital Additions, and all hereditaments, easements, rights of way and other appurtenances related thereto.

**Indebtedness:** With respect to any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding trade payables and other accounts payable in each case, incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed; provided that if such Person has not assumed such obligations, then the amount of Indebtedness of such Person for purposes of this clause (f) shall be equal to the lesser of the amount of the obligations of the holder of such obligations and the fair market value of the assets of such Person which secure such obligations, (g) all Steward Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (k) all obligations of such Person under any liquidated earn-out and (l) any other Off-Balance Sheet Liability of such Person. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

Information Privacy and Security Laws: HIPAA and any other laws concerning the privacy and/or security of personal information, including but not limited to the Gramm-Leach-Bliley Act, state data breach notification laws, state health information privacy laws, the Federal Trade Commission Act and state consumer protection laws.

Insurance Premiums: As defined in Section 3.4.

Insurance Requirements: All terms of any insurance policy required by this Agreement and all requirements of the issuer of any such policy.

Intercreditor Agreement: That certain Intercreditor Agreement, dated as of the date hereof, among Lender, the MPT Lessors and Citibank, N.A. (as administrative agent on behalf of itself and the other lenders under the ABL Credit Agreement), as the same may be modified, amended or restated from time to time.

Interest Expense: For any period, total interest expense (including that attributable to Capital Lease Obligations) of Steward Health and its Subsidiaries for such period with respect to all outstanding Indebtedness of Steward Health and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances and net costs under any Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP, calculated on a consolidated basis for Steward Health and its Subsidiaries for such period in accordance with GAAP.

Joint Commission: As defined in Article XIII.

Land: That certain real property more particularly described on Exhibits A-1 et seq. attached hereto and incorporated herein by reference, each together with all hereditaments, easements, mineral rights, rights of way and other appurtenances related thereto, and any other parcel of land acquired or leased and made subject to this Agreement.

Late Payment Penalty: Shall mean an amount equal to the product of Five Percent (5%) and the amount of any overdue and unpaid amount under this Agreement.

Lease Assignments: Those certain Assignments of Rents and Leases, dated as of the date hereof, executed and delivered by each Facility Borrower to and in favor of Lender, as each may be amended, modified and/or restated from time to time.

Legal Requirements: With respect to each Property and the conduct of the Business thereon, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions affecting such Property, Borrower's operation of the Business on such Property, or the construction, use or alteration of such Property (including, without limitation, the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973), whether now or hereafter enacted and in force, including any which may (a) require repairs, modifications, or alterations in or to such Property, or (b) in any way

adversely affect the use and enjoyment thereof, and all permits, licenses, authorizations and regulations relating thereto, and all covenants, agreements, variances, restrictions and encumbrances contained in any instruments, either of record or known to Borrower, at any time in force affecting such Property.

Lender: As defined in the preamble to this Agreement.

Lender Parties: As defined in Section 21.7(a).

Lender's Notice Address: As defined in Section 9.3(c).

Licenses: As defined in Section 5.2.

Lien: Any mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, lien (statutory or otherwise) or preference, security interest or other encumbrance of any kind or nature whatsoever.

LLC Agreement: That certain Fifth Amended and Restated Limited Liability Company Agreement of Steward Health, dated as of the date hereof, as the same may be modified, amended or restated from time to time.

Loan: As defined in the recitals to this Agreement.

Loan Documents: Collectively, this Agreement, the Note, the Mortgages and the Lease Assignments, as each may be modified, amended, restated or supplemented from time to time.

Loan Obligations: All present and future debts, obligations and liabilities of Borrower to Lender arising pursuant to or on account of the provisions of this Agreement and all other Loan Documents, including, without limitation, the obligations and liabilities of Borrower (a) to pay the principal of and interest on the Note in accordance with the terms thereof, including any and all extensions, modifications, and renewals thereof and substitutions therefor; (b) to pay, repay or reimburse Lender for all amounts owing hereunder or under any of the other Loan Documents, including any reimbursement obligations; and (c) to perform its obligations under this Agreement and the other Loan Documents.

Loan Term: The period from the Closing Date until the Termination Date.

Major Event of Default: The occurrence of (i) an Event of Default under clause (a), (e), (k) or (l) of Section 14.1; (ii) an Event of Default by the Guarantor under clause (c) or (g) of Section 14.1; or (iii) a "Major Event of Default" under and as defined in the Master Lease.

Management Agreement: Any contract or agreement for the provision of management services to a Facility Borrower with respect to the operation of a healthcare facility on the applicable Property.

Management Company: Any person, firm, corporation or other entity or individual who or which will provide management services to a Facility Borrower with respect to the operation of a healthcare facility on a Property.

**Master Lease:** That certain Master Lease Agreement, dated as of the date hereof, by and among the MPT Lessors and the Master Lessee Affiliates, as modified, amended or restated from time to time.

**Master Lessee Affiliates:** Collectively, Steward St. Elizabeth's Medical Center of Boston, Inc., Steward Holy Family Hospital, Inc., Steward Good Samaritan Medical Center, Inc., Steward St. Anne's Hospital Corporation, and Morton Hospital, A Steward Family Hospital, Inc., each a Delaware corporation.

**Material Obligation:** Any obligation of the Guarantor or any Facility Borrower (other than any obligations owing to Lender or any of its Affiliates) which is in excess of Fifty Million and No/100 Dollars (\$50,000,000.00).

**Maturity Date:** As defined in the Note.

**Medicaid:** The medical assistance program established by Title XIX of the Social Security Act (42 U.S.C. Sections 1396 et seq.) and any statute succeeding thereto.

**Medical Waste:** The medical waste of each Facility, including, but not limited to, (a) pathological waste, (b) blood, (c) sharps, (d) wastes from surgery or autopsy, (e) dialysis waste, including contaminated disposable equipment and supplies, (f) cultures and stocks of infectious agents and associated biological agents, (g) contaminated animals, (h) isolation wastes, (i) contaminated equipment, (j) laboratory waste and (k) various other biological waste and discarded materials contaminated with or exposed to blood, excretion, or secretions from human beings or animals. "Medical Waste" also includes any substance, pollutant, material, or contaminant listed or regulated under the Medical Waste Tracking Act of 1988, 42 U.S.C. § 6992, et seq. ("**MWTA**"), and applicable state law.

**Medical Waste Laws:** Each federal, state, regional, county, municipal, or other local laws, regulations, and ordinances insofar as they purport to regulate Medical Waste, or impose requirements relating to Medical Waste, including regulations promulgated and orders issued thereunder, all as may be amended from time to time, including without limitation, the MWTA, the U.S. Public Vessel Medical Waste Anti-Dumping Act of 1988, 33 USCA § 2501 *et seq.*, the Marine Protection, Research, and Sanctuaries Act of 1972, 33 USCA § 1401 *et seq.*, The Occupational Safety and Health Act, 29 USCA § 651 *et seq.*, the United States Department of Health and Human Services, National Institute for Occupations Self-Safety and Health Infectious Waste Disposal Guidelines, Publication No. 88-119.

**Medicare:** The health insurance program for the aged and disabled established by Title XVIII of the Social Security Act (42 U.S.C. Sections 1395 et seq.) and any statute succeeding thereto.

**Monthly Escrow Amount:** As defined in [Section 3.1](#).

**Mortgages:** Collectively, (a) that certain Mortgage, Security Agreement and Fixture Filings, dated as of the date hereof, executed by Carney Borrower, (b) that certain Mortgage, Security Agreement and Fixture Filings, dated as of the date hereof, executed by Holy Family Borrower, (c) that certain Mortgage, Security Agreement and Fixture Filings, dated as of the date

hereof, executed by Nashoba Borrower and (d) that certain Mortgage, Security Agreement and Fixture Filing, dated as of the date hereof, executed by Norwood Borrower, in each case, as modified, amended or restated from time to time.

Mortgage Loan Amount: For any date of determination, the outstanding principal amount due under the Note.

MPT: MPT Operating Partnership, L.P., an Affiliate of Lender.

MPT Damages: As defined in Section 5.4(c).

MPT Indemnified Parties: As defined in Section 5.4(c).

MPT Lenders: The Carney Lender, with respect to the Carney Property; the Holy Family Lender, with respect to the Holy Family Property; the Nashoba Lender, with respect to the Nashoba Property; the Norwood Lender, with respect to the Norwood Property; and the Lender party thereto, with respect to any New Property.

MPT Lessors: Collectively, jointly and severally, MPT of Methuen-Steward, LLC (in such capacity), MPT of Brighton-Steward, LLC, MPT of Fall River-Steward, LLC, MPT of Brockton-Steward, LLC and MPT of Taunton-Steward, LLC, each a Delaware limited liability company.

MPT Required Provisions: Any covenant, restriction or waivers added to the LLC Agreement and the respective Organizational Documents of Steward Health and any of its Subsidiaries as required under the Real Estate Contract, and any comparable covenant, restriction or waivers added to any Organizational Documents of any Subsidiaries of Steward Health that is formed or organized after the date hereof and becomes an Obligor.

MWTA: As defined in the definition of Medical Waste.

Nashoba Borrower: Nashoba Valley Medical Center, A Steward Family Hospital, Inc. a Delaware corporation, together with its successors and permitted assigns.

Nashoba Facility: That certain seventy-three (73)-licensed bed general acute care hospital facility operated at the Nashoba Land, commonly known as "Nashoba Valley Medical Center."

Nashoba Land: That certain real property located in Middlesex County, Massachusetts more particularly described on Exhibit A-5 attached hereto and made a part hereof by reference and incorporation, together with all hereditaments, easements, mineral rights, rights of way and other appurtenances related thereto.

Nashoba Lender: MPT of Ayer-Steward, LLC, a Delaware limited liability company, together with its successors and assigns.

Nashoba Property: The Nashoba Land and related Leased Improvements located thereon relating to the Nashoba Facility.

**Net Income:** For any period, the consolidated net income (or loss) of Steward Health and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with Steward Health or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary) in which the Steward Health or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by Steward Health or such Subsidiary in the form of dividends or similar distributions, (c) the undistributed earnings of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Obligation Document), the Organizational Documents or Legal Requirements applicable to such Subsidiary and (d) to the extent treated as income, any incentive payments received by Steward Health and its Subsidiaries from Medicare or Medicaid pursuant to The American Recovery and Reinvestment Act of 2009 relating to expenditures made in respect of electronic health record technology.

**Non-Competition Agreement:** That certain Non-Competition Agreement, dated as of the date hereof, executed by Steward Health in favor of Lender and certain of its Affiliates, as the same may be amended, modified, and/or restated from time to time.

**Non-Permitted Assignee:** Any Person identified (i) on **Schedule 1-C**, (ii) by the Borrower to Lender in writing, subject to Lender's consent, not to be unreasonably withheld, conditioned or delayed (provided, that, in evaluating Lender's reasonable consent, Lender may consider such Person's historical and stated future intentions concerning competitive activities and financial and operational capabilities with respect to such activities), as (A) a Person that is engaged primarily in the operation of hospitals or the business of managed care and (B) a direct competitor of the Obligor, or (iii) any Person that does not then possess the financial ability and wherewithal to satisfy all of the obligations of Lender and MPT Lessors under and pursuant to this Agreement and the Master Lease.

**Non-Recourse Party:** As defined in **Section 21.7(b)**.

**Note:** That certain Promissory Note, dated as of the date hereof, in the original principal amount of Six Hundred Million and No/100 Dollars (\$600,000,000.00), made jointly and severally by the Facility Borrowers in favor of Lender, as the same may be amended, modified, restated and/or supplemented from time to time.

**Norwood Borrower:** Steward Norwood Hospital, Inc., a Delaware corporation, together with its successors and permitted assigns.

**Norwood Facility:** That certain two hundred twenty-eight (228)-licensed bed general acute care hospital facility operated at the Norwood Land, commonly known as "Norwood Hospital."

**Norwood Land:** That certain real property located in Norfolk County, Massachusetts more particularly described on **Exhibit A-6** attached hereto and made a part hereof by reference and incorporation, together with all hereditaments, easements, mineral rights, rights of way and other appurtenances related thereto.

Norwood Lender: MPT of Norwood-Steward, LLC, a Delaware limited liability company, together with its successors and assigns.

Norwood Property: The Norwood Land and related Leased Improvements located thereon relating to the Norwood Facility.

Obligation Documents: Individually and collectively, the Loan Documents, the Master Lease, the Real Estate Contract, the LLC Agreement (solely with respect to MPT Required Provisions), the Strategic Agreement, the Guaranty, the Pledge Agreement, the Security Agreement, the Environmental Indemnification Agreement, and the Non-Competition Agreement, and all other leases, promissory notes, and agreements entered into between Lender or any Affiliate of Lender, on the one hand, and any Facility Borrower, Guarantor or any of their respective Affiliates, on the other hand, relating to the transactions contemplated under this Agreement and the Master Lease, as any of the same may be modified, amended or restated from time to time; provided, however, that the Equity Purchase Agreement shall be excluded from the Obligation Documents for purposes of this Agreement.

Obligors: Collectively, Borrower, the Master Lessee Affiliates and the Guarantor, and their successors and permitted assigns.

OFAC: The U.S. Department of Treasury Office of Foreign Assets Control.

OFAC List: The list of specially designated nationals and blocked persons subject to financial sanctions that is maintained and published by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained and published by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any law, including, without limitation, trade embargo, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States. The OFAC List currently is accessible through the internet website <http://www.treasury.gov/ofac/downloads/t11sdn.pdf>.

Off-Balance Sheet Liability: With respect to any Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any so-called "synthetic lease" transaction entered into by such Person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person (other than operating leases).

Officer's Certificate: With respect to each Facility Borrower, a certificate of such Facility Borrower signed by the representative(s) authorized to so sign by the governing body of such Facility Borrower, or any other Person whose power and authority to act has been properly authorized.

OIG: As defined in Section 13.1.

Operating Agreements: With respect to each Facility Borrower, all material written agreements that exceed \$7,500,000 annually to which such Facility Borrower is a party with respect to the ownership, operation or management of the Business at a Property, including,

without limitation, any and all service and maintenance contracts, management agreements, equipment leases, consulting agreements, laboratory servicing agreements, pharmaceutical contracts and physician, other clinician or other professional services provider contracts , but excluding employment contracts and any Participation Agreements, as the same may from time to time be terminated, amended, restated, supplemented, renewed or modified.

Option: As defined in Section 15.1.

Option Closing Date: As defined in Section 15.3.

Option Event: As defined in Section 15.1.

Option Notice: As defined in Section 15.1.

Option Period: As defined in Section 15.1.

Option Property: As defined in Section 15.1.

Organizational Documents: With respect to any Person, the articles of incorporation or organization, certificate of incorporation or formation or other formation document, together with all other documents creating and governing such Person, including stockholder agreements, limited liability company or operating agreements, partnership agreements and bylaws.

Overdue Rate: On any date, the Base Interest Rate plus Five Percent (5%).

Participation Agreements: With respect to each Facility Borrower, all material third-party payor participation or reimbursement agreements that exceed \$7,500,000 annually, and provider numbers and provider agreements, to which such Facility Borrower is a party relating to rights to payment or reimbursement from, and claims against, private insurers, managed care plans and contracts, employee assistance programs, Blue Cross and/or Blue Shield, governmental authorities, Medicare, Medicaid and TRICARE, and other third-party payors, as the same may from time to time be terminated, amended, restated, extended, supplemented or modified, together with all rights, privileges and entitlements thereunder.

Patriot Act: The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, as the same may be amended, modified or restated from time to time.

Permitted Exceptions: The matters set forth in Exhibit B-1 et seq.

Person: An individual, a corporation, a limited liability company, a general or limited partnership, an unincorporated association, a joint venture, a Governmental Body or another entity or group.

Personal Property: With respect to a Facility Borrower, all of such Facility Borrower's consumable inventory and supplies, machinery, equipment, furniture, furnishings, trailers, movable walls or partitions, computers, trade fixtures and other tangible or intangible personal property (including all such items not permanently affixed to the applicable Property), currently owned and acquired after the execution of this Agreement, and necessary, used, or useful in the operation of the applicable Facility, but excluding any items within the definition of Fixtures.

Plan: Any employee pension benefit plan (other than a Multiemployer Plan as defined in Section 4001(a)(3) of ERISA) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

Pledge Agreement: That certain Pledge Agreement, dated as of the date hereof, by and among the “Pledgors” (as defined therein), the other “Pledged Obligors” (as defined therein), Lender and certain of its Affiliates, as the same may be modified, amended or restated from time to time.

Portfolio Sale: Any (i) sale, transfer, assignment or conveyance by Medical Properties Trust, Inc., MPT, any Facility Lender or any of their respective Affiliates of a group or portfolio of healthcare facilities that includes certain Steward Assets that are proposed to be included in such sale, transfer, assignment, or conveyance and other healthcare facilities (the “Proposed Portfolio Transaction”); provided, that, the aggregate lease or loan amounts allocated under the Real Estate Contract (or similar future agreement) to such Steward Assets that are proposed to be included in such sale, transfer, assignment or conveyance are (a) greater than \$100,000,000, and (b) less than twenty percent (20%) of the aggregate purchase price of such Proposed Portfolio Transaction, or (ii) as applicable, sale of equity, merger, combination, sale of all or substantially all of the assets of or similar transaction involving Medical Properties Trust, Inc., MPT, or their respective Affiliates and any other Person.

Proposed Portfolio Transaction: As defined in the definition of “Portfolio Sale.”

Primary Intended Use: As defined in Section 4.2.

Properties; Property: Individually and collectively, the Carney Property, the Holy Family Property, the Nashoba Property and the Norwood Property.

Purchaser: As defined in Section 15.1.

Qualified Public Offering: A public offering by Steward Health or any entity into which Steward Health is merged, converted or consolidated into or to which the Equity Interests of Steward Health are contributed, as determined by Steward Health’s board as being advisable or convenient to create a suitable vehicle for a public offering (the resulting entity, the “Public Corporation”), of the Equity Interests in Steward Health or any Public Corporation, which public offering is registered with the United States Securities and Exchange Commission.

Qualified Transferee: A Person that, at the date of determination:

- (a) is a Person, or an Affiliate of a Person, that owns or operates, or has owned and/or operated, procures the services of a Person that has owned or operated, (i) at least six (6) hospitals or (ii) one (1) or more hospitals having an aggregated annual net revenue of \$500,000,000 or more;

- (b) has not, and neither have any of such Person's senior officers or directors: (A) had any license or certification to operate any healthcare facility or any other similar business irrevocably revoked by any Governmental Authority, or caused any such revocation, due to any actual fault, (B) been found to have been grossly negligent or to have committed willful or intentional misconduct in any lawsuit alleging any wrongdoing by such Person or any of such senior officers, directors, shareholders or members relating to patient care, (C) been permanently excluded from providing services in connection with the operation of any healthcare facility or any other similar business by any applicable state healthcare licensing authority, or (D) been permanently excluded or restricted from participation in Medicare, Medicaid or any other governmental payor program; and (ii) has not, and neither have any of such Person's senior officers or directors, been the subject of a pending investigation or proceeding within the past 5 years that is reasonably likely to result in any of the foregoing; and
- (c) has not: (i) made an assignment of all or substantially all of its property for the benefit of creditors, (ii) had a receiver, trustee or liquidator appointed for any of its property (unless such appointment was discharged within 60 days after the date of such appointment), (iii) filed a voluntary petition under any federal bankruptcy law or state Legal Requirements to be adjudicated as bankrupt or for any arrangement or other debtor's relief, or (iv) had an involuntary filing of such a petition against any such Person by any other Person (unless such petition was dismissed within 90 days after filing).

RCRA: As defined in the definition of "Hazardous Materials Laws."

Real Estate Contract: That certain Real Property Asset Purchase Agreement, dated as of September 26, 2016, by and among Steward Health and certain of its Affiliates, Borrower, MPT, Lender and the MPT Lessors, as the same may be amended, modified and/or restated from time to time.

Real Estate Taxes: All taxes, assessments and special assessments, and dues which are levied or imposed upon the Real Property.

Real Property: The Land and the Improvements.

Realty Payments: For any period, the sum of the payment obligations of Steward Health and its Subsidiaries under (a) the Note, (b) the Master Lease, and (c) under any other hospital real estate lease or mortgage loan with any other Person.

SARA: As defined in the definition of "Hazardous Materials Law."

Scheduled Monthly Payment: As defined in the Note.

Security Agreement: That certain Security Agreement, dated as of the date hereof, among Borrower, the Master Lessee Affiliates, Lender and certain of its Affiliates, as the same may be modified, amended, restated or supplemented from time to time.

Specified Equity Contribution: As defined in Section 14.1.

State Regulatory Authorities: As applicable to each Facility, the state licensing and certification agencies, together with all applicable statutes and regulations, related to the licensure and operation of healthcare facilities in each respective state.

Steward Assets: Those properties leased which are leased by MPT or any of its Affiliates to Steward Health or any of its Subsidiaries, and those properties which are subject to a mortgage loan from MPT or any of its Affiliates to Steward Health or any of its Subsidiaries.

Steward Guarantee: With respect to any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided that the term Steward Guarantee shall not include endorsements for collection or deposit in the ordinary course of business or indemnity obligations entered into in connection with any acquisition or disposition of assets permitted under this Agreement. The amount of any Steward Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Steward Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith.

Steward Health: Steward Health Care System LLC, a Delaware limited liability company.

Strategic Agreement: That certain Strategic Agreement, dated as of the date hereof, between Steward Health and MPT, as the same may be modified, amended or restated from time to time.

Subsidiary or Subsidiaries: With respect to any Person, any other Person, of which an amount of the voting securities, voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, 50% or more of the Equity Interests of which), is owned directly or indirectly by such first Person. For the purposes hereof, the term Subsidiary shall include all Subsidiaries of such Subsidiary.

Swap Agreement: Any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or

economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of Steward Health or its Subsidiaries shall be a Swap Agreement.

Taking: A taking or voluntary conveyance during the Loan Term of all or part of any Property, or any interest therein or right accruing thereto or use thereof, as the result of, or in settlement of, any Condemnation or other eminent domain proceeding threatened or affecting such portion of the Real Property.

Tenant(s): The lessees, tenants, licensees, sublessees or subtenants under the Tenant Leases, if any.

Tenant Leases: All written leases, subleases, licenses and other rental agreements (now or hereafter in effect) with annual rental payments in excess of One Million and No/100 Dollars (\$1,000,000), if any, including any Existing Leases, pursuant to which any Facility Borrower has granted a possessory interest in and to any space in or any part of the Real Property or that otherwise provide possessory rights with respect to the Real Property, and all Credit Enhancements, if any, held in connection therewith.

Terminated Property: As defined in Section 14.2(f).

Termination Date: The date on which the Loan Obligations (including principal, interest, fees and other charges (including any such interest, fees and other charges accruing during or that would have accrued but for the commencement of any bankruptcy or other insolvency proceeding, whether or not allowed or allowable in such proceeding)), but excluding unasserted contingent indemnification obligations, have been paid in full in cash to Lender (including, for the avoidance of doubt, in connection with a payment pursuant to Section 15.3).

Third Party Contractor: As defined on Schedule 6.3.

Traco: As defined in Section 9.1(a).

Transfer Requirements: As defined in Section 14.3(d).

Unsuitable for Its Use or Unsuitable for Its Primary Intended Use: As used anywhere in this Agreement, the terms “Unsuitable for Its Use” or “Unsuitable for Its Primary Intended Use” shall mean that, with respect to any Property or part thereof, by reason of damage or destruction or a partial Taking by Condemnation, such Property cannot be operated on a commercially practicable basis for its Primary Intended Use, taking into account, all relevant factors (including, without limitation, anticipated repairs and/or restorations), and the effect of such damage or destruction or partial Taking.

USPAP: The Uniform Standards of Professional Appraisal Practice, as amended from time to time.

**Section 1.2. Interpretation; Terms Generally.** The definitions set forth in Section 1.1 and elsewhere in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless otherwise indicated, the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The words “herein”, “hereof” and “hereunder” and words of similar import shall be deemed to refer to this Agreement (including the Schedules and Exhibits) in its entirety and not to any part hereof, unless the context shall otherwise require. All references herein to Articles, Sections, Schedules and Exhibits shall be deemed to refer to Articles, Sections and Schedules of, and Exhibits to, this Agreement, unless the context shall otherwise require. Unless the context shall otherwise require, any references to any agreement or other instrument or statute or regulation are to it as amended and supplemented from time to time (and, in the case of a statute or regulation, to any corresponding provisions of successor statutes or regulations). Any reference in this Agreement to a “day” or number of “days” that does not refer explicitly to a “Business Day” or “Business Days” shall be interpreted as a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice shall be deferred until, or may be taken or given on, the next Business Day. For all purposes hereunder and under any other Loan Document, whenever reference is made to “continuance” or “continuation” of an Event of Default (or words of similar import), such reference shall mean that the relevant Event of Default has not been waived in writing by the Lender (or Affiliate of Lender) or (as to any Event of Default that is subject to cure) cured within the applicable cure period.

**Section 1.3. Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with GAAP. Defined terms and calculations in connection with the covenants and other provisions of this Agreement, including Section 14.1(k) and (l), shall be based upon and utilize GAAP applied in a manner consistent with that used in preparing the financial statements referred to in Section 13.1(c)(i)-(iii). If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in this Agreement, Lender and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided, that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Borrower shall provide to Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, operating leases in effect on the date of this Agreement shall continue to be classified and accounted for as such for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes.

**Section 1.4. Certain Matters Relating to References to Real Property.** References herein to “a portion” of the Real Property (or words or phrases of similar import) shall mean, unless the context clearly indicates otherwise, a specific Property.

**ARTICLE II  
THE LOAN**

**Section 2.1. The Loan.** Based upon the representations, warranties and covenants of Borrower as set forth herein, and subject to the terms and conditions hereinafter set forth, as of the Closing Date, Lender has loaned and advanced to Borrower, on a joint and several basis, the principal amount of Six Hundred Million and No/100 Dollars (\$600,000,000.00) and, at the instruction of Borrower, such proceeds have been distributed between the Facility Borrowers as set forth on **Schedule 2.1** (the "**Allocation Schedule**").

**Section 2.2. The Note.** In addition to being subject to all the terms and conditions of this Agreement, the Loan is evidenced by, and shall bear interest, be repaid and be subject to such other terms and conditions as are set forth in the Note. All payments to be made by Borrower under the Note shall be made in lawful money of the United States of America by wire transfer in immediately available and freely transferable funds, and any such payments received by Lender prior to 2:00 p.m. local time on a Business Day in Birmingham, Alabama shall be credited prior to close of business, while other payments may, at the option of Lender, not be credited until immediately available to the Lender prior to 2:00 p.m. local time at said place of payment on a day on which Lender is open for business.

**Section 2.3. Security and Credit Enhancement.** The Loan Obligations are fully guaranteed by the Guaranty and secured pursuant to the Loan Documents and certain of the other Obligation Documents.

**ARTICLE III  
ADDITIONAL CHARGES AND IMPOSITIONS**

**Section 3.1. Additional Charges.** In addition to the payments owed under the Note, Borrower shall pay and discharge as and when due and payable (a) all other amounts, liabilities, obligations and Impositions which such Facility Borrower assumes or agrees to pay under the Loan Documents, and all other amounts, liabilities, obligations and Impositions related to the ownership, use, possession and operation of the Real Property, including, without limitation, all costs of owning and operating each Facility, all Real Estate Taxes, Insurance Premiums, maintenance and capital improvements, all violations of and defaults under any of the Permitted Exceptions, and all licensure violations, civil monetary penalties and fines (except to the extent such violations, defaults, penalties or fines are caused by the gross negligence or willful misconduct of Lender), and (b) in the event of any failure on the part of Borrower to pay any of those items referred to in clause (a) above, Borrower will also promptly pay and reimburse Lender and/or its Affiliates for all such amounts paid by Lender and/or its Affiliates and promptly pay and discharge every fine, penalty, interest and cost which may be added for non-payment or late payment of such items (the items referred to in clauses (a) and (b) above being referred to herein collectively as the "**Additional Charges**"), and Lender shall have all legal, equitable and contractual rights, powers and remedies provided in the Loan Documents, by statute or otherwise, in the case of non-payment of the Additional Charges, as in the case of the Scheduled Monthly Payments. If any Scheduled Monthly Payment or Additional Charges shall not be paid within ten (10) days after the applicable due date, Borrower, in addition to all other obligations hereunder, shall pay to Lender on demand as Additional Charges, a late charge computed at the Overdue Rate on the amount of such installment from the due date of such installment to the date of payment thereof, and a Late Payment Penalty with respect to such installment. To the extent that Borrower pays any Additional Charges to Lender pursuant to

clause (b) above or pursuant to any other requirement of the Loan Documents, Borrower shall be relieved of its obligation to pay such Additional Charges to the Person to which they would otherwise be due. If required by Lender following the occurrence and continuance of an Event of Default, then, upon written request to Borrower, Borrower shall make monthly payments to Lender in such amounts as Lender shall estimate to be necessary to pay any Real Estate Taxes and/or some or all Insurance Premiums. If Lender exercises this option, it shall include in its written request an invoice in reasonable detail (the "Escrow Invoice") specifying the amount to be paid on account of Real Estate Taxes and/or Insurance Premiums (the "Monthly Escrow Amount"). Borrower shall pay to Lender the Monthly Escrow Amount on the first (1st) day of each month after receipt of the initial Escrow Invoice. At any time, with at least five (5) Business Days' notice prior to the end of any month during the Term, Lender may deliver to Borrower a substituted, adjusted or amended Escrow Invoice providing for a new Monthly Escrow Amount, and thereafter Borrower shall pay the revised Monthly Escrow Amount on the first (1st) day of the each succeeding month (subject to further adjustment as provided for in this sentence). Any sums paid to Lender pursuant to this Section 3.1 shall bear interest and may not be commingled with Lender's books and accounts, and upon the occurrence and continuance of an Event of Default hereunder, may be applied by Lender to all sums owed by Borrower or any Affiliate of Borrower to Lender or any Affiliate of Lender relating to the Loan Obligations (provided, that prior to an Event of Default, Lender shall use any amounts so paid to pay the relevant Real Estate Taxes and Insurance Premiums, as applicable, in each case prior to delinquency). Lender shall refund to Borrower at the end of the Loan Term, provided that no Event of Default then exists, any such remaining amounts collected in excess of the amounts ultimately required to pay the relevant Real Estate Taxes or Insurance Premiums. Nothing in this Section 3.1 limits the provisions of Article XIX.

**Section 3.2. Payment of Impositions.** Subject to and without limiting Article VIII relating to permitted contests, Borrower will pay, or cause to be paid, all Impositions before any fine, penalty, interest or cost may be added for non-payment, such payments to be made directly to the taxing or assessing authorities, unless, in the case of escrows and deposits, such Impositions are required to be paid to Lender or a Facility Lender as provided in Section 3.1, and Borrower will promptly furnish to Lender copies of official receipts or other satisfactory proof evidencing such payments. Borrower's obligation to pay such Impositions shall be deemed absolutely fixed upon the date that any such Imposition becomes a Lien upon the Real Property or any part thereof. If any such Imposition may lawfully be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Borrower may, without Lender's consent, exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and, in such event, shall pay such installments during the Loan Term (subject to and without limiting Borrower's right of contest pursuant to Article VIII and subject to the requirement to pay escrows and deposits as required in Section 3.1) as the same respectively become due. Lender, at its expense, shall, to the extent permitted by applicable law, prepare and file all tax returns and reports as may be required by governmental authorities in respect of Lender's net income, gross receipts, franchise taxes and taxes on its capital stock, and Borrower, at its sole expense, shall, to the extent permitted by applicable laws and regulations, prepare and file all other tax returns and reports in respect of any Imposition as may be required by governmental authorities. If any refund shall be due from any taxing authority in respect of any Imposition paid by Borrower, the same shall be paid over to or retained by Borrower provided no Event of Default shall have occurred and be continuing. Any such funds retained by Lender due

to an Event of Default shall be applied as provided in Article XIV. Lender and Borrower shall, upon request of the other, provide any data (i) that is maintained by the party to whom the request is made and (ii) that pertains to the Real Property, as may be necessary to prepare any required returns and reports. In the event that any Governmental Body classifies any of the Real Property as personal property, Borrower shall file all personal property tax returns in such jurisdictions where it may legally so file and is required to file. Lender, to the extent it possesses the same, and Borrower, to the extent it possesses the same, will provide the other party, upon request, with cost and depreciation records necessary for filing returns for any property so classified as personal property. In the event Lender is legally required to file personal property tax returns, Borrower will be provided with copies of assessment notices indicating a value in excess of the reported value in sufficient time for Borrower to file a protest. So long as no Event of Default exists, Borrower may, at Borrower's sole cost and expense, protest, appeal, or institute such other proceedings as Borrower may deem appropriate to effect a reduction of real estate or personal property assessments and Lender, at Borrower's expense as aforesaid, shall fully cooperate with Borrower in such protest, appeal, or other action. Billings for reimbursement by Borrower to Lender of personal property Taxes shall be accompanied by copies of a bill therefor and payments thereof which identify the personal property with respect to which such payments are made.

**Section 3.3. Utility Charges.** Borrower will contract for, in its own name, and will pay or cause to be paid all charges for electricity, power, gas, oil, sewer, water and other utilities used in connection with the Real Property during the Loan Term, including, without limitation, all impact and tap fees necessary for the operation of the Facilities.

**Section 3.4. Insurance Premiums.** Subject to Section 6.1(a), Borrower shall contract for, in its own name, and shall pay or cause to be paid all premiums for the insurance coverage required to be maintained pursuant to Article VI during the Loan Term (the "Insurance Premiums"); provided, however, if required by Lender pursuant to Section 3.1, such Insurance Premiums shall be paid as required under Section 3.1.

#### **ARTICLE IV GENERAL COVENANTS**

From and after the Closing until the Termination Date, Borrower shall observe and perform the following covenants:

**Section 4.1. Borrower's Personal Property.** Borrower, at its expense, shall install, affix, assemble and place on the Real Property the Borrower's Personal Property. Borrower shall not, without the prior written consent of Lender (such consent not to be unreasonably withheld, conditioned or delayed provided that no Event of Default then exists), remove any of Borrower's Personal Property from the Real Property except for removal (a) of inventory, (b) because of damage, obsolescence, upgrade or replacement or (c) in the ordinary course of Borrower's Business. Borrower shall provide and maintain during the Loan Term all such Borrower's Personal Property as shall be necessary to operate each Property in material compliance with all licensure and certification requirements, in material compliance with all applicable Legal Requirements and Insurance Requirements, and otherwise in accordance with customary practice in the industry for the Primary Intended Use. Following either (a) Lender's foreclosure of the

Mortgages applicable to any one or more of the Properties or (b) Lender's purchase of any one or more of the Properties in accordance with Article XV, Borrower agrees that all of Borrower's Personal Property relating to such one or more Properties (for which Lender has authorized removal as provided above) that is not foreclosed or purchased and which is not removed by Borrower within fifteen (15) days following such foreclosure or purchase shall be considered abandoned by Borrower and may be appropriated, sold, destroyed or otherwise disposed of by Lender (at Borrower's cost) with prior written notice thereof to Borrower, without any payment to Borrower and without any obligation to Borrower to account therefor. Borrower will, at its expense, restore the Real Property and repair all damage to the Real Property caused by the installation or removal of Borrower's Personal Property, whether affected by Borrower, Lender, any other lender to Borrower, or any Facility Lender.

**Section 4.2. Primary Intended Use.** Each Property shall be operated as a healthcare facility and for such other legal ancillary uses as may be necessary in connection with or incidental to such uses and, in each case, subject to all covenants, restrictions, easements and all other matters of record (including those set forth in the Permitted Exceptions) relating to the applicable Property (collectively, the "Primary Intended Use"). Borrower shall be in material compliance with all Legal Requirements and Healthcare Laws and shall maintain all material Licenses and Participation Agreements, including, but not limited to, Medicare and/or Medicaid certifications, provider numbers and agreements, certificates of need, governmental approvals, and full accreditation from all applicable governmental authorities, if any, that are necessary for the operation of the Business with respect to the applicable Property consistent with the Primary Intended Use; *provided, however*, that the foregoing shall not restrict a Facility Borrower from terminating, amending, restating, extending, supplementing, or modifying any Participation Agreement in the ordinary course or as may be required by any Legal Requirement (other than any termination of any Participation Agreement relating to rights to payment or reimbursement from Medicare, which termination is hereby expressly prohibited).

**Section 4.3. No Changes.** Except as expressly authorized herein, Borrower shall not use any Property for any use other than as provided herein, to the extent such change in use or decrease has a material adverse effect on the Primary Intended Use or the ability of the Borrower to meet its obligations under the Note and this Agreement, without the prior written consent of Lender, not to be unreasonably withheld, conditioned or delayed.

**Section 4.4. No Interference with Insurance.** No use shall be made or permitted to be made of the Real Property and no acts shall be done which will cause the cancellation of any insurance policy covering the Real Property or any part thereof, nor shall Borrower sell or otherwise provide to residents or patients therein, or permit to be kept, used or sold in or about the Real Property any article which is prohibited by law or by the standard form of fire insurance policies, any other insurance policies required to be carried hereunder, or fire underwriters regulations. Borrower shall, at its sole cost, comply, in all material respects, with all of the requirements, covenants and restrictions pertaining to the Real Property, including, without limitation, all of the Permitted Exceptions, and other requirements of any insurance board, association, organization or company necessary for the maintenance of the insurance, as herein provided, covering the Real Property and Borrower's Personal Property.

**Section 4.5. Operation.** Borrower shall operate the Real Property only in accordance with the Primary Intended Use and as a provider of goods and services incidental thereto.

**Section 4.6. Waste; Nuisance.** Borrower shall not commit or suffer to be committed any material waste on the Real Property, or in any of the Facilities, nor shall Borrower cause or permit any nuisance thereon.

**Section 4.7. Maintenance of Security Interests.** Borrower shall neither suffer nor permit the Real Property or the other Collateral, or any portion thereof, including any Capital Addition whether or not financed by Lender, or Borrower's Personal Property, to be used in such a manner as (i) could reasonably tend to impair Lender's (or Borrower's, as the case may be) title thereto or to any portion thereof, or (ii) may reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Real Property or the Collateral, or any portion thereof.

**Section 4.8. Publicity Signs.** With respect to each Property, Lender shall, subject to applicable laws (including but not limited to the Healthcare Laws), have the right and option to erect a sign on such Property stating that such Property is financed by Lender. Such sign shall be in a size, and shall be erected in a location and contain content acceptable to Lender and approved by Borrower, which approval shall not be unreasonably withheld, conditioned or delayed. Lender shall be responsible for all costs related to such signage and complying with all Legal Requirements with respect to such signage.

**Section 4.9. [Intentionally Omitted]**

**Section 4.10. No Conveyance of Real Property.** Except for Permitted Exceptions, and as otherwise permitted under this Loan Agreement, Borrower shall not directly or indirectly encumber (by lien, junior mortgage or otherwise), pledge, convey, sell, transfer or assign all or any portion of the Real Property or any particular Property, other than such liens and encumbrances created by the Loan Documents or as contemplated in the Intercreditor Agreement.

**Section 4.11. Granting of Easements, Restrictions, Etc.** From time to time during the Loan Term, upon the request of Borrower, and so long as no Event of Default then exists, and no event has then occurred which with the giving of notice or the passage of time or both would constitute such an Event of Default, Borrower may, and at Borrower's cost and expense: (a) grant easements and other rights in the nature of easements, (b) release existing easements or other rights in the nature of easements which are for the benefit of the Real Property or any portion thereof; (c) dedicate or transfer unimproved portions of the Real Property for road, highway or other public purposes; (d) execute petitions to have the Real Property or any portion thereof annexed to any municipal corporation or utility district; (e) execute amendments to any covenants and restrictions affecting the Real Property or any portion thereof; and (f) execute and deliver to any Person any instrument appropriate to confirm or effect such grants, releases, dedications and transfers (to the extent of its interest in the Real Property), but only upon delivery to Lender of such information as Lender may reasonably require confirming that such grant, release, dedication, transfer, petition or amendment is (i) required for, and not materially detrimental to, the proper conduct of the Primary Intended Use on the Real Property and (ii) does not materially reduce the value of the Real Property or any portion thereof.

**ARTICLE V  
LEGAL COMPLIANCE**

**Section 5.1. Compliance with Legal and Insurance Requirements.** Subject to Article VIII relating to permitted contests, Borrower, at its expense, (a) shall comply, in all material respects with all Legal Requirements and Insurance Requirements applicable to Borrower and the use, operation, maintenance, repair and restoration of the Facilities and the Real Property, whether or not compliance therewith shall require structural change in any of the Leased Improvements or interfere with the use and enjoyment of the Real Property; (b) shall not use the Real Property and Borrower's Personal Property for any unlawful purpose; (c) shall procure, maintain and comply with all material Licenses and any other licenses, certificates, certifications, consents, permits, governmental approvals, and authorizations required under the Legal Requirements for any use of the Real Property and Borrower's Personal Property then being made, and for the proper erection, installation, operation and maintenance of the Real Property or any part thereof, including, without limitation, any Capital Additions; and (d) shall use its commercially reasonable efforts to require under the Tenant Leases that all Tenants acquire and maintain all material Licenses necessary to operate any portion of the Real Property subleased to them for any appropriate and permitted uses conducted on the Real Property as may be permitted from time to time hereunder, it being acknowledged by Lender that any failure by any Tenant under this clause (d) shall not cause (or be deemed to cause) a breach by Borrower of this Section 5.1 unless Borrower has so failed to use commercially reasonable efforts. Borrower's use of the Real Property, the use of all Borrower's Personal Property used in connection with the Real Property, and the maintenance, alteration, and operation of the same, and all parts thereof, shall at all times conform in all material respects to all Legal Requirements. Upon Lender's request, Borrower shall deliver to Lender copies of all such Licenses that are currently held by Borrower or its Affiliates to the extent applicable to the Real Property. Borrower shall indemnify and defend, at Borrower's sole cost and expense, and hold Lender, its Affiliates and their respective successors and assigns harmless from and against and agrees to reimburse Lender, its Affiliates and their respective successors and assigns with respect to any and all claims, demands, actions, causes of action, losses, damages, liabilities, reasonable, out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and court costs) of any and every kind or character, known or unknown, fixed or contingent, asserted against or incurred by Lender, its Affiliates and their respective successors and assigns, at any time and from time to time by reason or arising out of any breach by Borrower of any of the provisions of this Article V or any breach or violation by Borrower of any Legal Requirements, including any and all such claims, demands, liabilities, damages, costs and expenses relating to immaterial violations or breaches of the Legal Requirements, except to the extent arising solely as a result of the gross negligence or willful misconduct of Lender or its Affiliates. All such damages and reasonable out-of-pocket costs and expenses payable to Lender under this Section 5.1 shall be due and payable by Borrower within thirty (30) days after delivery of written demand from Lender, its Affiliates or their respective successors and assigns.

**Section 5.2. Maintenance of Licenses; Compliance with Healthcare Laws.**

(a) With respect to each Facility, each Facility Borrower (a) shall maintain at all times during the Loan Term, (i) the Operating Agreements, (ii) the Participation Agreements and (iii) all material federal, state and local governmental licenses, approvals, qualifications, variances, certificates of need, franchises, accreditations, certificates, certifications, consents, permits and other authorizations and contracts, which may be necessary for the operation of the Facility operated by such Facility Borrower for the Primary Intended Use, or required for certification and participation under Medicare and Medicaid legislation and regulations, the provider programs of the State Regulatory Authorities for each particular Facility (“DHS”), the United States Department of Health and Human Services (“DHHS”), and the Centers for Medicare and Medicaid Services (“CMS”), and/or state or federal Title XVIII and/or Title XIX provider programs applicable for each such Facility (the items described in this subsection (iii), collectively, the “Licenses”) (provided, however, that no Facility Borrower shall be required to maintain any Operating Agreements or Participation Agreements unless such agreements are required for participation in Medicare and Medicaid programs and/or required for the maintenance of federal, state, and local licenses) and (b) shall remain in compliance, in all material respects, with all state and federal laws, rules, regulations and procedures with regard to the operation of the Facility operated by such Facility Borrower, including, without limitation, HIPAA and the regulations promulgated by the State Regulatory Authorities, as applicable for each such Facility, as they may from time to time exist.

(b) Except in connection with a permitted assignment of this Agreement, Borrower covenants and agrees that during the Loan Term it shall not, without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed, (i) sell, move, modify, cancel, surrender, transfer, assign, sell, relocate, pledge, secure, convey or in any manner encumber any material Licenses (including, without limitation, any Medicare provider number or agreement), or (ii) effect or attempt to effect any change in the license category or status of any Facility or any part thereof to the extent such change (as described in (i) or (ii) above) has a material adverse effect on the Primary Intended Use or the ability of the Borrower to meet its obligations under this Agreement.

(c) Each Facility Borrower shall notify Lender in writing within five (5) Business Days after such Facility Borrower’s receipt of any written notice, action, proceeding or inquiry of any governmental agency, bureau or other authority, whether federal, state or local, of any kind, nature or description, which could adversely affect any material License for the Facility operated by such Facility Borrower, or the ability of such Facility Borrower to maintain its status as the licensed and accredited operator of such Facility, or which alleges any material noncompliance with any law. At the time of delivery of such notification to Lender, such Facility Borrower shall furnish Lender with a copy of any and all such notices or inquiries. Each Facility Borrower shall act diligently to correct any deficiency or deal effectively with any material “adverse action” or other proceedings, inquiries or other governmental actions, so as to maintain the material Licenses and Medicare and/or Medicaid certification, status for the Facility operated by such Facility Borrower in good standing at all times. No Facility Borrower shall agree to any settlement exceeding Five Million and No/100 Dollars (\$5,000,000.00) or other action with respect to such proceedings or inquiries which affects the use of all or any portion of the Real Property or any part thereof for the Primary Intended Use without the prior written consent of Lender, which consent shall not be unreasonably conditioned or delayed.

(d) Lender and Borrower acknowledge and agree that all compensation paid hereunder between the parties has been determined by the parties through good-faith and arm's length bargaining and is believed to represent fair market value for the Loan. No payment or advance made under this Agreement is contingent on the referral of any patient or any other business. Neither Lender nor Borrower intends any portion of the payments made under this Agreement or the Note to influence or reward the referral of any patients or other business that will be paid for from any state or federal health care insurance programs, including Medicare, Medicaid or any state provider program.

(e) Borrower hereby covenants, warrants and represents to Lender that throughout the Loan Term, each Facility Borrower shall: (a) be validly licensed, Medicare and/or Medicaid certified, and, if required, accredited to operate the Facilities in material compliance with the applicable rules and regulations of the State in which the applicable Facility is located, federal governmental authorities, and accrediting bodies, including, but not limited to, DHHS and CMS; (b) be certified by and the holder of valid provider agreements with Medicare and/or Medicaid issued by DHHS, DHS and/or CMS and shall remain so certified and shall remain such a holder of such licenses and Medicare and/or Medicaid certifications for it to operate in accordance with the Primary Intended Use; (c) shall comply, in all material respects, with all Healthcare Laws; and (d) not abandon, terminate, vacate or fail to renew any material License or in any way commit any act which will or could reasonably be expected to cause any such material License to be revoked by any federal, state or local governmental authority or accrediting body having jurisdiction thereof.

(f) Borrower represents, warrants and covenants that Borrower, this Agreement and all Tenant Leases are, and at all times during the Loan Term will be, in material compliance with all Healthcare Laws. In the event it is determined that any provision of this Agreement is in material violation of the Healthcare Laws, the parties in good faith shall renegotiate such provision so that same is in compliance with all Healthcare Laws. Borrower shall take commercially reasonable steps to add to all of its written third party agreements with Physicians or Physician groups relating to any portion of the Real Property, including, without limitation, all Tenant Leases, that in the event it is determined that such agreement and/or Tenant Lease is in material violation of the Healthcare Laws, such agreement and/or Tenant Lease shall be renegotiated so that same are in material compliance with all Healthcare Laws or terminated. Borrower shall indemnify and defend, at Borrower's sole cost and expense, and hold Lender, its Affiliates and their respective successors and assigns, harmless from and against, and shall reimburse Lender, its Affiliates and their successors and assigns with respect to, any and all claims, demands, actions, causes of action, losses, damages, liabilities, reasonable out-of-pocket costs and expenses (including, without limitation, reasonable out-of-pocket attorneys' fees and court costs) of any and every kind or character, known or unknown, fixed or contingent, asserted against or incurred by Lender, its Affiliates and their respective successors and assigns, at any time and from time to time by reason, or arising out, of any breach by Borrower of any of the provisions set forth in this Section 5.2(f) or any violation of any Healthcare Laws, including any and all such claims, demands, liabilities, damages, costs and expenses relating to immaterial violations or breaches of any Healthcare Laws. All such damages and reasonable out-of-pocket costs and expenses payable to Lender under this Section 5.2(f) shall be due and payable by Borrower within thirty (30) days after delivery of written demand from Lender, its Affiliates or their respective successors and assigns.

**Section 5.3. [Intentionally Omitted]**

**Section 5.4. Hazardous Materials and Medical Waste.**

(a) Borrower shall ensure that the Real Property and the operation of the Business thereon complies in all material respects with all Hazardous Materials Laws. Except for Hazardous Materials generated, used, installed, manufactured, treated, handled, refined, produced, processed, stored or disposed of in the normal course of business regarding the Primary Intended Use or the conduct of the Business or operation and maintenance of the Real Property (which Hazardous Materials shall be handled and disposed of in material compliance with all Hazardous Materials Laws), Borrower shall not cause any Hazardous Materials to be installed, used, generated, manufactured, treated, handled, refined, produced, processed, stored or disposed of, or otherwise present in, on or under any Property or in connection with the conduct of the Business thereon in a manner that reasonably could be expected result in a material violation of any Hazardous Materials Laws. No activity shall be undertaken by Borrower on any Property or in connection with the operation of the Business thereon which would cause (i) any Property to become a RCRA Part B treatment, storage or disposal facility of hazardous waste, infectious waste, biomedical or medical waste, (ii) a release of Hazardous Materials from any Property that is reportable within the meaning of CERCLA or SARA or any similar Hazardous Materials Laws, (iii) the discharge of Hazardous Materials into any watercourse, surface or subsurface of body of water or wetland, or the discharge into the atmosphere of any Hazardous Materials, except as authorized under a permit under any Hazardous Materials Laws or at quantities or concentrations below the standard regulated by Hazardous Materials Laws, in a manner that would give rise to a material liability under Hazardous Materials Laws, or (iv) a material violation under RCRA, CERCLA, SARA or any Hazardous Materials Laws with respect to the Property. Borrower shall, at its sole cost, expense, risk and liability, remove or cause to be removed from any Property all Hazardous Materials generated in connection with the Primary Intended Use and as found in hospital and healthcare facilities, including, without limitation, all infectious waste materials, syringes, needles and any materials contaminated with bodily fluids of any type, character or description of whatsoever nature to the extent required to comply with all Hazardous Materials Laws. Borrower shall not dispose of any such infectious waste and Hazardous Materials in any receptacles used for the disposal of normal refuse to the extent such disposal is not in compliance in all material respects with any Hazardous Materials Laws.

(b) Borrower shall ensure that the Real Property and the operation of the Business thereon complies in all material respects with all Medical Waste Laws. Except for Medical Waste generated, used, installed, treated, handled, refined, produced, processed, stored or disposed of in the normal course of business regarding the Primary Intended Use or the conduct of the Business (which Medical Waste shall be handled and disposed of in compliance in all material respects with all Medical Waste Laws), Borrower shall not cause any Medical Waste to be installed, used, generated, treated, handled, refined, produced, processed, stored or disposed of, or otherwise present in, on or under any Property or in connection with the conduct of the Business thereon in a manner that could result in a material violation of any Medical Waste Laws. Borrower shall undertake no activity on any Property or in connection with the operation of the Business thereon which would reasonably be expected to cause a material violation of any Medical Waste Laws. Borrower shall, at its sole cost, expense, risk and liability, remove or cause

to be removed from any Property all Medical Waste generated, used, installed, treated, handled, refined, produced, processed, stored or disposed of by or on behalf of Borrower on such Property to the extent required to comply in all material respects with all Medical Waste Laws. Borrower shall not dispose of any such Medical Waste in any receptacles used for the disposal of normal refuse to the extent such disposal is not in material compliance with any Medical Waste Laws.

(c) Borrower shall indemnify and defend, at its sole cost and expense, and hold harmless and reimburse the Lender, its Affiliates and their respective officers, directors, members, (general and limited) partners, shareholders, employees, agents, representatives, successors and assigns (collectively, the "MPT Indemnified Parties") from and against any and all claims, demands, actions, causes of action, losses, damages, liabilities, penalties, taxes, reasonable out-of-pocket costs and expenses (including, without limitation, reasonable out-of-pocket attorneys' and accountants' fees, settlement costs, arbitration costs and any reasonable other expenses for investigating or defending any action or threatened action) (each, a "Claim") of any and every kind or character, known or unknown, fixed or contingent, asserted against or incurred by any of the MPT Indemnified Parties at any time and from time to time by reason of, arising out of or resulting from (i) events, conditions or circumstances which occurred or existed on, under, in, about, to or from the Property prior to execution of this Agreement and that give rise to a liability under Hazardous Materials Laws or Medical Waste Laws, (ii) any liability under Hazardous Materials Laws or Medical Waste Laws arising out of the Borrower's operation of the Property, or (iii) any Claim arising out of or, in connection with or resulting from any breach by Borrower of Section 5.4(a) or 5.4(b) or any other violation of Sections 5.4(a) or 5.4(b) or any Hazardous Materials Laws or Medical Waste Laws by any Person other than the MPT Indemnified Parties, including any and all such claims, demands, liabilities, damages, costs and expenses relating to immaterial violations or breaches of this Section 5.4 or any Hazardous Materials Laws or Medical Waste Laws (collectively, "MPT Damages"), except to the extent any such Claim or MPT Damages is found to have resulted from the, bad faith, gross negligence or willful misconduct of any MPT Indemnified Party. All such MPT Damages shall be due and payable by Borrower within thirty (30) days after any MPT Indemnified Party's demand therefor.

(d) In the event of any of a Claim related to Hazardous Materials or Medical Waste on the Property resulting from the assertion of liability by a third party against any MPT Indemnified Party, the applicable MPT Lender will give Borrower notice of any such third-party claim, and Borrower shall be jointly and severally obligated to undertake the defense thereof by counsel of its own choosing, except to the extent any such Claim is found to have resulted from the, gross negligence or willful misconduct of any MPT Indemnified Party. Borrower shall not settle any such third-party claim related to Hazardous Materials or Medical Waste on the Property that is asserted against any MPT Indemnified Party without the consent of the MPT Indemnified Parties, which consent shall not be unreasonably withheld, conditioned or delayed. Any of the MPT Indemnified Parties may, by counsel, participate in such proceedings, negotiations or defense, at their own expense. The MPT Indemnified Parties shall furnish to Borrower in reasonable detail such information as the MPT Indemnified Parties may have with respect to such claim, including all records and materials that are reasonably required in the defense of such third-party claim. In the event that Borrower does not collectively defend the third-party claim in a diligent manner, any MPT Indemnified Party will have the right (at Borrower's sole expense) to undertake the defense, compromise or settlement of such claim and Borrower may elect to participate in such proceedings, negotiations or defense at any time at their own expense. No MPT Indemnified Party shall settle any such third-party claim without the consent of Borrower, which consent shall not be unreasonably withheld, conditioned or delayed.

(e) Lender and Borrower acknowledge that, based upon recent environmental reports relating to the Real Property, the potential for environmental liability for conditions occurring prior to (or existing as of) the date of this Agreement for all Facilities is remote; provided, that, such acknowledgment shall not limit or preclude any Claim by the MPT Indemnified Parties.

**Section 5.5. Organizational Covenants.** Borrower shall not permit or suffer, without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed, (a) any material amendment or modification of any Facility Borrower's Organizational Documents that modifies, adjusts or otherwise eliminates any of the MPT Required Provisions; (b) any dissolution or termination of any Facility Borrower's existence or sale of substantially all of any Facility Borrower's assets, whether by sale, transfer, merger, consolidation or otherwise; or (c) a change in any Facility Borrower's state of formation or any Facility Borrower's name. Borrower has, simultaneously with the execution of this Agreement, delivered to Lender a true and complete copy of each Facility Borrower's Organizational Documents. Borrower represents and warrants that the Organizational Documents (i) were duly executed and delivered; and (ii) are in full force and effect, binding upon the applicable Facility Borrower, and enforceable in accordance with their terms.

## **ARTICLE VI REPAIRS; CAPITAL ADDITIONS**

### **Section 6.1. Maintenance; Repair and Remodel.**

(a) Borrower, at its expense, will keep the Real Property and all private roadways, sidewalks and curbs appurtenant thereto (and Borrower's Personal Property) in good order and repair (whether or not the need for such repairs occurs as a result of Borrower's use, any prior use, the elements, the age of the Real Property or any portion thereof) and, except as otherwise provided in Article X and Article XI, with reasonable promptness, will make all necessary and appropriate repairs thereto of every kind and nature whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen, or arising by reason of a condition existing prior to the commencement of the Loan Term (concealed or otherwise). All repairs shall, to the extent reasonably achievable, be at least equivalent in quality to the original work. Borrower will not take or omit to take any action the taking or omission of which is reasonably likely to materially impair the value or the usefulness of the Real Property or any part thereof for the Primary Intended Use.

(b) Notwithstanding anything contained in this Agreement to the contrary, from time to time Borrower may remodel, modify and make additions to the Real Property, or any portion thereof, which remodeling, modifications and additions are not Capital Additions (it being understood that Capital Additions are subject to the requirements of Section 6.3 hereof) but which are necessary or advisable for the Primary Intended Use and which permit Borrower to fully comply with its obligations as set forth in this Agreement. Borrower shall undertake any such actions expeditiously and in a workmanlike manner and will not significantly alter the

character or purpose, or detract from the value or operating efficiency of, the Real Property nor significantly impair the revenue producing capability of the Real Property nor adversely affect the ability of Borrower to comply with the provisions of this Agreement, unless such changes are required by applicable law.

(c) Borrower shall notify Lender of any and all repairs, improvements, additions, modifications and remodeling made to any portion of a particular Property in excess of Ten Million Dollars (\$10,000,000) during any consecutive twelve (12) month period for the applicable Property and obtain consent from Lender (which consent shall not be unreasonably withheld, conditioned or delayed) prior to making such repairs, improvements, additions, modifications or remodeling.

(d) Except as otherwise expressly provided in this Agreement, Lender shall not under any circumstances be required to build or rebuild any improvements on the Real Property, or to make any repairs, replacements, alterations, restorations, or renewals of any nature or description to the Real Property, whether ordinary or extraordinary or capital in nature, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto in connection with this Agreement, or to maintain the Real Property in any way.

(e) Nothing contained in this Agreement and no action or inaction by Lender shall be construed as (i) constituting the consent or request of Lender, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor for the provision or performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to the Real Property or any part thereof, or (ii) giving Borrower any right, power or permission to contract for, or permit the performance of, any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Lender in respect thereof or to make any agreement that may create, or in any way be the basis for, any right, title, interest, lien, claim or other encumbrance upon the estate of Lender in the Real Property or any portion thereof.

## **Section 6.2. [Intentionally Omitted]**

## **Section 6.3. Capital Additions.**

(a) If no Event of Default has occurred, and no event has then occurred which with the giving of notice or passage of time or both would constitute an Event of Default hereunder, and be continuing, Borrower shall have the right (but not the obligation), upon and subject to the terms and conditions set forth below, to construct or install Capital Additions on any Property with the prior written consent of Lender, not to be unreasonably withheld, conditioned or delayed (provided that such consent is not required with respect to any Capital Addition that will cost less than Ten Million Dollars (\$10,000,000)). Borrower shall not be permitted to create any Lien on such Property in connection with such Capital Addition, except as provided in Section 6.3(b). In order to obtain Lender's prior written consent, Borrower shall submit to Lender in writing a proposal setting forth in reasonable detail any such proposed Capital Addition. In addition, Borrower shall promptly furnish to Lender such additional information relating to such proposed Capital Addition as Lender may reasonably request. Lender shall have ten (10) days following receipt of the last information so requested relating to the proposed Capital Addition to respond

whether Lender has approved of such proposed Capital Addition, it being agreed that failure to timely respond shall be deemed a rejection of the proposed Capital Addition. Borrower acknowledges and agrees that Lender shall have the sole and exclusive right to finance all Capital Additions to the Real Property during the first five (5) years of the Loan Term in accordance with Section 6.3(d).

(b) Prior to commencing construction of any Capital Addition, Borrower shall first request Lender to provide financing for such Capital Addition in accordance with the provisions of Section 6.3(d). If Lender declines or is unable to provide such financing, Borrower's lender for such Capital Addition shall have the right to secure its loan by a junior mortgage upon such Capital Addition, provided the form and substance of such mortgage is approved by Lender, which approval shall not be unreasonably withheld, conditioned or delayed; it being acknowledged and agreed that Lender shall have the sole and exclusive right to finance all Capital Additions to the Real Property during the first five (5) years of the Loan Term on terms consistent with the Loan Documents. Notwithstanding any other provision of this Article VI to the contrary, unless required by applicable law, no Capital Addition shall be made which would tie-in or connect any portion of a particular Property and/or any Improvements thereon with any other improvements on property adjacent to such Property (and not part of the Real Property covered by this Agreement) including, without limitation, tie-ins of buildings or other structures or utilities, unless Borrower shall have obtained the prior written approval of Lender, which approval may be granted or withheld in Lender's reasonable discretion. All proposed Capital Additions shall be architecturally integrated and consistent with the applicable Property as determined in the reasonable discretion of the Lender.

(c) At the request of Borrower, from time to time, Lender and its Affiliates shall finance (or cause the financing of) a cumulative amount of up to Thirty-Five Million Dollars (\$35,000,000) of Capital Additions per year under this Agreement and the Master Lease until the third (3rd) anniversary of the Closing Date in accordance with Section 6.3(d). Any such Capital Additions to the Real Property shall be subject to the terms of this Section 6.3 and shall be deemed a Capital Addition financed by Lender for all purposes of this Agreement.

(d) In connection with any Capital Addition financed by Lender, the terms and conditions set forth on Schedule 6.3 shall apply. The costs of any such Capital Addition financed by Lender hereunder shall be added to the Mortgage Loan Amount allocable to the applicable Property pursuant to the Allocation Schedule.

## ARTICLE VII LIENS

### **Section 7.1. General Restrictions; Acknowledgment of Intercreditor.**

(a) Subject to the provisions of Article VIII relating to permitted contests, Borrower will not directly or indirectly create or allow to remain and will promptly discharge at its expense any lien, encumbrance, attachment, title retention agreement or claim upon any Property or any attachment, levy, claim or encumbrance in respect of the Loan Obligations, or any funds or amounts that are or will be provided by Lender or its Affiliates to Borrower at any time during the Loan Term in accordance with this Agreement; excluding, however, (a) the Mortgages; (b)

the Permitted Exceptions; (c) restrictions, liens and other encumbrances which are consented to in writing by Lender, or any easements granted pursuant to the provisions of Section 4.11; (d) liens for those taxes of Lender which Borrower is not required to pay hereunder; (e) liens for Impositions or for sums resulting from noncompliance with Legal Requirements so long as (1) the same are not yet payable or are payable without the addition of any fine or penalty or (2) such liens are in the process of being contested as permitted by Article VIII; (f) liens of mechanics, laborers, materialmen, suppliers or vendors for sums either disputed or not yet due, provided that (i) the payment of such sums shall not be postponed for more than sixty (60) days after the completion of the action giving rise to such lien and such reserve or other appropriate provisions as shall be required by law or GAAP shall be made therefore, or (ii) any such liens are in the process of being contested as permitted by Article VIII; (g) the Tenant Leases; and (h) liens which are permitted in accordance with Section 6.3(b) hereof. Except as otherwise permitted under Section 6.3(b), Borrower shall not mortgage or grant any interest or security interest in, or otherwise assign, any part of Borrower's rights and interests in this Agreement or any Property during the Loan Term.

(b) Lender acknowledges and consents (i) to Steward Health, its Subsidiaries and applicable Affiliates entering into the ABL Credit Agreement, (ii) to the incurrence of the obligations thereunder and (iii) to the granting of liens and security interests in favor of the lenders as contemplated under the ABL Credit Agreement, in each case, subject to the terms and conditions of the Intercreditor Agreement.

(c) Borrower acknowledges that Lender and certain of its Affiliates, and the ABL Representative (as defined in the ABL Credit Agreement) have entered into the Intercreditor Agreement relating to certain rights, obligations and priorities with respect to Steward Health and its Subsidiaries. Borrower shall cooperate with Lender and its Affiliates in connection with the exercise and performance of their rights and obligations under the Intercreditor Agreement. Borrower further acknowledges and agrees that: (i) except as provided in subsection (ii), if any ABL Secured Party (as defined in the ABL Credit Agreement) or Lender or any of Lender's Affiliates shall enforce its rights or remedies in violation of the terms of the Intercreditor Agreement, neither Borrower nor any of its Affiliates shall be entitled to use such violation as a defense to any action by any ABL Secured Party or Lender or any of Lender's Affiliates, nor to assert such violation as a counterclaim or basis for set off or recoupment against any ABL Secured Party or Lender or any of Lender's Affiliates; (ii) if any ABL Secured Party or Lender or any of Lender's Affiliates, contrary to the Intercreditor Agreement, commences or participates in any action or proceeding against Steward Health or any of its Subsidiaries, Borrower and its Affiliates may interpose as a defense or dilatory plea the making of the Intercreditor Agreement, and any ABL Secured Party or Lender or any of Lender's Affiliates, as applicable, may intervene and interpose such defense or plea in its or their name or in the name of Borrower or such Borrower Affiliate; and (iii) the Intercreditor Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under section 510(a) of the Bankruptcy Code, shall be effective before, during and after the commencement of any proceeding under the Bankruptcy Code.

**ARTICLE VIII  
PERMITTED CONTESTS**

Borrower, at Borrower's expense, may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any Imposition, Legal Requirement, Insurance Requirement, lien, attachment, levy, encumbrance, charge or claim not otherwise permitted by Article VII, provided that (a) in the case of an unpaid Imposition, lien, attachment, levy, encumbrance, charge or claim, the commencement and continuation of such proceedings shall suspend the collection thereof from Lender and from the Real Property (or if not so suspended, clause (b) shall be true); (b) neither the Real Property nor any part thereof or interest therein would, as determined in Lender's reasonable discretion, be in any immediate danger of being sold, forfeited, attached or lost; (c) in the case of a Legal Requirement, Lender would not be in any immediate danger of civil or criminal liability for failure to comply therewith pending the outcome of such proceedings; (d) in the event that any such contest shall involve a sum of money or potential loss in excess of One Million and No/100 Dollars (\$1,000,000.00), then, in any such event, the applicable Facility Borrower shall deliver to Lender an Officer's Certificate from a duly authorized officer of the applicable Facility Borrower regarding the matters set forth in clauses (a), (b) and (c), to the extent applicable (it being understood if the relevant amount involved in such contest (or the potential loss) is less than such amount, no such certification is required); (e) in the case of a Legal Requirement and/or an Imposition, lien, encumbrance or charge involving potential loss in excess of One Million and No/100 Dollars (\$1,000,000.00), Borrower shall deposit with Lender an amount equal to the contested amount as security to ensure the ultimate payment of the Imposition, lien, attachment, levy, encumbrance, charge or claim and to prevent any sale or forfeiture of the affected Property by reason of such non-payment or non-compliance; provided, however, the provisions of this Article VIII shall not be construed to permit Borrower to contest the payment of Rent (except as to contests concerning the method of computation or the basis of levy of any Imposition or the basis for the assertion of any other claim) or any other sums payable by Borrower to Lender hereunder; (f) in the case of an Insurance Requirement, the coverage required by Article IX shall be maintained; and (g) if such contest be finally resolved against Lender or Borrower, Borrower shall, as Additional Charges due hereunder, promptly pay the amount required to be paid, together with all interest and penalties accrued thereon, or comply with the applicable Legal Requirement or Insurance Requirement. Lender, at Borrower's expense, shall execute and deliver to Borrower such authorizations and other documents as may reasonably be required in any such contest and, if reasonably requested by Borrower or if Lender so desires, Lender shall join as a party therein. Borrower shall indemnify and hold Lender harmless against any liability, cost or expense of any kind that may be imposed upon Lender in connection with any such contest and any loss resulting therefrom.

**ARTICLE IX  
INSURANCE**

**Section 9.1. General Insurance Requirements.**

(a) During the Loan Term, Borrower shall at all times keep the Real Property and Borrower's Personal Property, insured against loss or damage from such causes as are customarily insured against, by prudent owners of similar facilities. Without limiting the generality of the foregoing, throughout the Loan Term, Borrower shall maintain at its sole cost and expense (except as otherwise provided in this Article IX), at a minimum, the insurance coverages required herein. This insurance shall be written in form reasonably satisfactory to Lender and by insurance companies (i) reasonably acceptable to Lender (Lender acknowledging that Tailored Risk Assurance Company, Ltd. ("Traco") is acceptable to Lender for the provision

of the coverages described in subsections (ii), (iv) and (vi) below), (ii) that are rated at least an "A-VIII" or better by Best's Insurance Guide (except for Traco, for which no rating is required), and (iii) unless otherwise approved by Lender, authorized, licensed and qualified to do insurance business in the state in which the Real Property is located. The aggregate amount of coverage by a single company must not exceed Five Percent (5%) of the insurance company's policyholders' surplus. The minimum limits required herein may be met through a combination of underlying and excess policies. With respect to each Property, the policies required hereunder relating to such Property shall insure against the following:

(i) Commercial Property insurance written on a broad "all risk" or special cause of loss policy form covering physical loss or damage to the Real Property including building and improvements and betterments on a replacement cost basis as herein defined. This coverage shall be placed by the Borrower. Insured perils shall include, but not be limited to, fire, lightning, windstorm (named or non), water damage from plumbing systems, sprinkler leakage, back-up of sewers and drains, hail, aircraft, riot, vehicle collision, explosion, smoke, vandalism, malicious mischief, flood, earth movement (including earthquake), theft, collapse, subsidence, terrorism (only if such portion of the Real Property located inside metropolitan city limits with population exceeding 5,000,000), equipment breakdown/boiler and machinery, plate glass breakage. The policy exclusion applicable to faulty or defective design, workmanship or materials shall not apply to resultant damage to otherwise sound property. The policy must provide a sublimit of at least One Hundred Thousand and No/100 Dollars (\$100,000.00) to cover reasonable expenses incurred by the insured or loss payee for professional services necessary to measure, quantify or determine the amount of any loss covered by this subparagraph (i), such as appraisers, auditors, accountants, architects, and engineers (such expenses shall not include the insured's or loss payee's own employees or public adjusters). Any deductible or retention shall not exceed Three percent (3%) of the insurable value of the Real Property, to the extent that such a deductible is commercially available. In the event of a loss, Borrower shall abide by all provisions of the insurance contract, including proper and timely notice of the loss to the insurer. Borrower further agree that they will notify Lender of any loss in the amount of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) or greater and that no claim at or in excess of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) shall be settled without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed. The policy shall also include the following coverages: (A) Flood and earthquake insurance shall be required only in the event that a Property is located in a 100 or 500 year flood plain or high hazard seismic zone with limits in accordance with standard industry practice; and (B) Business interruption insurance covering rents and other impositions otherwise payable to Lender for a period of not less than twelve (12) months. Coverage shall be written on an "actual loss sustained" form.

(ii) Commercial General Liability insurance in a minimum amount of One Million and No/100 Dollars (\$1,000,000.00) per claim and Two Million Dollars (\$2,000,000) in the aggregate for bodily injury or death of any one person and for Property Damage for damage to or loss of the property of others, subject to a Two Million (\$2,000,000.00) annual aggregate policy limit for all bodily injury and property damage claims, occurring on or about such Property or in any way related to such Property, including but not limited to, any swimming pools or other rehabilitation and recreational facilities or areas that are located on such Property or otherwise related to such Property.

(iii) Automobile and vehicle liability insurance coverage for all owned, non-owned, leased or hired automobiles and vehicles with a limit of One Million (\$1,000,000.00) per accident for bodily injury and property damage.

(iv) Professional liability insurance for Borrower and all employed professionals (including any physicians) in an amount of not less than One Million and No/100 Dollars (\$1,000,000.00) per individual claim and Three Million and No/100 Dollars (\$3,000,000.00) annual aggregate. All contractors, agents and other persons (including physicians) who perform professional services for Borrower shall meet such required minimum insurance requirements of One Million and No/100 Dollars (\$1,000,000.00) per individual claim and Three Million and No/100 Dollars (\$3,000,000.00) annual aggregate.

(v) Worker's Compensation insurance for all persons employed by Borrower on such Property with statutory limits in accordance with the requirements of the particular state(s) in which they are operating and Employer's Liability insurance with minimum limits of One Million and No/100 (\$1,000,000) each accident and disease.

(vi) Umbrella/Excess Liability insurance in the minimum amount of Twenty Million and No/100 Dollars (\$20,000,000.00) for each claim and in the aggregate. The Umbrella Liability policy shall name in its underlying schedule the Commercial General Liability, Automobile liability, Professional liability and Employer's Liability insurance policies. The Umbrella policy shall provide follow form coverage for each of the underlying policies.

(vii) Pollution Liability/Environmental Impairment Liability with minimum limits of Two Million Dollars (\$2,000,000) per claim, covering bodily injury or death of any one person and for property damage to, loss of use of, or clean-up costs of the property of others, as well as first party clean-up costs, subject to an aggregate of Four Million Dollars (\$4,000,000). These limits shall be applicable collectively to all Properties, with coverage including, but not limited to, liability from storage tanks, healthcare medical waste (including at non-owned disposal sites), mold, fungi and/or Legionella Pneumophilia conditions, or other exposures typical to healthcare facilities. Deductible amounts shall be reasonably acceptable to Lender.

(viii) Cyber Liability insurance with minimum limits of Ten Million Dollars (\$10,000,000) per claim and in the aggregate covering Borrower and its employees. Such policy shall include coverage for claims, demands and regulatory investigations resulting from Borrower's or its subcontractor's wrongful acts in the performance of or failure to perform all services or support for services including but not limited to claims, demands, fines, penalties and other payments Lender may be legally or contractually obligated to pay for infringement of intellectual property, failures in systems and information security, breach of confidentiality and invasion of or breach of privacy. Reasonable sublimits for

ancillary coverages shall be allowed as commercially available subject to further review on an annual basis. To the extent that independent contractors or other subcontractors are hired or retained by Borrower to perform or contribute to any part of the services or support of services, Borrower shall require that such contractors shall maintain insurance with limits in accordance with standard industry practice. Lender reserves the right to review and accept the evidence of such insurance for Borrower, its independent contractors and subcontractors.

(ix) Crime/Employee Dishonesty insurance covering all employees with a minimum limit of not less than Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) per claim.

(x) Non-Owned Aviation and Premises Liability insurance including coverage for the helipad and any other aviation exposures at the premises with minimum limits of Five Million Dollars (\$5,000,000) per occurrence.

**Section 9.2. Additional Insurance.** Notwithstanding anything contained herein to the contrary, Lender shall not be prohibited, at its sole cost and expense, from purchasing and maintaining such additional insurance as it may reasonably determine to be necessary to protect its interest in all or any portion of the Real Property.

**Section 9.3. Endorsements and Other Requirements.** The insurance as required in this Article IX shall comply with the following:

(a) Except for Worker's Compensation/Employer's Liability and crime insurance policies, all other insurance policies required herein shall name Lender (and any other entity that Lender may deem reasonably necessary) as Additional Insureds with respect to any liability arising from Borrower's use, occupancy or maintenance of the Real Property.

(b) All policies of insurance required herein (i) shall include clauses providing that each underwriter shall waive its rights of recovery, under subrogation or otherwise, against Lender or any of Lender's affiliates or subsidiary companies; and (ii) shall be primary and non-contributory to the extent commercially available, (except for Worker's Compensation/Employer's Liability, crime and cyber insurance ) to any other insurance available to Lender.

(c) Borrower shall, prior to any cancellation, non-renewal or material change to reduce limits or coverage terms provide at least thirty (30) days' prior written notice or ten (10) days prior written notice for non-payment of premium at Lender's notice address as specified in this Agreement (the "Lender's Notice Address"), with a simultaneous copy to (A) MPT Operating Partnership, L.P., Attention: Chrissy McCreary, Risk Manager, 1000 Urban Center Drive, Suite 501, Birmingham, Alabama 35242, and (B) McGriff, Seibels & Williams, Inc., Attention: John F. Carter, 2211 7th Avenue South, Birmingham, Alabama 35233.

(d) Borrower shall be responsible for funding all deductibles and retentions, including those which may be applicable to Lender as an additional insured or named insured thereunder.

(e) Any policy required herein that is written on a claims-made form shall include coverage retroactive to at least the Commencement Date with respect to each Property.

**Section 9.4. Evidence of Insurance.** Borrower shall deliver “verification” of insurance to Lender as set forth below.

- (a) At least five (5) Business Days prior to the applicable Commencement Date, Borrower shall provide verification of required insurance coverage which shall include the following:
- (i) True and certified copies of the insurance policies, including evidence of all specific coverage requirements and endorsements, as required herein.
  - (ii) A statement of values for all property locations if Borrower maintain blanket insurance covering facilities other than the Real Property; and
  - (iii) A summary of insurance program showing significant coverage limits, sublimits, deductibles and retentions.
- (b) At least ten (10) Business Days prior to any insurance policy expiration date, Borrower shall provide verification of the renewal for the required insurance coverage for the following year which shall include the following:
- (i) Insurance certificates acceptable to Lender evidencing coverage for the renewed insurance policies, including evidence of specific coverage requirements and endorsements as required herein.
  - (ii) No later than ninety (90) days, after the renewal date of such policies, or such other reasonable timeframe as mutually agreed upon by Lender and Borrower, Borrower shall provide true and certified copies of all required insurance policies, including evidence of specific coverage requirements and endorsements as stated herein.
- (c) In the event Borrower do not provide timely or proper verification, or does not maintain the insurance required hereunder or pay the premiums as required hereunder, Lender shall be entitled after notice to Borrower, but shall have no obligation, to obtain such insurance and pay the premiums therefor, which premiums shall be repayable to Lender promptly following request by Lender (but in no event later than fifteen (15) days after delivery of such request).

**Section 9.5. Increase in Limits.** In the event that Lender shall at any time in its reasonable discretion deem the limits of the personal injury, property damage or general public liability insurance then carried to be insufficient, the parties shall endeavor to agree on the proper and reasonable limits for such insurance to be carried and such insurance shall thereafter be carried with the limits thus agreed on until further change pursuant to the provisions of this Section 9.5. If the parties shall be unable to agree thereon, the proper and reasonable limits for such insurance to be carried shall be determined by an impartial third party selected by the parties.

**Section 9.6. Blanket Policy.** Notwithstanding anything to the contrary contained in this Article IX, Borrower’s obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Borrower provided that:

- (a) Any such blanket policy or policies are acceptable to and have been approved by Lender, which approval shall not be unreasonably withheld, conditioned or delayed;

(b) Any such blanket policy or policies shall not be changed, altered or modified without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed; and

(c) Any such blanket policy or policies shall otherwise satisfy the insurance requirements of this Article IX.

**Section 9.7. No Separate Insurance.** Borrower shall not, on Borrower's own initiative or pursuant to the request or requirement of any third party, take out separate insurance concurrent in form or contributing in the event of loss with that required in this Article IX to be furnished by, or which may reasonably be required to be furnished by, Borrower, or increase the amounts of any then existing insurance by securing an additional policy or additional policies, unless all parties having an insurable interest in the subject matter of the insurance, including in all cases Lender and all Facility Lenders, are included therein as additional insureds and the loss is payable under said insurance in the same manner as losses are required to be payable under this Agreement. Borrower shall promptly notify Lender of the taking out of any such separate insurance or of the increasing of any of the amounts of the then existing insurance by securing an additional policy or policies.

## ARTICLE X FIRE AND CASUALTY

### **Section 10.1. Fire and Casualty.**

(a) Insurance Proceeds. Except for the proceeds from Borrower's business interruption insurance policy which shall be paid to Borrower so long as Borrower continues to make payments to Lender in accordance with the terms of this Agreement and the Note, all proceeds payable by reason of any loss or damage to the Real Property, or any portion thereof, and insured under any policy of insurance required by Article IX shall be paid to Lender and held by Lender in trust (subject to the provisions of Section 10.1(d) below) and shall be made available for reconstruction or repair, as the case may be, of any damage to or destruction of the Real Property, or any portion thereof, and shall be paid out by Lender from time to time for the reasonable cost of such reconstruction or repair. Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of the Real Property, or any portion thereof (or in the event neither Lender nor Borrower is required or elects to repair and restore), all such insurance proceeds shall be paid by Lender to Borrower free and clear upon completion of any such repair and restoration except as otherwise specifically provided below in this Article X. All salvage resulting from any risk covered by insurance shall belong to Borrower and any salvage relating to Capital Additions paid for by Borrower as described in Section 6.3 or to Borrower's Personal Property shall belong to Borrower.

(b) Insured Event of Damage or Destruction.

(i) Except as provided in Section 10.1(d), with respect to any Property, if during the Loan Term such Property is totally or partially destroyed from a risk covered

by the insurance described in Article IX and such Property is thereby rendered Unsuitable for its Primary Intended Use (the “Casualty Impacted Property”), Borrower shall elect, by giving written notice to Lender within sixty (60) days following the date of such destruction, one of the following: (A) to restore such Casualty Impacted Property to substantially the same condition as existed immediately before the damage or destruction, in which case, Lender shall disburse from time to time to Borrower the insurance proceeds to be used to pay for the reasonable costs of such reconstruction or repair, or (B) so long as no Major Event of Default then exists, to instruct Lender to retain all such insurance proceeds and to apply the same to the repayment of the Loan Obligations allocable to such Casualty Impacted Property in accordance with the Allocation Schedule, whether or not then due, and Borrower shall pay to Lender on demand the amount of any deductible or uninsured loss arising in connection therewith and any other unpaid Loan Obligations allocable to such Casualty Impacted Property.

(ii) Except as provided in Section 10.1(d) below, with respect to any Property, if, during the Loan Term, such Property is totally or partially destroyed from a risk covered by the insurance described in Article IX but such Property is not thereby rendered Unsuitable for its Primary Intended Use, Borrower shall restore such Property to substantially the same condition as existed immediately before the damage or destruction, and Lender shall disburse from time to time to Borrower the insurance proceeds to be used pay for the reasonable costs of such reconstruction or repair.

(iii) Except as provided in Section 10.1(d) below, with respect to any Property, if, within sixty (60) days after the event causing any such loss or damage to the applicable Property, a Major Event of Default has occurred, or Borrower fails to notify Lender that, in Borrower’s reasonable opinion, such Property can be restored to substantially the same operating utility that it had prior to such event and to a condition suitable for its Primary Intended Use, then such insurance proceeds, at Lender’s option, may be retained by Lender and applied toward repayment of the Loan Obligations allocable to such Casualty Impacted Property in accordance with the Allocation Schedule, whether or not then due, and Borrower shall pay to Lender on demand the amount of any deductible or uninsured loss arising in connection therewith and any other unpaid Loan Obligations allocable to such Casualty Impacted Property.

(iv) Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of a Casualty Impacted Property shall be paid over to Borrower.

(v) With respect to each Property, if the cost and expense of the repair or restoration of such Property exceeds the amount of insurance proceeds received by Lender, and Borrower is obligated hereunder to reconstruct or restore such Property, Borrower shall be obligated to pay any excess amount needed to reconstruct or restore such Property prior to use of the insurance proceeds. Such amount shall be paid by Borrower to Lender (or a Facility Lender if required) to be held in trust together with any other insurance proceeds for application to the cost of repair and restoration.

(c) Uninsured Event of Damage or Destruction. Except as provided in clause (d) and without limiting clause (b), if during the Loan Term, any Property is totally or partially damaged or destroyed from a risk not covered by the insurance described in Article IX but that would have been covered if Borrower carried the insurance required to be maintained by Borrower hereunder, then, whether or not such damage or destruction renders such Property Unsuitable for its Primary Intended Use, Borrower shall, at its sole cost and expense, restore such Property to substantially the same condition it was in immediately before such damage or destruction, or shall repay the Loan Obligations allocable to such Casualty Impacted Property in accordance with the Allocation Schedule to Lender in full, and such damage or destruction shall not terminate this Agreement.

(d) Damage Near End of Loan Term. Notwithstanding any provisions of this Section 10.1 (but without limiting Borrower's rights under clause (b)(i) or (c)) to the contrary, if damage to or destruction of any Property occurs during the last twenty-four (24) months of the Loan Term, and if such damage or destruction cannot be fully repaired and restored within six (6) months immediately following the date of such loss as determined in Lender's reasonable discretion, and Lender shall be entitled to retain the insurance proceeds relating thereto and apply the same toward prepayment of the Loan Obligations, in any order, whether or not then due, in which case Borrower shall pay to Lender on demand the amount of any deductible or uninsured loss arising in connection therewith and any unpaid Loan Obligations. Any insurance proceeds in excess of the then current principal balance of the Loan shall be paid to Borrower.

## ARTICLE XI CONDEMNATION

### **Section 11.1. Condemnation.**

(a) Parties' Rights and Obligations. If during the Loan Term there is any Taking of all or any part of a Property by Condemnation, the rights and obligations of the parties shall be determined by this Article XI.

(b) Total Taking. If there is a Taking of all of a Property by Condemnation, the provisions of Section 11.1(d)(i) shall apply.

(c) Partial Taking.

(i) If there is a Taking of a part, but not all, of a Property by Condemnation, this Agreement shall remain in effect with respect to such Property if such Property is not thereby rendered Unsuitable for its Primary Intended Use.

(ii) If, however, there is a Taking of a part, but not all, of a Property by Condemnation which renders such Property Unsuitable for its Primary Intended Use, Borrower shall elect, by giving written notice to Lender within sixty (60) days following the date of such Taking, either: (A) to restore such Property to substantially the same condition as existed immediately before such Taking, in which case, the provisions of Section 11.1(d)(ii) shall apply; (B) so long as no Major Event of Default then exists, to instruct Lender to retain the Award and to apply the same to the repayment of the Loan Obligations allocable to such Property in accordance with the Allocation Schedule, in

which case, the provisions of Section 11.1(d)(i) shall apply; or (C) to continue using the remaining portion of such Property despite the Taking, in which case the Loan Obligations allocable to such Property in accordance with the Allocation Schedule Property shall be reduced proportionately based on the amount of any Award received by Lender.

(d) Award. If there is a Taking with respect to a Property, the Award shall be paid to Lender and held by Lender in trust, subject to the provisions of this Agreement, and shall be applied as follows:

(i) If there is a Taking of all the Property, or if there is a Taking of a part but not all of a Property that renders such Property Unsuitable for its Primary Intended Use and Borrower does not exercise its option to restore such Property, then, in either such case, the Award shall be paid to Lender and applied toward prepayment of the Loan Obligations allocable to such Property in accordance with the Allocation Schedule, whether or not then due and, if Borrower has made the election under Section 11.1(i)(B) above, Borrower shall pay to Lender on demand any other unpaid Loan Obligations allocable to such Property. Any remainder of the Award in excess of such allocable Loan Obligations shall be paid to Borrower.

(ii) In the event there is a Taking of a part, but not all of a Property and Borrower exercises its option to restore such Property, Lender shall disburse the Award to Borrower from time to time to be used to pay for the reasonable costs of such restoration or repair.

(e) Temporary Taking. The Taking of a Property, or any part thereof, by military or other public authority shall constitute a Taking by Condemnation only when the use and occupancy by the Taking authority has continued for longer than six (6) months. During any such six (6) month period all the provisions of this Agreement shall remain in full force and effect and the Loan Obligations shall remain payable as provided in this Agreement and the other Loan Documents.

## **ARTICLE XII LEASING AND SUBLEASING**

### **Section 12.1. Lease Subordination.**

(a) Leasing or Subleasing. Borrower shall not lease or sublease any portion of a particular Property if such Tenant Lease would exceed One Million and No/100 Dollars (\$1,000,000.00) in annual rent without Lender's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Borrower agrees that (i) each such Tenant Lease executed after the Closing Date shall comply with the provisions of this Article XII, (ii) subject to Section 12.1(b), a copy of each such Tenant Lease, duly executed by Borrower and such Tenant in form and substance reasonably satisfactory to Lender, shall be delivered promptly to Lender and (iii) Borrower shall remain primarily liable, as principal rather than as surety, for the prompt payment of the Rent and for the performance and observance of all of the obligations, covenants and conditions to be performed by Borrower hereunder and under all of the other

documents executed in connection herewith. Any modifications, amendments and restatements of any Tenant Leases (but excluding renewals and extensions) hereafter entered into (other than those having less than One Million and No/100 Dollars (\$1,000,000.00) in annual rent) must be approved by Lender in accordance with this Article XII. In no event shall Borrower sublease all or substantially all of any Property without Lender's prior written consent, which may be withheld in Lender's sole discretion.

(b) Agreement Limitations. In addition to the sublease limitations as set forth in Section 12.1(a), above, and notwithstanding anything contained in this Agreement to the contrary, Borrower shall not lease or sublease the Real Property on any basis such that the rental to be paid by the Tenant thereunder would be based, in whole or in part, on either (a) the income or profits derived by the business activities of the Tenant, or (b) any other formula such that any portion of the Tenant Lease rental received by Lender would fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto. Moreover, Borrower shall not lease or sublease any portion of the Real Property for a term extending beyond the Fixed Term without the express consent of Lender. In addition, all Tenant Leases shall comply in all material respects with the Healthcare Laws. Lender and Borrower acknowledge and agree that all Tenant Leases entered into relating to the Real Property, whether or not approved by Lender, shall not, without the prior written consent of Lender, be deemed to be a direct lease between Lender and any Tenant. Borrower agrees that all Tenant Leases executed after the Closing Date must include provisions to the effect that (i) such lease and sublease is subject and subordinate to all of the terms and provisions of this Agreement, to the rights of Lender hereunder, and to all financing documents relating to any Facility Loan in connection with the Real Property, (ii) in the event Lender forecloses the Mortgages applicable to such Property or purchases such Property in accordance with Article XV, the Tenant will, at Lender's option, exercisable at any time in Lender's discretion, attorn to Lender and waive any right the Tenant may have to terminate such lease or sublease or to surrender possession thereunder as a result of the termination of this Agreement, (iii) in the event of a foreclosure with respect to the applicable Property or Lender purchases such Property in accordance with Article XV, at Lender's option, exercisable at any time in Lender's discretion, such lease or sublease may be terminated or left in place by Lender, (iv) Tenant shall from time to time upon request of Borrower or Lender furnish within twenty (20) days from request an estoppel certificate in form and content reasonably acceptable to Lender or any Facility Lender relating to the Tenant Lease, (v) in the event the Tenant receives a written notice from Lender or Lender's assignees, if any, stating that an Event of Default under this Agreement has occurred, the Tenant shall, to the extent specified in such notice, thereafter be obligated to pay all rentals accruing under said Tenant Lease directly to the Person giving such notice, or as such Person may direct, and such Tenant shall be entitled to conclusively rely on such notice (all rentals received from the Tenant by Lender or Lender's assignees, if any, as the case may be, shall be credited against the amounts owing by Borrower under the Loan Documents), and (vi) such Tenant Lease shall at all times be subject to the obligations and requirements as set forth in this Article XII. Borrower acknowledges and agrees that the provisions of this Section 12.1 shall be applicable to all tenants, subtenants or licensees of any material portion of the Real Property, whether under a Tenant Lease or any other written lease, sublease, license or rental agreement.

**Section 12.2. Lease Subordination and Non-Disturbance.**

(a) With respect to the Existing Leases, and within twenty (20) days after the Closing Date, Borrower shall use commercially reasonable efforts to cause such Tenant to execute and deliver to Lender a subordination, non-disturbance and attornment agreement relating to each such Existing Lease, which subordination, non-disturbance and attornment agreement shall be in reasonable form mutually satisfactory to Lender and Borrower.

(b) At any time during the Loan Term, within twenty (20) days following written request by Lender with respect to any Tenant, Borrower shall use commercially reasonable efforts to cause any applicable Tenant to execute and deliver to Lender from each Tenant (a) an estoppel certifying such matters as Lender may reasonably request, including, without limitation, that such Tenant Lease is unmodified and in full force and effect (or setting forth the modifications), the term and expiration thereof and the dates to which the rent has been paid; and/or (b) a subordination, non-disturbance and attornment agreement relating to the applicable Tenant Lease, which subordination, non-disturbance and attornment agreement shall be in reasonable form mutually satisfactory to Lender and Borrower.

(c) Within twenty (20) days from the date of request of Lender, a Facility Lender or Borrower, with respect to any Tenant, Borrower shall use commercially reasonable efforts to cause such Tenant and Lender shall cause such Facility Lender to enter into a written agreement in a form reasonably acceptable to such Facility Lender and such Tenant whereby (i) such Tenant subordinates the Tenant Lease and all of its rights and estate thereunder to the lien of each such mortgage or deed of trust that encumbers the Real Property or any part thereof and agrees with each such Facility Lender that such Tenant will attorn to and recognize such Facility Lender or the purchaser at any foreclosure sale or any sale under a power of sale contained in the applicable Mortgage, as the case may be, as Lender under this Agreement for the balance of the Loan Term then remaining, subject to all of the terms and provisions of the Tenant Lease and (ii) such Facility Lender shall agree that Tenant shall not be disturbed in peaceful enjoyment of the applicable portion of the Real Property nor shall the applicable Tenant Lease be terminated or canceled at any time, except as specified in the applicable Tenant Lease.

**Section 12.3. Existing Leases.** Notwithstanding anything contained herein to the contrary, Lender and Borrower acknowledge that there currently exist certain leases, subleases, or licenses on the Real Property, with annual rental payments in excess of One Million and No/100 Dollars (\$1,000,000) as described on Exhibit C (collectively the "Existing Leases"). Any material modifications, amendments and restatements of the Existing Leases or any Tenant Lease hereafter entered into (but excluding renewals and extensions that do not otherwise materially modify or amend the relevant Existing Lease or Tenant Lease) must be approved by Lender in accordance with this Article XII.

**ARTICLE XIII**  
**ADDITIONAL COVENANTS OF BORROWER**

From and after the Closing and until the Termination Date (or as otherwise provided), Borrower shall observe and perform the following covenants:

**Section 13.1. Affirmative Covenants.**

(a) Payment and Performance. Borrower shall duly and promptly pay and perform all of Borrower's liabilities and obligations to Lender in accordance with the terms and conditions of this Agreement and the other Loan Documents.

(b) Certification. At any time and from time to time, but not more than once per calendar quarter, within twenty (20) days following reasonable written request by Lender, each Facility Borrower shall furnish to Lender an Officer's Certificate certifying that this Agreement and the other Loan Documents are unmodified and in full force and effect (or that this Agreement and the other Loan Documents are in full force and effect as modified and setting forth the modifications) and the dates to which the Scheduled Monthly Payments and other payments relating to the Loan have been paid. Any such Officer's Certificate furnished pursuant to this Section may be relied upon by Lender and any prospective purchaser of or participant in the Loan.

(c) Notifications. Each Facility Borrower shall furnish, or cause to be furnished, to Lender the following statements, notices and certificates in such form and detail as Lender may reasonably require:

(i) within one hundred twenty (120) days after the end of each year, audited Financial Statements of such Facility Borrower and Steward Health (which Financial Statements may be provided on a consolidated basis so long as such consolidated Financial Statements provide a supplementary schedule of such Facility Borrower's statements of operations and, if such Facility Borrower owns any assets or conducts any other operations other than the Business, then of the Facility separately, prepared by a nationally recognized accounting firm or an independent certified public accounting firm reasonably acceptable to Lender, all in accordance with GAAP for the year then ended; and

(ii) within (x) one hundred twenty (120) days after the end of the fourth quarter of each year and (y) forty-five (45) days after the end of each other quarter, (A) current quarterly income statements of Steward Health and a written calculation of the then current EBITDAR (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis), and (B) quarterly income statements of such Facility Borrower, and, if such Facility Borrower owns any assets or conducts any other operations other than the Business, then of its Facility separately, certified to be true and correct by an officer of such Facility Borrower; and

(iii) within thirty (30) days after the end of each month, monthly income statements (if available or produced in the ordinary course of business) of such Facility Borrower and statistics of its Facility, including, but not limited to, the number of patient discharges, the number of inpatient days, the case mix index, the payor sources for inpatient days (by inpatient days) and outpatient utilization by service (ER, non-ER); and

(iv) within ten (10) days after receipt, any and all material written notices from any and all licensing and/or certifying agencies that any license or certification, including, without limitation, the Medicare and/or Medicaid certification and/or material

managed care contract necessary for the operation of the Facility for the Primary Intended Use is being revoked, or suspended, or that action is pending or being considered to revoke or suspend such Facility's license or certification; and

(v) with reasonable promptness, such other information respecting the financial condition of such Facility Borrower, Steward Health and their respective Subsidiaries as Lender may reasonably request from time to time.

(d) Upon Lender's reasonable request and not with unreasonable frequency, each Facility Borrower and Steward Health shall furnish to Lender a certificate in form reasonably acceptable to Lender certifying that no Event of Default then exists and to Borrower's knowledge no event has occurred (that has not been cured) and no condition currently exists that would, but for the giving of any required notice or expiration of any applicable cure period, constitute an Event of Default, or disclosing that such an event or condition, if any, exists.

(e) Within five (5) Business Days after receipt, each Facility Borrower shall furnish to Lender copies of all written notices and demands from any third-party payor, including, without limitation, Medicare and/or Medicaid, concerning any overpayment which will or could reasonably be expected to require a repayment or a refund in excess of Ten Million and No/100 Dollars (\$10,000,000.00) with respect to such Facility Borrower.

(f) Each Facility Borrower shall furnish to Lender within ten (10) Business Days written notice of, and any written information related to, any governmental investigations of such Facility Borrower or the Guarantor (or any of their respective Affiliates), or any inspections or investigations of the Facility operated by such Facility Borrower which are conducted by the United States Attorney, State Attorney General, the Office of the Inspector General of the Department of Health and Human Services (the "OIG"), the United States Department of Justice or any other Governmental Body (except for such inspections or investigations that are being conducted by a Governmental Body other than the United States Attorney, State Attorney General, OIG or the Department of Justice, unless such inspections or investigations by such other Governmental Body is reasonably expected to have a material adverse effect on such Facility Borrower or the Guarantor, in which event such Facility Borrower shall furnish all such information as contemplated herein), and provide to Lender, on a monthly basis, ongoing status reports (in form and content acceptable to Lender) of any such government investigations; provided that no Facility Borrower shall be required to furnish any such information to the extent attorney-client privileged information or disclosure thereof would violate any applicable law (including without limitation HIPAA).

(g) Each Facility Borrower shall furnish to Lender within five (5) Business Days after receipt thereof copies of all written pre-termination notices from Medicare and/or Medicaid, all written notices of material adverse events or material deficiencies as defined by the regulations and standards of the state Medicare and/or Medicaid certification agency, the Joint Commission (formerly known as the Joint Commission on the Accreditation of Healthcare Organizations) (the "Joint Commission") or the equivalent accrediting body relied upon by such Facility Borrower in the operation of the Facility operated by such Facility Borrower or any part thereof.

(h) Each Facility Borrower shall provide to Lender prompt written notice of any monetary or material non-monetary default or event of default with respect to any Material Obligation of such Facility Borrower or the Guarantor and, upon Lender's request, such Facility Borrower or the Guarantor shall furnish to Lender a certificate in form reasonably acceptable to Lender certifying that, with respect to each Material Obligation, no monetary or material non-monetary event of default, to such Facility Borrower or such Guarantor's knowledge, then exists thereunder.

(i) Lender reserves the right to require such other financial information from Borrower at such other times as it shall deem reasonably necessary. All financial statements and information must be in such form and detail as Lender shall from time to time, but not unreasonably, request.

**Section 13.2. Inspection.** Upon reasonable prior written notice, Borrower shall permit Lender, or its designated Affiliate, and their respective authorized representatives to inspect the Real Property during usual business hours subject to any security, health, safety or confidentiality requirements of Borrower (including Borrower's reasonable policies with respect to facility security and/or HIPAA compliance), any governmental agency, any Insurance Requirements relating to the Real Property, or imposed by law or applicable regulations, except that, in the event of an emergency, Lender shall have the right to inspect the Real Property upon reasonable notice (which in this circumstance may be verbal) under the circumstances to Borrower.

**Section 13.3. Management Agreements.** Borrower shall not engage, terminate, remove or replace any Management Company, without providing Lender with fifteen (15) days' prior written notice and an opportunity to provide consultation as to any successor manager. Borrower shall require any Management Company to execute and deliver to Lender within ten (10) Business Days from Lender's request an estoppel certificate, as required by Lender and/or any Facility Lender, in such form and content as is reasonably acceptable to Lender and/or such Facility Lender.

**Section 13.4. Non-competition.** Each Facility Borrower hereby acknowledges the Non-Competition Agreement and, as an inducement to Lender to enter into this Agreement and as a condition precedent to this Agreement, each Facility Borrower agrees that the terms, covenants and conditions of the Non-Competition Agreement are binding on it and incorporated herein by reference.

#### **ARTICLE XIV DEFAULT**

**Section 14.1. Events of Default.** The occurrence of any one or more of the following events (individually, an "Event of Default") shall constitute Events of Default hereunder:

(a) if Borrower shall fail to make a payment of the Loan Obligations or any other monetary obligation when the same becomes due and payable by Borrower under this Agreement, the Note or the other Loan Documents (including, but not limited to the failure to pay Insurance Premiums or Impositions) and the same shall remain unpaid for more than ten (10) days following receipt by Borrower of written notice thereof from Lender; *provided, however*, in no event shall Lender be required to give more than two (2) such written notices hereunder during any consecutive twelve (12) month period; or

(b) if Borrower shall fail to observe or perform any other term, covenant or condition of this Agreement and such failure is not cured by Borrower within a period of thirty (30) days after receipt by Borrower of written notice thereof from Lender (except that in the event Borrower shall fail to comply with any request pursuant to Sections 5.2(c) and 14.3(b) hereof, and such failure shall continue for ten (10) days after receipt by Borrower of such request from Lender), unless such failure cannot, in Lender's reasonable determination, with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed to continue if, in Lender's reasonable determination, Borrower commences to cure such failure within the thirty (30) day period and proceeds with due diligence to complete the curing thereof; *provided, however*, in no event shall Lender be required to give more than two (2) such written notices hereunder for Borrower's failure to observe or perform the same (or repetitive) covenant or condition in any consecutive twelve (12) month period; or

(c) if (i) any Facility Borrower or the Guarantor shall admit in writing its inability to pay its debts as they become due; or (ii) any Facility Borrower or the Guarantor shall file a petition in bankruptcy as a petition to take advantage of any insolvency act; or (iii) any Facility Borrower or the Guarantor shall be declared insolvent according to any law; or (iv) any Facility Borrower or the Guarantor shall make any general assignment for the benefit of its creditors; or (v) if the estate or interest of any Facility Borrower in the Real Property or any part thereof shall be levied upon or attached in any proceeding and the same shall not be vacated or discharged within the later of ninety (90) days after commencement thereof or sixty (60) days after receipt by such Facility Borrower of written notice thereof from Lender (unless such Facility Borrower shall be contesting such lien or attachment in good faith in accordance with Article VIII); or (vi) any petition shall be filed against any Facility Borrower or the Guarantor to declare such Facility Borrower or the Guarantor bankrupt, to take advantage of any insolvency act, or to delay, reduce or modify such Facility Borrower's or the Guarantor's capital structure and the same shall not be removed or vacated within ninety (90) days from the date of its creation, service or attachment; or (vii) any Facility Borrower or the Guarantor shall, after a petition in bankruptcy is filed against it, be adjudicated a bankrupt, or a court of competent jurisdiction shall enter an order or decree, with or without the consent of such Facility Borrower or the Guarantor, as the case may be, appointing a trustee, examiner or receiver of such Facility Borrower or the Guarantor or the whole or substantially all of its property, or approving a petition filed against such Facility Borrower or the Guarantor seeking reorganization or arrangement of such Facility Borrower or the Guarantor under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such judgment, order or decree shall not be vacated or set aside or stayed within ninety (90) days from the date of the entry thereof; or

(d) if any Facility Borrower shall have any of its material Licenses, material Participation Agreements (including participation or certification in Medicare or Medicaid or any material other third-party payor program) terminated by the applicable government program for fraud or willful violation of the terms of such program; or

(e) a Change of Control Transaction shall occur with respect to any Facility Borrower or Guarantor which is not approved by Lender in advance; or

(f) if, with respect to any Property, the applicable Facility Borrower that operates the Business at such Property abandons or vacates the same (such Facility Borrower's absence therefrom for thirty (30) consecutive days shall constitute abandonment) and thereafter fails to comply with any other covenants or conditions set forth in this Agreement with respect to such Facility Borrower or such Property (subject to any other applicable notice and cure periods set forth herein), it being understood that such Facility Borrower may cease operations of the Business at such Property so long as such Facility Borrower complies with all other non-operational covenants and conditions set forth in this Agreement; or

(g) if any Facility Borrower or the Guarantor shall be liquidated or dissolved, or shall begin proceedings toward such liquidation or dissolution, or shall, in any manner, permit the sale or divestiture of substantially all of its assets, or any such Facility Borrower or the Guarantor shall enter into an agreement respecting same; or

(h) if an "Event of Default" shall occur under and as defined in the Master Lease, or a monetary default or a material non-monetary default shall occur under any other Obligation Document (other than this Agreement) which is not waived in writing or cured within the cure period as provided therein (it being understood that a violation of the LLC Agreement with respect to any MPT Required Provision is a material non-monetary default and shall not be subject to any notice or cure period); or

(i) if any Facility Borrower shall breach the covenants in Section 4.10; or

(j) if any monetary or material non-monetary default or event of default occurs with respect to any Material Obligation of any Facility Borrower or Guarantor which is not waived in writing or cured within the applicable notice and cure period provided by the document evidencing the Material Obligation; or

(k) if, at any time during the Term, for two (2) consecutive calendar quarters:

(i) commencing the quarter ending December 31, 2017 and continuing for the first three calendar quarters in 2018, EBITDAR of Steward Health and its Subsidiaries shall be less than Two Hundred and Five Percent (205%) of the Realty Payments (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(ii) commencing the quarter ending December 31, 2018 and continuing for the first three calendar quarters in 2019, EBITDAR of Steward Health and its Subsidiaries shall be less than Two Hundred and Fifteen Percent (215%) of the Realty Payments (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(iii) commencing the quarter ending December 31, 2019 and continuing for first three calendar quarters in 2019, EBITDAR of Steward Health and its Subsidiaries shall be less than Two Hundred and Twenty Percent (220%) of the Realty Payments (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(iv) commencing the quarter ending December 31, 2020 and continuing for each calendar quarter thereafter, EBITDAR of Steward Health and its Subsidiaries shall be less than Two Hundred and Twenty-Five Percent (225%) of the Realty Payments (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(l) if, at any time during the Loan Term, for two (2) consecutive calendar quarters:

(i) commencing the quarter ending December 31, 2017 and continuing for the first three calendar quarters in 2018, EBITDAR of Steward Health and its Subsidiaries shall be less than One Hundred and Five Percent (105%) of Consolidated Fixed Charges (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(ii) commencing the quarter ending December 31, 2018 and continuing for the first three calendar quarters in 2019, EBITDAR of Steward Health and its Subsidiaries shall be less than One Hundred and Fifteen Percent (115%) of Consolidated Fixed Charges (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(iii) commencing the quarter ending December 31, 2019 and continuing for first three calendar quarters in 2020, EBITDAR of Steward Health and its Subsidiaries shall be less than One Hundred and Twenty Percent (120%) of Consolidated Fixed Charges (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(iv) commencing the quarter ending December 31, 2020 and continuing for each calendar quarter thereafter, EBITDAR of Steward Health and its Subsidiaries shall be less than One Hundred and Twenty-Five Percent (125%) of Consolidated Fixed Charges (as determined utilizing the trailing twelve (12) month operating and financial results of Steward Health and its Subsidiaries and measured on a calendar quarterly basis);

(m) Notwithstanding the foregoing, in the event that Borrower fails (or, but for the operation of this paragraph, would fail) to comply with the requirements of Sections 14.1(k) and (1), until the thirtieth (30th) day subsequent to the earlier of (1) the date Borrower becomes aware of such noncompliance or (2) the date of delivery of written notice from Lender relating to such failure (the "Equity Cure Expiration Date"), Steward Health shall have the right to issue its equity interests for cash or to receive an equity contribution in respect of its equity interests (the "Equity Cure Right"), and upon the receipt by Steward Health of such cash (the "Specified Equity Contribution"), EBITDAR shall be recalculated giving effect to the following pro forma adjustments:

(i) EBITDAR for the applicable calendar quarter (and any four-quarter period that contains such quarter) shall be increased, solely for the purpose of determining compliance with Sections 14.1(k) and (l), by an amount equal to the Specified Equity Contribution; and

(ii) if, after giving effect to the foregoing recalculations, Borrower shall then be in compliance with the requirements of Section 14.1(k) and (l), Borrower shall be deemed to have satisfied the requirements of such section as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable Event of Default that had occurred shall be deemed cured for purposes of this Agreement.

(n) Notwithstanding anything herein to the contrary, after the failure to comply with the requirements of Sections 14.1(k) and (l), if Borrower has given Lender notice that Borrower intends to cure such failure with the proceeds of a Specified Equity Contribution, Lender shall not exercise any rights or remedies under this Article XIV available during the continuance of any Event of Default on the basis of any actual or purported failure to comply with Sections 14.1(k) and (l) until such failure is not cured on or prior to the Equity Cure Expiration Date.

**Section 14.2. Remedies.** If an Event of Default has occurred which has not been waived in writing by Lender, Lender shall have the right at its election, then or at any time thereafter, to pursue any one or more of the following remedies (subject to applicable law), in addition to any remedies which may be permitted by law, equity, by other provisions of this Agreement or otherwise, without notice or demand, except as hereinafter provided:

(a) Lender may declare all or any portion of the Loan Obligations allocable to the Defaulted Property under the Allocation Schedule immediately due and payable to Lender, without presentment, demand, protest, or further notice of any kind, all of which are expressly waived by Borrower;

(b) Lender may foreclose under any one or more of the Mortgages securing the Loan. Lender may either (i) foreclose under the applicable Mortgage relating to the Property from which such Event of Default emanated or to which such Event of Default related primarily; or (ii) if there has occurred a Major Event of Default, foreclose under any one or more (including all, if so elected by Lender) of the Mortgages securing the Loan, regardless of whether such Event of Default emanated from or related primarily to a single Property (whether one or more, and whether pursuant to clause (i) or (ii), the “Defaulted Property”);

(c) Lender may, upon written notice to Borrower, proceed with all remedies Lender deems necessary, including, without limitation, terminating this Agreement, accelerating and calling due and payable all outstanding or any portion of the Loan Obligations allocable to the Defaulted Property, foreclosing under any one or more of the Mortgages allocable to the Defaulted Property and exercising any other remedy available to Lender hereunder or under any of the other Loan Documents, the Obligation Documents, at law or in equity;

(d) Lender, at its option, may (i) institute and prosecute proceedings in any court of competent jurisdiction to pursue any remedies available in law or in equity, including, without limitation, the recovery of damages, the enforcement of specific performance or to obtain an injunction, or (ii) pursue any and all rights or remedies available to Lender under any Loan

Document. No such termination and/or subsequent election by Lender hereunder shall in any way limit, qualify or otherwise affect the obligations of Borrower with respect to the Loan Obligations of their indemnification obligations hereunder.

(e) Lender, at its option, may effect a sale, transfer or assignment of the Collateral or any portion thereof. Notwithstanding anything contained herein to the contrary, for the purpose of effecting the sale, transfer or assignment described herein, Borrower hereby nominates and irrevocably designates and appoints Lender its true and lawful agent and attorney-in-fact, in the name of each Facility Borrower, as applicable, or in the name of Lender, or in the name of a designee of Lender to do all acts and things and execute all documents which Lender may deem necessary or desirable to effect the sale, transfer or assignment as set forth herein, including, without limitation, preparing, signing and filing any and all agreements, documents and applications necessary to effect such sale, transfer or assignment. This power is coupled with Lender's ownership of the security interest in the Collateral and all incidental rights attendant to any and all of the rights set forth herein.

(f) Terminate this Agreement and any of the other Loan Documents relating to a particular Property (whether one or more, the "Terminated Property") and all future liability or obligation of Lender relating to such Terminated Property, but without affecting Lender's liens on the Collateral and without affecting the Loan Obligations.

(g) In addition to any other available remedies, Lender may take such actions as Lender reasonably considers necessary or appropriate to protect the priority, validity and enforceability of the Lien of any one or more of the Mortgages, such as appearing and participating in any action or proceeding affecting or which may affect the security or priority thereof or the rights or powers of Lender, or paying, purchasing, contesting or compromising any other Lien or alleged Lien, whether superior or junior to the applicable Mortgage.

### **Section 14.3. Remedies with Respect to Licenses.**

(a) Following an Event of Default resulting in the foreclosure of any one or more of the Properties or Lender's purchase of any one or more Properties in accordance with Article XV, Borrower shall not move or attempt to move the Licenses or Participation Agreements to any other location. To the extent that Borrower has any right, title, or claim of right whatsoever in and to the Licenses or the right to operate any such Facilities, all such right, title, or claim of right shall automatically revert to Lender or to Lender's designee upon such foreclosure or purchase, to the extent permitted by law.

(b) SUBJECT TO SECTION 14.3(D), FOLLOWING AN EVENT OF DEFAULT RESULTING IN THE FORECLOSURE OF ANY ONE OR MORE OF THE PROPERTIES OR LENDER'S PURCHASE OF ANY ONE OR MORE PROPERTIES IN ACCORDANCE WITH ARTICLE XV, WITHOUT ANY ADDITIONAL CONSIDERATION TO ANY FACILITY BORROWER, THE APPLICABLE FACILITY BORROWER SHALL, FOR REASONABLE PERIODS OF TIME AFTER SUCH FORECLOSURE OR PURCHASE, USE ITS COMMERCIALY REASONABLE EFFORTS TO FACILITATE AN ORDERLY TRANSFER OF THE OPERATION AND OCCUPANCY OF SUCH PROPERTY TO LENDER OR ITS DESIGNEE, AND SUCH COOPERATION SHALL INCLUDE, WITHOUT

LIMITATION, (i) SUCH FACILITY BORROWER'S EXECUTION AND SUBMISSION TO THE APPROPRIATE AUTHORITY OF ANY AND ALL DOCUMENTS REQUIRED TO EFFECT THE TRANSFER, ISSUANCE OR ASSIGNMENT TO LENDER OR ITS DESIGNEE OF ANY AND ALL LICENSES AND PARTICIPATION AGREEMENTS, (ii) SUCH FACILITY BORROWER'S MAINTENANCE OF THE EFFECTIVENESS OF ANY AND ALL SUCH LICENSES AND PARTICIPATION AGREEMENTS UNTIL SUCH TIME AS ANY NEW LICENSES NECESSARY FOR ANY NEW BORROWER OR OPERATOR TO OPERATE THE FACILITY OPERATED BY SUCH FACILITY BORROWER HAVE BEEN ISSUED, AND (iii) THE TAKING OF SUCH OTHER ACTIONS AS REASONABLY REQUESTED BY LENDER OR REQUIRED BY APPLICABLE LAW; IT BEING UNDERSTOOD AND AGREED THAT THE PERFORMANCE OR EXERCISE OF ANY OF THE FOREGOING RIGHTS, REMEDIES, DUTIES AND OBLIGATIONS SHALL BE WITHOUT ANY ADDITIONAL CONSIDERATION TO SUCH FACILITY BORROWER.

(c) IT IS AN INTEGRAL CONDITION OF THIS AGREEMENT, AND A MATERIAL INDUCEMENT TO LENDER'S AGREEMENT TO MAKE THE LOAN TO BORROWER, THAT EACH FACILITY BORROWER ACKNOWLEDGES AND AGREES TO COOPERATE WITH AND ASSIST LENDER AND/OR ITS DESIGNEE IN CONNECTION WITH ANY TRANSFER OF THE LICENSES OR THE OPERATIONS OF THE FACILITIES IN ACCORDANCE WITH THIS SECTION 14.3 IN CONNECTION WITH A FORECLOSURE OF ANY PROPERTY, LENDER'S PURCHASE OF ANY PROPERTY IN ACCORDANCE WITH ARTICLE XV, OR REMOVAL OF BORROWER FROM POSSESSION OF ONE OR MORE OF THE PROPERTIES IN THE MANNER SET FORTH HEREIN, WHICH COOPERATION AND ASSISTANCE SHALL BE WITHOUT ANY ADDITIONAL CONSIDERATION TO BORROWER.

(d) The obligations of each Facility Borrower set forth in this Section 14.3 shall include, without limitation, such Facility Borrower using its commercially reasonable efforts to assist and cooperate with Lender (or its designee) in (i) obtaining any new material Licenses and Participation Agreements or (ii) transferring or assigning any existing material Licenses and Participation Agreement, which shall include, without limitation, each Facility Borrower using its commercially reasonable efforts to execute and deliver such change of ownership documentation required to transfer any material Licenses and Participation Agreements (including, without limitation, any Form CMS 855 to assign any Medicare provider agreements) to Lender or its designee. Lender acknowledges that the obligations of each Facility Borrower set forth in this Sections 14.3 shall be subject to all applicable notice, review, or approval requirements of any Governmental Body including, without limitation, any requirements of the Massachusetts Department of Health and Human Services or other State Regulatory Authority (collectively, the "Transfer Requirements"); *provided, however*, that until such time as all applicable Transfer Requirements have been satisfied, each Facility Borrower shall continue to use its commercially reasonable efforts to satisfy the obligations set forth in this Section 14.3.

**Section 14.4. Cumulative.** The remedies of Lender in this Agreement or in any other Loan Document, or at law or in equity, shall be cumulative and concurrent and may be pursued singly, successively or together in Lender's discretion. Notwithstanding any statement contained in this Agreement to the contrary, termination of this Agreement shall not relieve Borrower from liability for any breach or violation of this Agreement that arose prior to such termination.

**Section 14.5. Waivers.**

(a) Borrower waives, to the extent permitted by applicable law, (i) any right of redemption, re-entry or repossession; (ii) any right to a trial by jury; and (iii) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt.

(b) Borrower waives, to the extent permitted by applicable law, any and all rights or defenses arising by reason of: (i) any “one action” or “anti-deficiency” law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Borrower or any one or more Facility Borrowers or the Guarantor, before or after Lender’s commencement or completion of any foreclosure or similar action or actions, either judicially or by exercise of a power of sale; (ii) any election of remedies by Lender which destroys or otherwise adversely affects Borrower or any one or more Facility Borrower’s or the Guarantor’s subrogation rights or rights to proceed against any Person for reimbursement, including, without limitation, any loss of rights such Facility Borrowers or such Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Loan Obligations, if any, (iii) any right to claim discharge of the Loan Obligations on the basis of unjustified impairment of any collateral for the Loan Obligations; (iv) any defenses given to guarantors, sureties, and/or co-makers at law or in equity other than actual payment and performance of the Loan Obligations;

**Section 14.6. Application of Funds.** Any payments otherwise payable by or to Borrower which are received by Lender under any of the provisions of this Agreement during the existence or continuance of any Event of Default shall be applied to the Loan Obligations in the order which Lender may reasonably determine.

**Section 14.7. Notices by Lender.** The provisions of this Article concerning notices shall be liberally construed insofar as the contents of such notices are concerned, and any such notice shall be sufficient if reasonably designed to apprise Borrower of the nature and approximate extent of any default, it being agreed that Borrower is in good or better position than Lender to ascertain the exact extent of any default by Borrower hereunder.

**Section 14.8. Additional Expenses.** It is further agreed that, in addition to payments required pursuant to Section 14.2 above and the provisions of Section 21.3, Borrower shall compensate Lender and its Affiliates for (a) all reasonable, out-of-pocket expenses incurred by Lender and its Affiliates in enforcing the provisions of this Agreement and the other Loan Documents in foreclosing or repossessing the Real Property or any portion thereof (including among other expenses, any increase in insurance premiums caused by the vacancy of all or any portion of the Real Property); (b) all reasonable, out-of-pocket expenses incurred by Lender and its Affiliates in selling or reletting (including among other expenses, repairs, remodeling, replacements, advertisements and brokerage fees); (c) all concessions granted to buyers or new Tenants upon selling or reletting (including among other concessions, renewal options); (d) Lender’s and its Affiliates’ reasonable, out-of-pocket attorneys’ fees and expenses arising from or related to an Event of Default; and € all losses incurred by Lender and its Affiliates as a direct or indirect result of such Event of Default (including, among other losses, any adverse action by Facility Lenders).

**Section 14.9. Lender's Contractual Security Interest.** In order to secure the payment of all Loan Obligations due and to become due hereunder and the faithful performance of this Agreement by Borrower and to secure all other obligations, indebtedness and liabilities of Borrower to Lender, now existing or hereafter incurred, contemporaneously with the execution of this Agreement, Borrower has executed the Security Agreement and the Mortgages, among others, granting Lender and certain of its Affiliates certain liens and security interests as therein described. Upon the occurrence and continuance of an Event of Default by Borrower, Lender shall have the remedies set forth in the Security Agreement and the Mortgages, among others, in addition to all remedies available at law or in equity and the remedies set forth in this Agreement, the other Loan Documents and the other Obligation Documents.

## **ARTICLE XV OPTIONS TO PURCHASE**

**Section 15.1. Options to Purchase Real Property.** Upon (a) the occurrence and continuance of a Major Event of Default, unless waived in writing by Lender, or (b) the expiration of the Initial Term (as defined in the Note), (each, an "Option Event"), in addition to other rights and remedies Lender may have in this Agreement and at law and in equity, Lender and any designee or assignee of Lender (collectively, the "Purchaser"), shall have the right and option (the "Option"), but not the obligation, for a period of thirty (30) days following the date of the occurrence of an Option Event (the "Option Period"), to purchase the Real Property or any one or more of the Properties from the applicable Facility Borrower in accordance with this Article XV. If the Purchaser determines to exercise its option to purchase the Real Property or any one or more of the Properties pursuant hereto (the "Option Property"), the Purchaser shall, within the Option Period, deliver a written notice of such determination (the "Option Notice") to Borrower. Upon Borrower's timely receipt of such Option Notice, Borrower shall be obligated to sell, assign, transfer and convey all of the Option Property to the Purchaser for a purchase price equal to either: (i) if such sale is the result of the occurrence of a Major Event of Default, then for the outstanding principal amount of the Loan Obligations allocated to the Option Property as of the Option Closing Date in accordance with the Allocation Schedule; or (ii) if such sale is the result of the expiration of the Initial Term, then for an amount equal to one hundred ten percent (110%) of the fair market value of the subject Option Property as of the date hereof (which the parties agree is the amount of the Loan Obligations allocated to such Option Property on the Allocation Schedule). In the event that Lender purchases less than all of the Real Property as provided herein, Borrower shall be released from all obligations and liabilities arising under this Agreement and the other Loan Documents relating to such purchased Property in accordance with the Allocation Schedule, but the Loan Obligations allocated to any Property not purchased by Lender shall remain outstanding and due and payable in accordance with the Loan Documents. If the Purchaser determines to exercise its option pursuant hereto, Borrower shall be obligated to sell, assign, transfer and convey to the Purchaser on an AS IS, WHERE IS BASIS, and without representation or warranty of any kind or nature whatsoever, express or implied, all such Borrower's Property and Borrower's rights, title, and interest therein subject to the terms and conditions set forth herein.

**Section 15.2. Option to Purchase Personal Property.** Upon the occurrence and continuance of an Major Event of Default, continuing for thirty (30) days beyond any applicable notice and cure period, in addition to other rights and remedies Lender may have in the Loan Documents

and at law and in equity, Lender shall have the right and option, but not the obligation, to purchase from Borrower, all (but not less than all) of the applicable Facility Borrower's Personal Property with respect to such Facility and all rights title, and interest of the applicable Facility Borrower therein for an amount equal to the then fair market value of the Facility Borrower's Personal Property with respect to such Facility as determined by independent, third party appraisal reasonably acceptable to Lender and Borrower, subject in all cases to, and with appropriate price adjustments for, all equipment leases, conditional sale contracts, security interests and other encumbrances to which such Personal Property is subject. If the Lender determines to exercise its option pursuant hereto, then Lender shall provide Borrower with written notice of its intent to exercise such option and Borrower shall be obligated to sell, assign, transfer and convey to Lender, its designee or assignee, on an AS IS, WHERE IS BASIS, and without representation or warranty of any kind or nature whatsoever, express or implied, all such Facility Borrower's Personal Property with respect to such Facility and all rights, title and interest of such Facility Borrower therein subject to the terms and conditions set forth herein. Notwithstanding anything contained in this Section 15.2 to the contrary, the options to purchase granted under this Section 15.2 do not pertain to any of the Licenses, it being understood and agreed that all matters relating to the transfer of the Licenses are addressed in Section 14.3.

**Section 15.3. Payment of Purchase Price.** In the event a purchase and sale transaction contemplated by this Article XV is consummated, on the Option Closing Date the applicable purchase price shall be paid into escrow and applied, first, towards payment of the outstanding Loan Obligations and, then, the balance of the purchase price, if any, shall be paid through escrow to Borrower. The original Note shall be canceled or amended at closing as necessary to reflect the payment of the Loan Obligations. Notwithstanding any provision herein to the contrary, in the event that the purchase transactions contemplated by this Article XV are consummated, Borrower shall pay all Scheduled Monthly Payments and other charges and amounts accruing under the Note but unpaid through the Option Closing Date at the closing of such transaction and, if Borrower shall fail to do so, Lender may offset the amount of such accrued and unpaid Scheduled Monthly Payments and other charges against the amount of the aggregate purchase price payable to Borrower pursuant to this Article XV.

**Section 15.4. Closing of Purchase.** Any purchase and sale pursuant to this Article XV shall be handled through deliveries into escrow on a mutually agreeable date (the "Option Closing Date") which shall not be later than sixty (60) days following the expiration of the Option Period. Borrower shall, upon receipt from Lender (which may be through escrow) of the applicable Option Price or Put Price (as applicable) and the other closing documents to which Lender is a party, deliver to the Purchaser, which may be through escrow, a special warranty deed, or other appropriate instrument of conveyance conveying the entire interest of Borrower in and to the Option Property or Put Property (as applicable) to the Purchaser free and clear of all liens other than (a) those that Borrower has agreed hereunder to pay or discharge; (b) those liens, if any, which the Purchaser has agreed in writing to accept and to take title subject to; and (c) the Permitted Exceptions applicable to such Property. All expenses of the conveyance, including, without limitation, the cost of title examination or standard coverage title insurance, survey, attorneys' fees incurred by Lender in connection with such conveyance, transfer taxes, prepayment penalties, recording fees and similar charges shall be paid by Borrower. Time shall be of the essence in the performance of the Parties' obligations under this Article XV.

**Section 15.5. Proration.** All rent, income, expenses, utility charges and real and personal property taxes relating to the ownership and operation of the Real Property, the Personal Property and the Facilities purchased by the Purchaser pursuant to this Article XV shall be equitably prorated and paid as of the Option Closing Date, with Borrower responsible therefor to the extent such items relate to the time period prior to and including the Option Closing Date.

**ARTICLE XVI  
INTENTIONALLY OMITTED**

**ARTICLE XVII  
INTENTIONALLY OMITTED**

**ARTICLE XVIII  
LENDER'S RIGHT TO CURE**

(a) Subject to the provisions of Article VIII relating to permitted contests, if Borrower shall fail to make any payment, or to perform any act required to be made or performed under this Agreement and to cure the same within the relevant time periods provided in Section 14.1, after reasonable written notice to Borrower, Lender, without waiving or releasing any obligation or Event of Default, may (but shall be under no obligation to) at any time thereafter make such reasonable payment or perform such reasonable act for the account and at the expense of Borrower, and may, to the extent permitted by law, enter upon any portion of the Real Property, but only in accordance with Borrower's reasonable security procedures and all applicable laws, including, but not limited to all Information Privacy and Security Laws, for such purpose and take all such action thereon as, in Lender's opinion, may be necessary or appropriate therefor. No such entry shall be deemed an eviction of Borrower.

(b) All sums so paid by Lender and all reasonable, out-of-pocket costs and expenses (including, without limitation, reasonable, documented, out-of-pocket attorneys' fees and expenses, in each case, to the extent permitted by law) so incurred, together with a late charge thereon (to the extent permitted by law) at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Lender until reimbursed, shall be paid by Borrower to Lender on demand.

**ARTICLE XIX  
INDEMNIFICATION**

**NOTWITHSTANDING THE EXISTENCE OF ANY INSURANCE OR SELF INSURANCE PROVIDED FOR IN ARTICLE IX, AND WITHOUT REGARD TO THE POLICY LIMITS OF ANY SUCH INSURANCE OR SELF INSURANCE, IN ADDITION TO ANY OTHER INDEMNIFICATION OBLIGATIONS OF BORROWER AND GUARANTORS AS PROVIDED IN THIS AGREEMENT, BORROWER WILL PROTECT, INDEMNIFY, SAVE HARMLESS AND DEFEND LENDER AND MPT REAL ESTATE OWNER FROM AND AGAINST ALL LIABILITIES, OBLIGATIONS, CLAIMS, DAMAGES, PENALTIES, CAUSES OF ACTION, REASONABLE, OUT-OF-POCKET COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION,**

REASONABLE ATTORNEYS' FEES AND EXPENSES) TO THE EXTENT PERMITTED BY LAW), IMPOSED UPON OR INCURRED BY OR ASSERTED AGAINST LENDER OR ITS AFFILIATES BY REASON OF: (A) ANY ACCIDENT, INJURY TO OR DEATH OF PERSONS OR LOSS OF PERSONAL PROPERTY OCCURRING ON OR ABOUT THE REAL PROPERTY OR ADJOINING SIDEWALKS, INCLUDING WITHOUT LIMITATION ANY CLAIMS OF MALPRACTICE, (B) ANY USE, MISUSE, NO USE, CONDITION, MAINTENANCE OR REPAIR BY BORROWER OF THE REAL PROPERTY, (C) ANY IMPOSITIONS (WHICH ARE THE OBLIGATIONS OF BORROWER TO PAY PURSUANT TO THE APPLICABLE PROVISIONS OF THIS AGREEMENT), (D) ANY FAILURE ON THE PART OF BORROWER TO PERFORM OR COMPLY WITH ANY OF THE TERMS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, € THE NON-PERFORMANCE OF ANY OF THE TERMS AND PROVISIONS OF ANY AND ALL EXISTING AND FUTURE SUBLEASES OF THE REAL PROPERTY TO BE PERFORMED BY THE LANDLORD (THE APPLICABLE FACILITY BORROWER) THEREUNDER, AND (F) ANY AND ALL LAWFUL ACTION THAT MAY BE TAKEN BY LENDER OR ITS AFFILIATES IN CONNECTION WITH THE ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, WHETHER OR NOT SUIT IS FILED IN CONNECTION WITH SAME, OR IN CONNECTION WITH BORROWER OR A GUARANTOR AND/OR ANY PARTNER, JOINT VENTURER, MEMBER OR SHAREHOLDER THEREOF BECOMING A PARTY TO A VOLUNTARY OR INVOLUNTARY FEDERAL OR STATE BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDING. ANY AMOUNTS WHICH BECOME PAYABLE BY BORROWER UNDER THIS ARTICLE XIX SHALL BE PAID WITHIN FIFTEEN (15) DAYS AFTER DEMAND THEREFOR BY LENDER AND, IF NOT TIMELY PAID, SHALL BEAR A LATE CHARGE (TO THE EXTENT PERMITTED BY LAW) AT THE OVERDUE RATE UNTIL THE DATE OF PAYMENT AND A LATE PAYMENT PENALTY ON SUCH AMOUNT. BORROWER, AT ITS SOLE EXPENSE, SHALL CONTEST, RESIST AND DEFEND ANY SUCH CLAIM, ACTION OR PROCEEDING ASSERTED OR INSTITUTED AGAINST LENDER AND MAY COMPROMISE OR OTHERWISE DISPOSE OF THE SAME, SUBJECT TO THE APPROVAL OF LENDER. NOTHING HEREIN SHALL BE CONSTRUED AS INDEMNIFYING LENDER OR MPT REAL ESTATE OWNER AGAINST ITS OWN BAD FAITH, GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT, OR ANY WILLFUL BREACH OF ITS OBLIGATIONS UNDER THIS AGREEMENT OR ANY OTHER OBLIGATION DOCUMENT.

#### ARTICLE XX NOTICES

All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted via telecopy (or other facsimile device) to the number set out below if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), (c) the day following the day (except if not a Business Day then the next Business Day) on which the same has been delivered prepaid to a reputable national overnight air courier service or (d) the third Business

Day following the day on which the same is sent by certified or registered mail, postage prepaid. Notices, demands and communications, in each case to the respective parties, shall be sent to the applicable address set forth below, unless another address has been previously specified in writing:

if to Borrower: c/o Steward Health Care System LLC  
500 Boylston Street, Fifth Floor  
Boston, MA 02116  
Attn: Joseph C. Maher, Jr.  
Fax: (617) 419-4800

with a copy to: McDermott Will & Emery LLP  
227 West Monroe Street  
Chicago, Illinois 60606-5096  
Attn: Ankur Gupta, Esq.  
Fax: (312) 984-7700

if to Lender: c/o MPT Operating Partnership, L.P.  
1000 Urban Center Drive, Suite 501  
Birmingham, Alabama 35242  
Attn: Legal Department  
Fax: (205) 969-3756

with a copy to: Baker, Donelson, Bearman, Caldwell & Berkowitz, PC  
420 20th Street North  
1400 Wells Fargo Tower  
Birmingham, Alabama 35203  
Attn: Thomas O. Kolb, Esq.  
Fax: (205) 322-8007

or to such other address as either party may hereafter designate in writing, and shall be effective upon receipt. A notice, demand, consent, approval, request and other communication shall be deemed to be duly received if delivered in person or by a recognized delivery service, when left at the address of the recipient and if sent by facsimile, upon receipt by the sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety to the recipient's facsimile number; provided that if a notice, demand, consent, approval, request or other communication is served by hand or is received by facsimile on a day which is not a Business Day, or after 5:00 p.m. on any Business Day (based upon Birmingham, Alabama time), such notice or communication shall be deemed to be duly received by the recipient at 9:00 a.m. (based upon Birmingham, Alabama time) on the first Business Day thereafter.

**ARTICLE XXI  
MISCELLANEOUS**

**Section 21.1. General.** The parties agree that each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision

of this Agreement or any application of this Agreement to any party or otherwise) is held to be prohibited by or invalid under applicable law, such provision or application shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other applications of this Agreement. If any late charges provided for in any provision of this Agreement are based upon a rate in excess of the maximum rate permitted by applicable law, the parties agree that such charges shall be fixed at the maximum permissible rate. All the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns (subject to [Section 21.17](#)); provided, however, that (a) this Agreement shall not inure to the benefit of any assignee pursuant to an assignment which violates the terms of this Agreement and (b) neither this Agreement nor any other agreement contemplated in this Agreement shall be deemed to confer upon any Person (other than any Non-Recourse Party with respect to [Section 21.7](#) herein) not a party to this Agreement any rights or remedies contained in this Agreement. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect its meaning.

**Section 21.2. Bankruptcy Waivers.**

(a) Relief from Stay. Borrower acknowledges and agrees that in the event any Facility Borrower or any Property shall become the subject of any bankruptcy or insolvency estate, then (i) Borrower shall not oppose any request by Lender to obtain an order from the court granting relief from the automatic stay pursuant to Section 362 of the Bankruptcy Code so as to permit the exercise of all rights and remedies pursuant to this Agreement; and (ii) the occurrence or existence of any Event of Default under this Agreement shall, in and of itself, constitute “cause” for relief from the automatic stay pursuant to the provisions of Section 362(d)(1) of the Bankruptcy Code, based on the fact that the non-existence of a bankruptcy proceeding was a material inducement for the entry by Lender into this Agreement.

(b) Automatic Stay. Borrower hereby waives the stay imposed by 11 U.S.C. Section 362(a) as to actions by Lender against each Property. Borrower acknowledges and agrees that in the event of the filing of any voluntary or involuntary petition in bankruptcy by or against any Facility Borrower, such Facility Borrower shall not assert or request that any other party assert that the automatic stay provided by Section 362 of the Bankruptcy Code shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of Lender to enforce any rights or remedies held by virtue of this Agreement or applicable law.

(c) Patient Care Ombudsman. Borrower hereby agrees (i) to use its best efforts to contest the necessity of the appointment of a Patient Care Ombudsman for such Facility as that term is defined in 11 U.S.C. Section 333, and/or (ii) to join with Lender in requesting a waiver of or contesting the appointment of such a Patient Care Ombudsman.

**Section 21.3. Lender’s Expenses.** In addition to the other provisions of this Agreement, including, without limitation, [Section 14.8](#), Borrower agrees and shall pay and/or reimburse Lenders and its Affiliates’ reasonable and documented out-of-pocket costs and expenses, including, without limitation, the reasonable and documented costs and expenses of reports and investigations and reasonable and documented legal fees and expenses attributable to an Event of Default and Lender’s pursuing the rights and remedies provided herein and under applicable law,

incurred or resulting from or relating to (a) requests by Borrower for approval or consent under this Agreement or any other Obligation Document (including any consents relating to management, the placing of liens on Borrower's Personal Property and any intercreditor issues which arise in connection with any Material Obligation); (b) any circumstances or developments which give rise to Lender or its Affiliates' right of consent or approval under this Agreement or any other Obligation Documents; (c) a request for changes, including, but not limited to, (i) the permitted use of the Real Property; (ii) alterations and improvements to the Improvements; (iii) subletting or assignment; and (iv) any other changes in the terms, conditions or provisions of this Agreement or any other Obligation Document; and (d) enforcement by Lender or its Affiliates of any of the provisions of this Agreement, the other Loan Documents or the Obligation Documents. Such expenses and fees shall be paid by Borrower within thirty (30) days of the submission of a statement in reasonable detail for the same or such amount(s) shall be subject to interest at the Overdue Rate from the expiration of said thirty (30)-day period to the date of payment, plus a Late Payment Penalty with respect to such unpaid amount.

**Section 21.4. Prevailing Party Expenses.** In addition to the other provisions of this Agreement but subject to the provisions of Section 21.3, if Borrower on the one hand or Lender on the other hand brings any action, suit, or other legal action or proceeding to enforce or establish any right of such party under this Agreement, the party prevailing in such action, suit, or proceeding shall be entitled to recover all reasonable and documented out-of-pocket costs and expenses incurred by the prevailing party in connection therewith, including, without limitation, court costs and documented out-of-pocket attorneys' fees.

**Section 21.5. Entire Agreement; Modifications.** This Agreement, together with all exhibits, schedules and the other documents referred to herein, embody and constitute the entire understanding between the parties with respect to the transactions contemplated herein, and all prior or contemporaneous agreements, understandings, representations and statements (oral or written) are merged into this Agreement. No waiver of any provision hereunder or any breach or default hereof shall extend to or affect in any way any other provision or prior or subsequent breach or default. Neither this Agreement, any exhibit or schedule attached hereto, nor any provision hereof or thereof may be modified or amended except by an instrument in writing signed by Lender and Borrower.

**Section 21.6. MPT Securities Offering and Filings.** Notwithstanding anything contained herein to the contrary, Borrower shall, at Lender's sole cost and expense, cooperate with Lender in connection with any securities offerings and filings, or Lender's efforts to procure or maintain financing for, or related to, the Real Property, or any portion thereof and, in connection therewith, Borrower shall furnish Lender, in a timely fashion, with such financial and other information (including audited financial statements and consents of auditors) as Lender shall reasonably request, provided that the disclosure of such information is not prohibited under any Information Privacy and Security Laws. In accordance with all Information Privacy and Security Laws, Lender may disclose that Lender has entered into this Agreement with Borrower and may provide and disclose information regarding this Agreement, Borrower, the Guarantor, the Real Property and each Facility, and such additional information which Lender may reasonably deem necessary, to its proposed investors in such public offering or private offering of securities, or any current or prospective lenders with respect to such financing, and to investors, analysts and other parties in connection with earnings calls and other normal communications with investors,

analysts, and other parties. In accordance with all Information Privacy and Security Laws, upon reasonable advance notice, Lender, its legal and financial representatives, and any lender providing financing for all or any portion of the Real Property shall have the right to access, examine and copy all agreements, records, documentation and information relating to Borrower, the Guarantor, and such Real Property, and to discuss such affairs and information with the officers, employees and independent public accountants of Borrower as often as reasonably necessary. The additional costs of Borrower in complying with the foregoing shall be reimbursed to Borrower by Lender.

**Section 21.7. Non-Recourse as to Parties.**

(a) Anything contained herein to the contrary notwithstanding, any claim based on, or in respect of, any liability of Lender under this Agreement shall be enforced only against the Lender's interest in the Real Property and any proceeds therefrom and not against any other assets, properties or funds of (i) Lender, (ii) any director, officer, general partner, member, shareholder, limited partner, beneficiary, employee, representative, contractor or agent of Lender or any of its Affiliates (collectively, the "Lender Parties") (or any legal representative, heir, estate, successor or assign of Lender or any of the Lender Parties), (iii) any predecessor or successor partnership or corporation (or other entity) of Lender or any of the Lender Parties, either directly or through Lender or the Lender Parties, or (iv) any person or entity affiliated with any of the foregoing.

(b) Notwithstanding anything that may be expressed or implied in this Agreement, or in any document or instrument delivered in connection herewith, the Lender Parties by their execution hereof and by their acceptance, directly or indirectly, of the benefits of this Agreement, expressly covenants, acknowledges and agrees that no Person other than the Borrower or Guarantor shall have any obligation hereunder (and with respect thereto, only to the extent expressly provided herein) and that no recourse hereunder shall be had against, and no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any of such Obligors' former, current and future direct or indirect equity holders, controlling persons, directors, officers, employees, agents, advisors, members, managers, general or limited partners, assignees, or representatives or any of their respective former, current or future direct or indirect equity holders, controlling persons, directors, officers, employees, agents, advisors, members, managers, general or limited partners or assignees, or representatives (each being referred to as a "Non-Recourse Party", and together with the Borrower and Guarantor, collectively, the "Borrower Parties"), for any obligations of the Borrower or Guarantor under this Agreement, or for any claim based on, in respect of, or by reason of any such obligations or their creation, through Borrower, Guarantor or otherwise, whether by or through attempted piercing of the corporate veil, by or through a claim by or on behalf of any Lender Party against Borrower or Guarantor, by the enforcement of any judgment or assessment or by any legal or equitable proceeding, by virtue of any law, statute, or regulation, or otherwise. Lender Parties hereby covenant and agree that they shall not institute, and shall cause each of their Affiliates and their equity holders and representatives not to attempt to assign or institute, directly or indirectly, any claim, suit or proceeding or bring, or attempt to assign, any other claim arising under, or in connection with, this Agreement, against any Non-Recourse Party.

**Section 21.8. Covenants, Restrictions and Reciprocal Easements.** Except as expressly permitted by Section 4.11 above, Borrower shall not place of record any covenants, restrictions or reciprocal easements on all or any portion of the Land (collectively, the "Declarations") without Lender's prior written consent, not to be unreasonably withheld, conditioned or delayed.

**Section 21.9. Force Majeure.** Except for the payment of all monetary obligations payable pursuant to the terms of this Agreement, the Note and other Loan Documents (which shall not be extended or excused), in the event that Lender or Borrower shall be delayed, hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lockouts, labor troubles, or other industrial disturbances, inability to procure materials, failure of power, unavailability of any utility service, restrictive governmental laws or regulations, acts of public enemies, war, blockades, riots, insurrections, earthquakes, fires, storms, floods, civil disturbances, weather-related acts of God, failure to act, or default of another party, or other reason beyond Lender's or Borrower's control (individually "Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period of the performance of any such act shall be extended for a period equivalent to the period of such delay. Within ten (10) Business Days following the occurrence of Force Majeure, the party claiming a delay due to such event shall give written notice to the other setting forth a reasonable estimate of such delay.

**Section 21.10. Governing Law.** THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS EXECUTED AND PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO CONFLICTS OF LAW PRINCIPLES. NOTWITHSTANDING THE FOREGOING, THE PARTIES FURTHER AGREE THAT ALL ACTIONS AND PROCEEDINGS RELATING TO THE FORECLOSURE UNDER ANY ONE OR MORE OF THE MORTGAGES AND ALL REMEDIES RELATING TO THE RECOVERY OF POSSESSION OF ALL OR ANY PORTION OF THE REAL PROPERTY SHALL BE GOVERNED BY, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE REAL PROPERTY IS LOCATED.

**Section 21.11. Jurisdiction and Venue.** LENDER AND BORROWER CONSENT TO PERSONAL JURISDICTION IN THE STATE OF DELAWARE. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 21.11, LENDER AND BORROWER AGREE THAT ANY ACTION OR PROCEEDING ARISING FROM OR RELATED TO THIS AGREEMENT SHALL BE BROUGHT AND TRIED EXCLUSIVELY IN THE STATE OR FEDERAL COURTS OF DELAWARE. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT. LENDER AND BORROWER EXPRESSLY ACKNOWLEDGE THAT DELAWARE IS A FAIR, JUST AND REASONABLE FORUM AND AGREE NOT TO SEEK REMOVAL OR TRANSFER OF ANY ACTION FILED BY THE OTHER PARTY IN SAID COURTS. FURTHER, LENDER AND BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY CERTIFIED MAIL ADDRESSED TO A PARTY AT THE ADDRESS DESIGNATED PURSUANT TO ARTICLE XX SHALL BE EFFECTIVE SERVICE OF PROCESS AGAINST SUCH PARTY FOR ANY ACTION OR PROCEEDING BROUGHT IN

ANY SUCH COURT. A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT MAY BE ENFORCED IN ANY OTHER COURT TO WHOSE JURISDICTION ANY OF THE PARTIES IS OR MAY BE SUBJECT. NOTWITHSTANDING THE FOREGOING, THE PARTIES FURTHER AGREE THAT ALL ACTIONS AND PROCEEDINGS RELATING TO THE FORECLOSURE UNDER ANY ONE OR MORE OF THE MORTGAGES AND ALL REMEDIES RELATING TO THE RECOVERY OF POSSESSION OF ALL OR ANY PORTION OF THE REAL PROPERTY MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF THE STATE WHERE THE APPLICABLE PROPERTY IS LOCATED.

**Section 21.12. Compliance with Anti-Terrorism Laws.** Lender hereby notifies Borrower that pursuant to the requirements of certain Anti-Terrorism Laws (including, without limitation, the Patriot Act) and Lender's policies and practices, Lender is required to obtain, verify and record certain information and documentation that identifies Borrower, which information includes the name, address and identification number of Borrower. Borrower will not, directly or indirectly, knowingly enter into any lease for the operation of any part of a Facility or any other lease or any material contracts with any person listed on the OFAC List. Borrower shall promptly notify Lender if Borrower has knowledge that Borrower or any of its principals or Affiliates or the Guarantor is listed on the OFAC List or (a) is convicted on, (b) pleads nolo contendere to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering. Borrower will not, directly or indirectly (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224, or other Anti-Terrorism Law.

**Section 21.13. Electronically Transmitted Signatures.** In order to expedite the execution of this Agreement, telecopied signatures or signatures sent by electronic mail may be used in the place of original signatures on this Agreement. The parties intend to be bound by the signatures of the telecopied or electronically mailed signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of the signature. Following any facsimile or electronic mail transmittal, the party shall promptly deliver the original instrument by reputable overnight courier in accordance with the notice provisions of this Agreement.

**Section 21.14. Waiver of Jury Trial.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, LENDER AND BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF EITHER PARTY OR ANY EXERCISE OF ANY PARTY OF THEIR RESPECTIVE RIGHTS HEREUNDER OR IN ANY WAY RELATING TO THIS AGREEMENT OR THE REAL PROPERTY (INCLUDING ANY CLAIM OR DEFENSE ASSERTING THAT THIS AGREEMENT WAS FRAUDULENTLY INDUCED OR IS OTHERWISE VOID OR VOIDABLE). THIS WAIVER IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THIS AGREEMENT.

**Section 21.15. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

**Section 21.16. Survival.** Notwithstanding any provision of this Agreement to the contrary, the parties acknowledge and agree that, all claims against, and liabilities of, Borrower or Lender which relate to acts or omissions prior to the date of expiration or termination of this Agreement, and the covenants and obligations under this Agreement which expressly relate to periods after the expiration or earlier termination of this Agreement, including, without limitation, all indemnification obligations and those covenants and obligations described in Sections 5.1, 5.4, 5.6, 14.8, 21.3, and 21.4, and Articles VIII, XVIII, and XIX, shall survive such expiration or earlier termination.

**Section 21.17. Assignment.** Neither this Agreement nor any other Loan Document is assignable by any Facility Borrower without the prior written consent of Lender. Lender may at any time during the Loan Term and without the consent of Borrower assign all of its rights and obligations hereunder to any other Person, so long as such Person is not a Non-Permitted Assignee; provided, however, that (i) if an Event of Default has occurred and is continuing, Lender may sell, assign or transfer any such rights and obligations to a Non-Permitted Assignee without the written consent of Borrower, and (ii) such restrictions to a sale or assignment shall not apply to or otherwise restrict any actions, negotiations or agreements in respect of any Portfolio Sale.

**Section 21.18. Continuation of Defaults.** Notwithstanding any provision hereof to the contrary, whenever in this Agreement the phrases “continuing,” “continuation of” or similar words or phrases are used in connection with Events of Default, defaults, or events which with notice or passage of time would constitute Events of Default, such phrases or words shall not be construed to create any right in Borrower to have additional periods of time to cure such defaults or Events of Default other than those specific cure periods provided in this Agreement.

**Section 21.19. Specific Performance.** In addition to any rights and remedies available to the parties hereunder or at law, each party shall be entitled to bring an action for specific performance and to seek other equitable relief in connection with any breach or violation, or any attempted breach or violation, of the provisions of this Agreement, without the necessity of showing actual damages or furnishing bond or other security.

**Section 21.20. Joint Drafting.** The parties hereto and their respective counsel have participated in the drafting and redrafting of this Agreement and the general rules of construction which would construe any provisions of this Agreement in favor of or to the advantage of one party as opposed to the other as a result of one party drafting this Agreement as opposed to the other or in resolving any conflict or ambiguity in favor of one party as opposed to the other on the basis of which party drafted this Agreement are hereby expressly waived by all parties to this Agreement.

**Section 21.21. Joint and Several Obligations.** Each Facility Borrower shall be jointly and severally liable for all of the liabilities and obligations of Borrower under this Agreement. Additionally, each Facility Borrower acknowledges and agrees that all of the representations, warranties, covenants, obligations, conditions, agreements and other terms contained in this Agreement shall be applicable to and shall be binding upon and enforceable against any one or more of the Facility Borrowers.

**Section 21.22. Agreements and Covenants relating to Certain Properties.** Further representations, agreements and covenants regarding certain of the Properties are set forth on Schedule 21.22 attached hereto and are hereby incorporated herein by reference.

**Section 21.23. Termination Date.** Without limiting any other provision hereof, on the Termination Date, (a) Borrower shall have no further obligations hereunder or under any other Loan Document (other than unasserted indemnification obligations and the obligations referred to in Section 21.16), (b) Borrower shall have no further obligations under any other Obligation Documents, (c) all Collateral owned by Borrower shall be released (except to the extent it is also owned by another Obligor), (d) the Note shall be returned to Borrower, and € Lender shall, at Borrower's sole cost and expense, execute and deliver all such documents as Borrower shall reasonably request to evidence any of the foregoing.

**Section 21.24. Necessary Actions.** Each party shall perform any further acts and execute and delivery any documents that may be reasonably necessary to carry out the provisions of this Agreement.

**Section 21.25. No Waiver.** No failure by either party to insist upon the strict performance of any term of this Agreement or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of full or partial performance under the terms of this Agreement during the continuance of any such breach, shall constitute a waiver of any such breach or any such term. To the extent permitted by law, no waiver of any breach shall affect or alter this Agreement, which shall continue in full force and effect with respect to any other then existing or subsequent breach. The parties agree that no waiver shall be effective hereunder unless it is in writing.

**Section 21.26. Intercreditor Agreement.** Notwithstanding anything to the contrary contained in this Agreement, the liens, security interests and rights granted pursuant to this Agreement or any other Obligation Document shall be as set forth in, and subject to the terms and conditions of (and the exercise of any right or remedy by the Lender hereunder or thereunder shall be subject to the terms and conditions of), the Intercreditor Agreement. In the event of any conflict between this Agreement or any other Obligation Document and the Intercreditor Agreement, the Intercreditor Agreement shall control, and no right, power, or remedy granted to Lender hereunder or under any other Obligation Document shall be exercised by Lender, and no direction shall be given by Lender, in contravention of the Intercreditor Agreement.

*[Signatures appear on the following page.]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the date first written above.

**BORROWER:**

**STEWARD HOLY FAMILY HOSPITAL, INC.,  
STEWARD CARNEY HOSPITAL, INC.,  
STEWARD NORWOOD HOSPITAL, INC.  
NASHOBA VALLEY MEDICAL CENTER, A STEWARD  
FAMILY HOSPITAL, INC.,**

By: /s/ Mark Rich

Name: Mark Rich

Title: Treasurer

*[Real Estate Loan Agreement]*

**LENDER:**

**MPT OF DORCHESTER-STEWARD, LLC  
MPT OF METHUEN-STEWARD, LLC  
MPT OF NORWOOD-STEWARD, LLC  
MPT OF AYER-STEWARD, LLC**

By: MPT Operating Partnership, L.P  
Its: Sole Member of each above-referenced entity

By: /s/ Emmett E. McLean  
Name: Emmett E. McLean  
Its: Executive Vice President, COO, Treasurer and  
Secretary

*[Real Estate Loan Agreement]*

**Exhibit A-1**

Carney Land

The land, with the buildings and improvements now or hereafter located thereon, situated in Boston, Suffolk County, Massachusetts and more particularly bounded and described as follows:

The land with the buildings and improvements thereon situated at 2100 and 2110 Dorchester Avenue in the City of Boston, County of Suffolk, Commonwealth of Massachusetts, and being shown as Lot A-1 on a plan of land entitled "Plan of Land in Boston, MA (Suffolk County) Steward Carney Hospital Scale 1" =40' Date: December 11, 2012 by Precision Land Surveying, Inc. and recorded with Suffolk County Registry of Deeds in Plan Book 2013, Plan 35.

Together with the easements contained in a Reciprocal Easement Agreement between Steward Carney Hospital and HTA - Carney MOB, LLC dated March 29 2012, recorded at Book 43909, Page 37.

Also, together with all the easements in favor of the insured and benefitting the Land.

**Exhibit A-2**

Holy Family Land (Merrimack Valley)

The land, with the buildings and improvements now or hereafter located thereon, situated in Haverhill, Essex County, Massachusetts and more particularly bounded and described as follows:

**Parcel I**

A certain parcel of land in the City of Haverhill, County of Essex, Massachusetts shown as Lot A, together with the buildings and improvements situate thereon, as shown on that certain plan of land entitled "Plan of Land in Haverhill, MA (Essex County) Merrimack Valley Hospital" dated January 16, 2013 Scale: 1" = 40' prepared by Precision Land Surveying, Inc., and recorded with the Essex South District Registry of Deeds in Plan Book 437 Plan 34. Containing 324,869 ± S.F. and being shown as Lot A on said Plan of Land.

Together with the benefit of that certain Easement Deed from the City of Haverhill to Essent Healthcare of Massachusetts, Inc. dated September 1, 2001 and recorded in Book 17695, Page 87.

Together with the easements contained in a certain Declaration of Covenants, Restrictions and Reciprocal Easement Agreement by and between Essent Healthcare of Massachusetts, Inc. and Health Care Property Investors, Inc. dated March 15, 2007 and recorded at Book 26651, Page 532.

**Parcel II**

A lot of land, together with the buildings thereon, shown as Lot 1B on a plan entitled "Plan of Land Brown Street & Lincoln Avenue, Haverhill, MA" prepared by Essent Healthcare of Massachusetts, Inc. by Northpoint Survey Services, Inc. dated April 4, 2005 and recorded with the Essex South County Registry of Deeds in Plan Book 387, Page 58, off the northerly side of Savage Street and off the southerly side of Brown Street, City of Haverhill, County of Essex, Commonwealth of Massachusetts, bounded and described as follows:

Beginning at a point located at the northwesterly corner of the parcel and at the southerly side of Brown Street, thence running S 60° 42' 00" E, a distance of 72.00' to a point, thence by a curve to the right, with a radius of 283.00', a length of 373.85' to a point, thence N 77° 03' 28" W a distance of 323.08' to a point, thence N 29° 18' 00" E a distance 328.99' to the point of beginning. Said parcel contains approximately 1.74 acres or 75,729 square feet as shown on the above mentioned plan.

**Exhibit A-3**

Nashoba Land

The land, with the buildings and improvements now or hereafter located thereon, situated in Ayer and Groton, Middlesex County, Massachusetts and more particularly bounded and described as follows:

A certain parcel of land, with the buildings thereon in Ayer and Groton, Middlesex County, Massachusetts, situated on the northwesterly side of Washington Street and shown as Lot A on a plan entitled "Plan of Land in Ayer/Groton, MA (Middlesex County) Surveyed for the Nashoba Valley Medical Center," dated November 2, 2012, by Precision Land Surveying, Inc. and recorded with Middlesex South District Deeds as Plan 933 of 2012.

Expressly excluding therefrom any unit in the Condominium created by the Commonwealth of Massachusetts General Laws Chapter 183A, as amended or set forth in the Master Deed of Nashoba Medical Condominium dated June 18, 1990 and recorded with Middlesex South County Registry of Deeds at Book 20629, Page 227, and amended by an Amendment to Master Deed dated January 30, 2013 and recorded in Book 61197, Page 81.

**Exhibit A-4**

Norwood Land

The land, with the buildings and improvements now or hereafter located thereon, situated in Norwood, Norfolk County, Massachusetts and more particularly bounded and described as follows:

**TRACT I – 800 Washington Street**

That certain parcel of land on the southerly side of Washington and Central Streets, northerly side of East Hoyle Street and westerly side of Linden and Guild Streets, in the Town of Norwood, Norfolk County, Commonwealth of Massachusetts, shown as Lot A on a plan of land entitled “Plan of Land in Norwood, MA (Norfolk County)”, dated November 2, 2012 by Precision Land Surveying, Inc., recorded with the Norfolk County Registry of Deeds as Plan No. 85 of 2012, in Plan Book 617.

Together with the easements contained in a Reciprocal Easement Agreement by and between Steward Norwood Hospital Inc. and HTA-St. Anne’s MOB 1 LLC, dated December 28, 2012, recorded with said Deeds, Book 30881 Page 176.

**TRACT II – Linden Street**

Three parcels of land on the westerly side of Linden Street, in the Town of Norwood, Norfolk County, Commonwealth of Massachusetts, bounded and described as follows:

**ONE:**

A certain parcel of land situated in Norwood, Norfolk County, Massachusetts, at the corner of Winter Street and Linden Street and bounded and described as follows: SOUTHERLY by Winter Street one hundred and four (104) feet; WESTERLY by Linden Street eighty (80) feet, more or less; NORTHERLY by land formerly of one Everett, by a line parallel with said Winter Street, one hundred and four (104) feet; and EASTERLY by other land formerly of said Everett, by a line parallel with said Linden Street, eighty (80) feet, more or less.

**TWO:**

A certain parcel of land with the buildings thereon situated on the easterly side of Linden Street, Norwood, Norfolk County, Massachusetts, being shown as Lot C on a plan entitled “Plan of Land in Norwood, Mass.” Dated October 7, 1965, Norwood Engineering Co., Inc., Civil Engineers, which plan is filed with the Norfolk Registry of Deeds at Book 4305, Page 588.

Bounded and described as follows:

WESTERLY by Linden Street, 145.16 feet; NORTHEASTERLY by land now or formerly of Berkland, 98.03 feet; EASTERLY by Lot D, 145.01 feet; and SOUTHWESTERLY by land now or formerly of Murphy, 98.02 feet. Containing 14,188 square feet, according to said plan.

**THREE**

A. The land in Norwood, Norfolk County, Massachusetts consisting of two parcels bounded and described as follows:

EASTERLY by Guild Street, one hundred ninety and 83/100 (190.83) feet; NORTHWESTERLY by Linden Street, one hundred forty-four (144) feet; SOUTHWESTERLY by land now or formerly of Winslow Faunce, one hundred sixteen (116) feet; and SOUTHERLY by land now or formerly of Elia E. Pratt, thirty-six and 87/100 (36.87) feet.

Containing 11,485 square feet, more or less.

Excepting so much of the above described premises as was taken by the Town of Norwood, by taking dated August 29, 1929, recorded with Norfolk Deeds, Book 1866, Page 7 and by a 1963 taking recorded at Book 4125, Page 708 shown on Plan 1288 of 1963 at Book 4125, Page 708.

B. Lot A on a plan entitled "Plan of Land in Norwood, Mass." Drawn by Norwood Engineering Co., Inc. dated October 7, 1965 and recorded with Norfolk Registry of Deeds as Plan No. 1149 of 1965 at Book 4305, Page 589, bounded and described as follows:

NORTHWESTERLY by Linden Street, seventy-nine and 18/100 (79.18) feet, as shown on said plan; NORTHEASTERLY by land now or formerly of Percy O. and Nellie G. Russell, one hundred sixteen (116.00) feet, as shown on said plan; SOUTHEASTERLY by land now or formerly of Herbert W. Anderson, Trustees seventy-six and 50/100 (76.50) feet, as shown on said plan; and SOUTHWESTERLY by land now or formerly of Stanley B. Pierce, Trustee, one hundred nine and 80/100 (109.80) feet, as shown on said plan.

Containing 8,774 square feet according to said plan.

**TRACT III – East Hoyle Street:**

A certain parcel of land, situated on the south side of East Hoyle Street in Norwood, Norfolk County, Massachusetts, designated as Pcl A2 on a plan entitled "Plan of Land in Norwood, Mass." Dated April 21, 1988, drawn by Pilling Engineering Company Inc., and recorded as Plan No. 473 of 1988 at Book 7969, Page 553, being bounded and described, according to said plan, as follows:

NORTHERLY by East Hoyle Street, fifty and 00/100 (50.00) feet; EASTERLY by Pcl A1 in two courses, a total distance of one hundred nine and 46/100 (109.46) feet; NORTHEASTERLY by Pcl A1 eighty five and 71/100 (85.71) feet; EASTERLY by land formerly of New York, New Haven and Hartford Railroad and now of the M.B.T.A. four hundred sixty four and 05/100 (464.05) feet; SOUTHERLY by land now or formerly of Vernard W. Van Ham, one hundred ninety eight and 75/100 (198.75) feet; WESTERLY by land now or formerly of Sansone Realty Trust, two hundred twenty eight and 61/100 (228.61) feet; NORTHEASTERLY by land now or formerly of Sansone Realty Trust, sixty-five and 00/100 (65.00) feet; and WESTERLY by land now or formerly of Sansone Realty Trust in two courses, a total and NORTHWESTERLY distance of three hundred fifty eight and 79/100 (358.79) feet.

Containing according to said plan 82,656 square feet of land.

With the appurtenant benefit of rights, easements, and other matters of record set forth or referred in the deed from Norwood Lumber Company to the Beaver Coal & Grain Co., Inc, recorded at Book 4437, Page 622.

**TRACT IV – 52 Guild Street:**

A certain parcel of land in Norwood, Norfolk County, Mass., being shown as Lot 8, Town of Norwood Assessors, Map 2, Sheet 7, a copy of which is duly filed with the Norfolk Registry of Deeds and being bounded and described as follows:

SOUTHWESTERLY by Guild Street, 6 rods, ninety nine (99) feet; NORTHWESTERLY by land now or formerly of Talbot, 7 rods, one hundred fifteen and 50/100 (115.50) feet; NORTHEASTERLY by land now or formerly of Day, 6 rods, ninety nine (99) feet; and SOUTHEASTERLY by land now or formerly of Day, 7 rods, one hundred fifteen and 50/100 (115.50) feet; together with the benefit of appurtenant rights and easements set forth in Easement Agreement between William E. Juslin, Trustee and Stephen Stone et ux dated September 21, 1972 and recorded at Book 4870, Page 736.

Also together with the benefit of Exclusive Use Easement from the Town of Norwood to CaritasNorwood Hospital, Inc. dated June 15, 1999 and recorded at Book 13637, Page 197.

Note: Square footage/acreage is not insured.

**Site: 10-0088 MA**

RE: 71 Walnut St., Foxborough, MA

**Parcel One:**

The land with the buildings thereon situated in Foxborough, Norfolk County, Massachusetts described as follows:

Lot 2 shown on a plan entitled "Plan of Land in Foxborough, Mass.", dated May 31, 1977 by Norwood Engineering Co., Inc., recorded with Norfolk County Registry of Deeds in Plan Book 270, Plan 762.

Note: Square footage/acreage is not insured.

The premises are also described as follows:

**SURVEYORS METES & BOUNDS DESCRIPTION**

**Parcel One, Lot 2**

A certain Parcel of land situated in the Town of Foxborough, County of Norfolk, Commonwealth of Massachusetts bounded and described as follows:

Beginning at a Drill Hole on the southeasterly side of Walnut Street, Said point being the northwesterly corner of the herein described Parcel.

Thence: N 52° 03' 23" E along the southeasterly side of Walnut Street for a distance of 111.41 feet to a point.

Thence: N 54° 32' 33" E along the southeasterly side of Walnut Street for a distance of for a distance of 75.88 feet to a point.

Thence: N 51° 54' 19" E along the southeasterly side of Walnut Street for a distance of for a distance of 433.96 feet to a point.

Thence: N 56° 39' 47" E along the southeasterly side of Walnut Street for a distance of 898.23 northwesterly side of Interstate Route 95 to a point.

Thence: S 24° 15' 20" W along the northwesterly side of Interstate Route 95 for a distance of 1764.90 feet to a point. Thence: N 35° 05' 36" W for a distance of 898.55 feet to the southeasterly side of Walnut Street to the point of beginning.

**Site: 10-0126 MA**

Real property at 76 and 80 Pond Street, in the Town of Norfolk, County of Norfolk, Commonwealth of Massachusetts, described as follows:

Lots 4 and 5 on plan entitled "Plan of Land in Norfolk, Mass.", dated August 26, 1980 by Norwood Engineering Company, Inc., recorded with said Deeds as Plan No. 852 of 1980 in Plan Book 284. Said Lot 4 contains 43,600 square feet; and said Lot 5 contains 43,600 square feet all as shown on the aforesaid plan.

Note: Square footage/acreage is not insured.

The premises are also described as follows:

**SURVEYOR'S METES & BOUNDS DESCRIPTION:**

**LOT 4**

A certain Parcel of land situated in the Town of Norfolk, County of Norfolk, Commonwealth of Massachusetts. Bounded and described as follows;

Beginning at a point on the southwesterly side of Pond Street. Said point being the southeasterly corner of the herein described parcel, Said point also being S 20° 34' 00" E of a Massachusetts Highway Bound.

Thence: S 41° 26' 40" W for a distance of 156.92 feet to a point.

Thence: N 48° 33' 20" W for a distance of 217.80 feet to a point. Thence: N 41° 26' 40" E for a distance of 120.81 feet to a point.

Thence: Along a curve to the right having a radius of 125.00 feet and a length of 61.06 feet to a point.

Thence: N 69° 26' 00" E for a distance of 55.44 feet to a point.

Thence: Along a curve to the right having a radius of 20.00 feet and a length of 31.42 feet to the southwesterly side of Pond Street to a point. Thence: S 20° 34' 00" E along the southwesterly side of Pond Street for a distance of 170.00 feet to the point of beginning.

Said Parcel containing 43,600 square feet or 1.001 acres of land, more or less.

**LOT 5**

A certain Parcel of land situated in the Town of Norfolk, County of Norfolk, Commonwealth of Massachusetts. Bounded and described as follows;

Beginning at a point on the southwesterly side of Pond Street. Said point being the northeasterly corner of the herein described parcel, Said point also being 23.42 feet north of a Massachusetts Highway Bound.

Thence: S 20° 34' 00" E along the southwesterly side of Pond Street for a distance of 200.00 feet to a point.

Thence: S 69° 26' 00" W for a distance of 230.87 feet to a point.

Thence: N 20° 34' 00" W for a distance of 177.70 feet to a point.

Thence: N 63° 54' 54" E to the southwesterly side of Pond Street for a distance of 231.95 feet to the point of beginning.

Said Parcel containing 43,600 square feet or 1.001 acres of land, more or less.

**Site: 11-0240 MA**

**Re: 200 Broadway**

The land with the buildings thereon shown as Parcel A1 shown on plan entitled "#200 Broadway, Plan of Land in Norwood, MA", dated October 15, 2010 by Glossa Engineering, Inc., recorded with Norfolk County Registry of Deeds at Plan Book 603, Page 10.

**Exhibit B-1**

Permitted Exceptions - Carney Land

1. Taking of easements for sewer purposes in Dorchester Avenue by the Board of Street Commissioners of the City of Boston dated December 15, 1915, recorded in Book 3929, Page 352; as affected by terms of License to Locate and Maintain a Structure Over Sewer Easement dated January 22, 1969, recorded in Book 8263, Page 214; as further affected by Attorney's Certificate of Relevancy dated April 23, 1981, recorded in Book 9737, Page 70.
2. Rights and easements as reserved in a Deed from the City of Boston to the Carney Hospital dated December 28, 1949, recorded in Book 6572, Page 271 as affected by terms of License to Locate and Maintain a Structure Over Sewer Easement dated January 22, 1969, recorded in Book 8263, Page 214; as further affected by Attorney's Certificate of Relevancy dated April 23, 1981, recorded in Book 9737, Page 70.
3. Rights of the public into Hutchinson Street as shown on a plan entitled "Subdivision Plan of Land in Boston (Dorchester District), Mass." dated January 31, 1966, by J.F. Hennessy, C.E., recorded in Book 8151, Page 276.
4. Ten (10) foot sewer easement as shown on a Plan entitled "Plan of Land in Boston, Mass. (Dorchester District) dated January 31, 1966, recorded in Book 8151, Page 276 as affected by terms of License to Locate and Maintain a Structure Over Sewer Easement dated January 22, 1969, recorded in Book 8263, Page 214; as further affected by Attorney's Certificate of Relevancy dated April 23, 1981, recorded in Book 9737, Page 70.
5. Reciprocal Easement Agreement between Steward Carney Hospital and HTA - Carney MOB, LLC dated March 29 2012, recorded at Book 43909, Page 37.
6. Easements set forth and reserved in a deed from The Carney Hospital, dated September 3, 1982 and recorded at Book 10058, Page 5.
7. City of Boston Park Easement shown on a Plan recorded in Plan Book 2013, Plan 35 on February 4, 2013.
8. Ground Lease, including a right of first refusal, between Steward Carney Hospital, Inc. as Landlord and HTA - Carney MOB, LLC as Tenant, dated March 29, 2012 as evidenced by a Notice of Ground Lease dated March 29, 2012 and recorded at Book 49309, Page 22, as further affected by Subordination of Mortgage by JP Morgan Chase Bank, N.A., as Administrative Agent dated March 28, 2012 and recorded on April 3, 2012 at Book 49309, Page 52, as affected by affected by a Termination of Ground Lease, recorded with said Deeds, Book 51465, Page 169. (Affects Easement Parcel only)
9. Master Lease between HTA - Carney MOB, LLC, as Landlord and Steward Carney Hospital, Inc., as Tenant, dated March 29, 2012 as evidenced by a Notice of Ground Lease dated March 29, 2012 and recorded at Book 49309, Page 30, as affected by Subordination of Mortgage by JP Morgan Chase Bank, N.A., as Administrative Agent dated March 28, 2012 and recorded on April 3, 2012 at Book 49309, Page 52, as affected by Amended and Restated Notice of Lease recorded with said Deeds Book 51465, Page 203. (Affects Easement Parcel only)

10. Reciprocal Easement Agreement between Steward Carney Hospital, Inc. and JP Morgan Chase Bank, 0.A., as Administrative Agent, recorded at Book 49309, Page 37, as affected by Amended and Restated Reciprocal Easement Agreement, dated May 15, 2013, recorded with said Deeds, Book 51465, Page 183.

11. Right of First Refusal Agreement, as to Lot B-1 shown on Plan Book 2013, Plan 35, recorded with said Deeds, Book 51465, Page 179. (Affects Easement Parcel only)

12. The following matters shown on a Plan of Survey entitled "ALTA/NSPS Land Title Survey in Boston, MA (Suffolk County) Steward Carney Hospital" Scale 1" = 30' Date: September 28, 2016 Prepared by Precision Land Surveying, Inc. (the "Survey"):

a. granite retaining wall encroaches onto Dorchester Avenue by up to 5';

b. possible encroachments of all parking spaces, driveways, pavement and any other items, party walls and access issues between the Land (Lot A-1) and Lot B-1;

c. wall and sign from park on land N/F City of Boston "Dorchester Park" encroach onto Land.

**Exhibit B-2**

Permitted Exceptions - Holy Family Land (Merrimack Valley)

1. Easement granted by the City of Haverhill to New England Telephone and Telegraph Company dated August 27, 1992 and recorded at Book 11455, Page 35.
2. Order dated May 5, 1998 accepting Katsaros Drive as a public way recorded at Book 14941, Page 363.
3. Order dated September 9, 1997 accepting Brown Street and Savage Street as public ways and recorded at Book 14941, Page 374.
4. Restrictions set forth in Deed from the City of Haverhill to Essent Healthcare of Massachusetts, Inc. dated as of September 1, 2001 and recorded at Book 17695, Page 72.
5. Failure to comply with the compliance with requirements of M.G.L. Chapter 44, Section 63A in the deed from the City of Haverhill to Essent Healthcare of Massachusetts, Inc. and the related Reversionary Interest Agreement by and between Essent Healthcare of Massachusetts, Inc. and The City of Haverhill dated as of September 1, 2001 and recorded in Book 17695, Page 80.
6. Easement from Essent Healthcare of Massachusetts, Inc. to Verizon New England Inc. (formerly known as New England Telephone and Telegraph Company) and Massachusetts Electric Company dated March 14, 2006 and recorded at Book 25508, Page 573.
7. Terms and provisions of Declaration of Covenants, Restrictions and Reciprocal Easement Agreement by and between Essent Healthcare of Massachusetts, Inc. and Health Care Property Investors, Inc. dated March 15, 2007 and recorded at Book 26651, Page 532.
8. Matters as shown or disclosed on a plan entitled, "ALTA/NSPS Land Title Survey in Haverhill, MA (Essex County) Merrimack Valley Hospital" Scale 1' = 40' dated September 21, 2016 prepared by Precision Land Surveying, Inc. (the "Survey") as follows:
  - a. Light Pole encroaches onto land Now or Formerly of the City of Haverhill by up to 1';
  - b. Pool encroaches onto locus by up to 12';
  - c. Fence and yard encroach onto locus by up to 14';
  - d. Car port encroaches onto locus by up to 7.8';
  - e. Fence encroaches onto Savage Street by up to 7';
  - f. Driveway crosses land now or formerly of the City of Haverhill;
  - g. Roadway pavement encroaches onto locus by up to 7'
9. Notice of Decision by Haverhill Board of Appeals for Zones recorded at Book 16861, Page 66.



**Exhibit B-3**

Permitted Exceptions – Nashoba Land

1. Taking by the County Commissioners for the County of Middlesex of an easement in Washington Street in Ayer as a public highway dated October 21, 1932, and recorded at Book 5685, Page 277.
2. Rights and Easements set forth in grant to New England Telephone and Telegraph Company for the laying, construction and maintenance of underground cables dated August 26, 1970, and recorded at Book 11890, Page 361.
3. Rights reserved in a grant of easement from George V. Moore to the Nashoba Community Hospital of the right to construct over a strip of land twenty feet (20) wide over the land of said Moore sewerage pipe lines, manholes and other appurtenances thereto dated October 6, 1970, and recorded at Book 11901, Page 87.
4. Sewer Easement Agreement between the Nashoba Community Hospital and the Centre Corporation of Acton, permitting Centre Corporation to hook into the sewerage line and system of the Hospital and, the sharing of certain expenses with the Centre Corporation dated February 12, 1972 and recorded at Book 12157, Page 415.
5. Zoning decision, Town of Ayer Zoning Board of Appeals, Notice of which is dated July 1, 1987 and recorded at Book 19294, Page 336.
6. Easements set forth in grant to Massachusetts Electric Company dated September 29, 1988 and recorded at Book 19430, Page 236.
7. Terms and provision of Lease in which the Nashoba Community Hospital, Inc. is the Landlord and Healthcare Alternatives, Inc. is the Lessee, Notice of which is dated November 7, 1988 and recorded at Book 19489, Page 428, as affected by Assignment and Assumption of Leasehold and Release Agreement in favor of Apple Valley Limited Partnership dated July 31, 1996 and recorded at Book 26553, Page 566, Notice of Second Amended and Restated Ground Lease dated as of July 31, 1996 and recorded at Book 26553, Page 571, and as affected by Assignment and Assumption Agreement dated as of November 18, 2004 and recorded at Book 44147, Page 584, and as amended by Notice of Third Amended and Restated Ground Lease dated as of January 1, 2005 and recorded at Book 44586, Page 420; as assigned by Essent Healthcare - Ayer, Inc. to Nashoba Valley Medical Center, A Steward Family Hospital, Inc. by Assignment dated as of April 30, 2011 and recorded at Book 56806, Page 480.

NOTE: The Tenant's interest in this Lease is encumbered by the following matters a – e:

- a. Leasehold Mortgage by Health Care Alternatives, Inc. to Sentry Federal Savings Bank dated November 7, 1988 in the original principal amount of \$ 5,200,000.00 and recorded at Book 19489, Page 442 as assigned to New Bedford Institution for Savings by Assignment dated April 27, 1992 and recorded at Book 22011, Page 461.
- b. Collateral Assignment of Leases, Permits, Approvals, Construction Contracts, etc. by Health Care Alternatives, Inc. to Sentry Federal Savings Bank dated November 7, 1988 and recorded at Book 19489, Page 492.

- c. Collateral Assignment of Leases dated November 7, 1988 by Health Care Alternatives, Inc. to Sentry Federal Savings Bank dated November 7, 1988 and recorded at Book 19489, Page 501.
- d. Leasehold Mortgage and Security Agreement by the Apple Valley Limited Partnership to BayBank N.A. in the original principal amount of \$ 6,850,000.00 and \$500,000.00 dated July 31, 1996 and recorded at Book 26554, Page 1.
- e. Collateral Assignment of Lease and Rents dated July 31, 1996 by the Apple Valley Limited Partnership to BayBank NA and recorded at Book 26554, Page 34.
8. Terms and provisions of Easement Agreement dated November 17, 1988 by and between the Nashoba Community Hospital, Inc. and Health Care Alternatives, Inc. and recorded in Book 19489, Page 432, as amended by Amendment of Easement Agreement dated July 31, 1996 and recorded in Book 26553, Page 575.
9. Easement Agreement between The Nashoba Community Hospital, Inc. and James Brook Properties, Inc. dated as of April 13, 1989 and recorded in Book 19822, Page 436.
10. Covenants, conditions, restrictions, reservations, easements, liens for common charges, options, powers of attorney, limitations on title and the fee interest in the Medical Office Building created by the Commonwealth of Massachusetts General Laws Chapter 183A, as amended or set forth in the Master Deed of Nashoba Medical Condominium dated June 18, 1990 and recorded with Middlesex South County Registry of Deeds at Book 20629, Page 227, in the related Declaration of Trust, in the related By-Laws, in any instrument creating the estate or interest insured by this policy, and in any of the instruments aforesaid; and as amended by an Amendment to Master Deed dated January 30, 2013 in Book 61197, Page 81.
11. Terms and provisions of Lease in which the Nashoba Community Hospital, Inc. is the Landlord and Joseph M. Arcidi is the Tenant, dated August 2, 1990, Notice of which is recorded in Book 20695, Page 490. (Proportional interest 5.93 % in land only on 19,463 square foot parcel).
12. Terms and provisions of Lease in which Nashoba Community Hospital Corporation is the Landlord and Dr. Jonathan L. Held is the Tenant dated June 22, 1994, Notice of which is recorded in Book 24638, Page 395 (encumbers proportionate interest (4.87%) in land only of the 19,463 square foot parcel.
13. Terms and provisions of Lease in which the Nashoba Community Hospital, Inc. is the Landlord and Amin Rathore and Nahid Rathore are the Tenants, dated August 9, 1990, Notice of which is recorded at Book 20706, Page 256. (Proportional interest [4.69%] in land only on 19,463 square foot parcel.)
14. Terms and provisions of Lease in which the Nashoba Community Hospital, Inc. is the Landlord and Terrance C. Hack and Jocelyn R. Hack are the Tenants dated August 9, 1990, Notice of which is recorded in Book 20706, Page 291. (Proportional interest [6.53%] in land only on 19,463 square foot parcel.), as affected by an attachment recorded at Book 50247 Page 508 against Terrence C. Hack and Jocelyn R. Hack.
15. Terms and provisions of Lease in which the Nashoba Community Hospital, Inc. is the Landlord and Paul L. Gunderson and Lee Ana V. Gunderson are the Tenants dated August 13, 1990, Notice of which is recorded in Book 20710, Page 519. (Proportional interest [9.05%] in land only in 19,463 square foot parcel.)

16. Terms and provisions of Lease in which the Nashoba Community Hospital, Inc. is the Landlord and Sophia K. Bogdasarian is the tenant dated August 14, 1990, Notice of which is recorded in Book 20714, Page 62. (Encumbers proportionate interest [6.26%] in land only in 19,643 square foot parcel.)

17. Terms and provisions of Lease in which the Nashoba Community Hospital, Inc. is the Landlord and Kenneth A. Janes and Sandra M. Janes are the Tenants, dated August 14, 1990, Notice of which is recorded in Book 20714, Page 89. (Encumbers Proportionate Interest [5.14%] in land only of the 19,463 square foot parcel.)

18. Terms and provisions of Lease in which the Nashoba Community Hospital, Inc. is the Landlord and James L. Barzun and Kathleen A. Barzun, Trustees of J & K Barzun Realty Trust dated June 6, 1990 recorded with the Middlesex South Registry of Deeds in Book 20698, Page 505, are the Tenants dated August 8, 1990, Notice of which is recorded in Book 20704, Page 91. (Proportional interest [5.21 %] in land only on 19,463 square foot parcel.)

19. Terms and provisions of Lease in which the Nashoba Community Hospital, Inc. is the Landlord and Gary L. Stanton and Rebecca H. Stanton are the Tenants dated August 14, 1990, Notice of which is recorded in Book 20714, Page 125. (Encumbers proportionate interest [4.73%] in land only of the 19,463 square foot parcel.)

20. Terms and provisions of Lease in which Nashoba Community Hospital, Inc. is the Landlord and George D. Sydlar and Anne-Marie Sydlar are the tenants, dated August 16, 1990, Notice of which is recorded in Book 20719, Page 109. (Encumbers proportionate interest [4.88%] in land only of 19,463 square foot parcel.)

Note: The Leases described in items 11 through 20, inclusive, have been assigned to Essent Healthcare — Ayer, Inc. by Assignment and Assumption Agreement by and between Essent Healthcare-Ayer, Inc. and Nashoba Community Hospital Corporation dated as of November 18, 2004 and recorded in Book 44147, Page 584.

21. Terms and provisions of Assignment and Assumption Agreement by and between Essent Healthcare-Ayer, Inc. and Nashoba Community Hospital Corporation dated as of November 18, 2004 and recorded in Book 44147, Page 584, and Assignment and Assumption Agreement from Essent Healthcare — Ayer, Inc. to Nashoba Valley Medical Center, A Steward Family Hospital, Inc. dated April 30, 2011 and recorded in Book 56806, Page 480.

22. Terms and provisions of Option to Repurchase Agreement by and between Essent Healthcare-Ayer, Inc. and Nashoba Community Hospital Corporation dated December 31, 2002, recorded in Book 37552, Page 281.

23. Easement Agreement by and between Essent Healthcare-Ayer, Inc. and Beverly B. Smith, et al, dated January 5, 2004, recorded in Book 44945, Page 398.

24. Easement from Essent Health Care—Ayer, Inc. to Massachusetts Electric Company dated March 9, 2007 recorded in Book 49303, Page 386.

25. Notice of Ground Lease by and between Nashoba Valley Medical Center, as Landlord and HTA-Nashoba MOB 2, LLC, as Tenant affecting property at 198 Groton Road, Ayer, recorded with said Deeds in Book 58821, Page 228, as affecting by Termination of Ground Lease by and between Nashoba Valley Medical Center, A Steward Family Hospital, Inc., and HTA-Nashoba MOB 2, LLC, dated May 15, 2013, recorded with said Deeds, Book 61832, Page 315.

26. Notice of Lease dated March 29, 2012 by HTA-Nashoba MOB 2 LLC, as Landlord, and Nashoba Valley Medical Center, as Tenant, affecting property 198 Groton Road, Ayer, recorded with said Deeds, Book 58821, Page 235, as affected by Amended and Restated Notice of Lease by and between HTA-Nashoba MOB 2, LLC and Nashoba Valley Medical Center, A Steward Family Hospital, Inc. dated May 15, 2013, recorded with said Deeds, Book 61832, Page 348.
27. Provisions of a Reciprocal Easement Agreement, dated March 29, 2012, recorded with said Deeds, Book 58821 Page 242, as affected by Amended and Restated Reciprocal Easement Agreement, dated May 15, 2013, recorded with said Deeds, Book 61832, Page 329 , as affected by a Lender's Consent and Subordination recorded in Book 61832, Page 341, as affected by a Lender's Consent and Subordination recorded in Book 61832, Page 343.
28. Notice of Ground Lease by and between Nashoba Valley Medical Center, as Landlord and HTA-Nashoba MOB 1, LLC, as Tenant affecting property at 190 Groton Road, Ayer, recorded with said Deeds, Book 58821 Page 451, as affected by Termination of Ground Lease by and between Nashoba Valley Medical Center, A Steward Family Hospital, Inc. and HTA-Nashoba MOB 1, LLC, dated May 15, 2013, recorded with said Deeds, Book 61832, Page 151.
29. Notice of Lease by and between HTA-Nashoba MOB 1 LLC, as Landlord, and Nashoba Valley Medical Center, as Tenant, recorded with said Deeds in Book 58821, Page 459, as affected by Amended and Restated Notice of Lease by and between HTA-Nashoba MOB 1, LLC and Nashoba Valley Medical Center, A Steward Family Hospital, Inc., dated May 15, 2013, recorded in Book 61832, Page 167.
30. Provisions of an Easement Agreement, dated June 4, 2012, recorded with said Deeds, Book 59433 Page 359.
31. Matters as shown or disclosed on a plan entitled, "ALTA/NSPS Land Title Survey in Ayer, MA (Middlesex County) Nashoba Valley Medical Center" dated September 26, 2016, prepared by Precision Land Surveying, Inc. (the "Survey"), as follows:
  - a. Utility lines enter the Land from Washington Street, also known as Groton Road;
  - b. Elevated walkway connects Medical Office Building Condominiums with Medical Center without benefit of easement;
  - c. The most recent plan shows town lines between Groton and Ayer running inside northerly boundary line of Land. Record plan shows all Land within Town of Ayer. Further, Groton does not have a tax parcel for this strip;
  - d. Encroachment of Parking Spaces, Detention Basin, Driveways, Hydrant and Access issues between abutting Lot B and Lot A;
  - e. Overhead wires cross land N/F HTA- Nashoba MOB 2, LLC from Washington Street a/k/a Groton Road onto Land; and
  - f. 1 story building encroaches over Verizon easement shown as Item 36 of Schedule B II.
32. Notice of Right of First Refusal Agreement by and between HTA-Nashoba MOB 2, LLC and Nashoba Valley Medical Center, A Steward Family Hospital, Inc., dated May 15, 2013, recorded with said Deeds, Book 61832, Page 325.

33. Easement to Massachusetts Electric Company, dated February 20, 2015, recorded with said Deeds, Book 64989, Page 571.

34. Notice of Right of First Refusal Agreement by and between HTA-Nashoba MOB 1, LLC and Nashoba Valley Medical Center, A Steward Family Hospital, Inc. dated May 15, 2013, recorded with said Deeds, Book 61832, Page 163.

**Exhibit B-4**

Permitted Exceptions – Norwood Land

1. The following matters shown on a plan of survey entitled “ALTA/NSPS Land Title Survey in Norwood, MA (Norfolk County) Norwood Hospital Sites 10-0063 & 11-0240 800 Washington Street, 52 Guild Street & 200 Broadway Date: September 21, 2016” Prepared by Precision Land Survey, Inc. (the “Survey”):
  - a. Overhead wire crosses Locus;
  - b. Sign exists in Broadway by up to 4.1”
  - c. Railing extends into East Hoyle Street by up to 5.8’;
  - d. Retaining wall extends into Washington Street by up to 3.0’;
  - e. Posts exist into Washington Street by up to 2.3’;
  - f. Fence crosses lot line onto Land now or formerly of the MBTA;
  - g. Overhead wire crosses Locus;
  - h. Access to parking area crosses boundary lines;
  - i. Parking lot in use by the Hospital property;
  - j. Parking spaces encroach onto Locus and granted Driveway Easement;
  - k. Posts restricts access to the lot line and granted Driveway Easement;
  - l. Retaining wall encroaches onto Guild Street by up to 2.3’; and
  - m. Lot B is not Locus and not insured.
2. Abandonment of Easement by the Town of Norwood dated August 23, 1977 and recorded at Book 5513, Page 473 as shown on Plan No. 778 (including therein certain rights of reversion in favor of the Town of Norwood): as affected by Amendment of Abandonment of Easements for Highway Purposes of Winter Street between Washington Street and Linden Street in the Town of Norwood by the Board of Selectmen of the Town of Norwood dated February 2, 1982 and recorded at Book 5973, Page 226.
3. Sewer pipe easement as recited in Deed from Margaret A. King to Percy O. Russell, et ux dated December 7, 1944 and recorded at Book 2523, Page 125 and as set forth in Deed from NVHS Management Services, Inc. to Norwood Hospital dated October 4, 1991 and recorded at Book 9091, Page 104.
4. Easements and rights related to a 20’ wide driveway reserved in Deed from Norwood Lumber Company to the Beaver Coal and Grain Co. dated June 27, 1967 and recorded at Book 4437, Page 622. Affects III

5. Covenant and easements related to common parking areas as set forth in an agreement between William E. Juslin, Trustee and Stephen Stone et ux dated September 21, 1972 and recorded at Book 4870, Page 736. Affects IV
6. Zoning Notice of Variance - Conditional Special Permit Decision by the Town of Norwood Zoning Board of Appeals dated February 5, 1973, notice of which is recorded at Book 4915, Page 211.
7. Zoning Decision for Special Permit by the Town of Norwood Zoning Board of Appeals dated September 25, 1979, notice of which is recorded at Book 5675, Page 270.
8. Drainage Easement as set forth in Deed from the Town of Norwood to Norwood Hospital dated April 8, 1980 and recorded at Book 5723, Page 732, shown in Plan Book 280, Plan 265.
9. Zoning Decision for Special Permit by the Town of Norwood Zoning Board of Appeals dated April 23, 1981, notice of which is recorded at Book 5865, Page 566.
10. Zoning Decision for Special Permit by the Town of Norwood Zoning Board of Appeals dated June 23, 1981, filed August 3, 1981 and Amendment thereto dated August 11, 1981 and filed August 20, 1981 by the Town of Norwood Zoning Board of Appeal, notice of which is certified September 11, 1981 and recorded at Book 5928, Page 460.
11. Zoning Decision for Special Permit Case No. 85-19, by the Town of Norwood Zoning Board of Appeal dated May 14, 1985, notice of which is recorded at Book 6693, Page 617.
12. Zoning Decision for Special Permit Case No. 88-23, by the Town of Norwood Zoning Board of Appeal dated May 3, 1988 notice of which is recorded at Book 8088, Page 193.
13. Zoning Decision for Special Permit Case No. 85-33, by the Town of Norwood Zoning Board of Appeal dated August 20, 1985 notice of which is recorded at Book 8088, Page 198; as affected by Amendment dated June 10, 1986 and recorded at Book 8088, Page 202.
14. Zoning Decision for Special Permit Case No. 82-14, by the Town of Norwood Zoning Board of Appeal dated March 23, 1982, notice of which is recorded at Book 8088, Page 203.
15. Zoning Decision for Special Permit Case No. 9-91, by the Town of Norwood Zoning Board of Appeal dated April 9, 1991, notice of which is recorded at Book 8914, Page 178.
16. Zoning Decision for Variance Case No. 92-07, by the Town of Norwood Zoning Board of Appeal dated June 16, 1992, notice of which is recorded at Book 9470, Page 308.
17. Zoning Decision, Case No. 92-40, by the Town of Norwood Zoning Board of Appeal dated August 18, 1992, notice of which is recorded at Book 9510, Page 258.
18. Notice of Activity and Use Limitation by Norwood Hospital dated April 10, 1997 and recorded at Book 11778, Page 002.
19. Terms and provisions, including rights of reverter, contained in Exclusive Use Easement from the Town of Norwood to Caritas Norwood Hospital, Inc. dated June 15, 1999 recorded at Book 13637, Page 197. (Reverter affects easement only)

20. Zoning Decision, Case No. 99-34, by the Town of Norwood Zoning Board of Appeal dated July 28, 1959, notice of which is recorded at Book 13691, Page 547.
21. Zoning Decision, Case No. 03-33, by the Town of Norwood Zoning Board of Appeal dated July 14, 2003, notice of which is recorded at Book 19657, Page 56.
22. Grant of Easement from Caritas Norwood Hospital Inc. to the Trustees of Triple A Realty Trust for access purposes, dated March 7, 2008, recorded at Book 25728, Page 124 and located as shown on plan recorded in Plan Book 581, Page 98.
23. Alteration of grade crossing at Guild Street, by the Town of Norwood, recorded at Book 690, Page 261, as affected by a decree of the Norfolk Superior Court recorded at Book 914, Page 18.
24. Zoning Decision – Case #10-05 by the Town of Norwood Zoning Board of Appeal dated March 1, 2010 and recorded at Book 27560, Page 305.
25. Reciprocal Easement Agreement by and between Steward Norwood Hospital Inc. and HTA-St. Anne's MOB 1 LLC, dated December 28, 2012, recorded with said Deeds, Book 30881 Page 176.
26. Decision by the Norwood Zoning Board of Appeals, recorded with said Deeds, Book 31562, Page 495, as affected by an Amendment, recorded with said Deeds, Book 33252, Page 385, affecting 800 Washington Street.
27. Decision by the Norwood Planning Board, recorded with said Deeds, Book 31562, Page 502, affecting 800 Washington Street.

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**Exhibit C**

**Existing Leases**

None.

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**Exhibit D**

**Excluded Subsidiaries**

Steward PET Imaging LLC  
Tailored Risk Assurance Company, Ltd.  
Steward-Compass Ventures, LLC  
Miller Street Medical Center, LLC  
Steward Medical Laboratories LLC  
Steward Special Projects LLC  
Massachusetts Express Care, PLLC  
Orchard Surgical Center, LLC  
Provider Network Alliance, LLC

**Schedule 1-A**

MPT of Dorchester-Steward, LLC,

MPT of Methuen-Steward, LLC,

MPT of Norwood-Steward, LLC, and

MPT of Ayer-Steward, LLC,

each a Delaware limited liability company, collectively, jointly and severally, as Lender.

**Schedule 1-B**

Steward Carney Hospital, Inc.,

Steward Holy Family Hospital, Inc.,

Steward Norwood Hospital Inc., and

Nashoba Valley Medical Center, A Steward Family Hospital, Inc.,

each a Delaware corporation, collectively, jointly and severally, as Borrower.

**Schedule 1-C**

Non-Permitted Assignees

**National Providers**

HCA  
Tenet  
Community  
Regional Care / Capella  
IASIS  
Prime  
Prospect  
Ardent

**Payors**

Optum  
United  
BCBS of MA  
BCBS of RI  
CIGNA  
AETNA  
Tufts  
HPHC  
BMC Health Net  
Centene

**Local Providers**

Partners, et al.  
BIDCO/BIDPO  
Southcoast / Care New England  
Lifespan  
UMass  
Boston Medical Center  
Tufts Medical Center / Wellforce

**Schedule 2.1**

Allocations of Loan Proceeds

<u>Property</u>	<u>Allocation</u>
Carney	\$232,000,000
Holy Family (Merrimack Valley)	\$115,000,000
Nashoba	\$ 88,000,000
Norwood	\$165,000,000
	\$600,000,000

and, in each case, plus all out of pocket costs and expenses not included in such sum which are incurred or paid in connection with the mortgage loan with of each of the Properties, including, but not limited to property transfer taxes, legal, appraisal, title, survey, environmental, seismic, engineering and other fees and expenses paid in connection with the inspection of the Properties and each Facility, and paid to advisors and brokers (except to the extent such items are paid by the Borrower), and shall include the costs of Capital Additions financed by Lender (and Lender's Affiliates) as provided in Section 6.3 of this Agreement with respect to each Property. Notwithstanding any provision hereof, no item shall be included in the Loan Amount for purposes of this Agreement to the extent that such item (i) is paid separately by Borrower or is subject to a separate repayment obligation of Borrower, or (ii) was expressly required to be paid by Lender or its Affiliates pursuant to the Real Estate Contact.

**Schedule 6.3**

Capital Additions

With respect to any Capital Additions financed by Lender pursuant to Section 6.3, the following terms and conditions shall apply:

(a) Borrower agrees to pay or reimburse all of Lender's reasonable, out-of-pocket costs and expenses paid or incurred in connection with such Capital Addition, including the reasonable costs of any construction consultant engaged by Lender.

(b) Borrower shall submit to Lender a draw request in a form reasonably acceptable to Lender not less than twenty (20) days before the date on which Borrower desires a funding.

(c) Borrower shall have the sole right to designate and/or approve the general contractor, developer, architect, construction company, engineer and other parties that will participate in the construction and development of such Capital Addition (each a "Third Party Contractor"). Borrower shall control the preparation and negotiation of the definitive agreements with such Third Party Contractor's without giving Lender a reasonable opportunity to review and comment to such definitive agreements prior to execution.

(d) Borrower shall not authorize or permit any material change, modification, supplement or substitution to any construction contract, architect agreement, the site plan, the plans and specifications (or any working drawings), or the scope of work pursuant to any of the foregoing, without the prior written consent of Lender, which shall not be unreasonably withheld, conditioned or delayed.

(e) Borrower shall submit to Lender copies of all approvals, governmental approvals and permits necessary for such Capital Addition.

(f) Borrower shall provide Lender with all other customary documentation for projects similar in cost and scope of such Capital Additions, including without limitation, all executed contracts, collateral assignments of construction contracts and lien waivers in favor of Lender, and certificates of insurance and insurance policies required under the construction contract for such Capital Addition, showing Lender as named obligee, additional insured and loss payee.

**Schedule 21.22**

Agreements and Covenants relating to Certain Properties

None.

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

among

MEDICAL PROPERTIES TRUST, INC.

MPT OPERATING PARTNERSHIP, L.P.,  
as Borrower,

The Several Lenders from Time to Time Parties Hereto,

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent

BANK OF AMERICA, N.A.,  
as Syndication Agent

BARCLAYS BANK PLC, GOLDMAN SACHS BANK USA,  
KEYBANK NATIONAL ASSOCIATION, CITIZENS BANK, N.A., COMPASS BANK,  
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, CREDIT SUISSE AG,  
CAYMAN ISLANDS BRANCH, ROYAL BANK OF CANADA, SUNTRUST BANK,  
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., and  
WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Documentation Agents

Dated as of February 1, 2017

JPMORGAN CHASE BANK, N.A., and  
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,  
as Joint Lead Arrangers and Joint Bookrunners

BARCLAYS BANK PLC, GOLDMAN SACHS BANK USA, and  
KEYBANC CAPITAL MARKETS, INC.,  
as Joint Lead Arrangers

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A	Form of Guarantee Agreement
B	Form of Compliance Certificate
C	Form of Closing Certificate
D	Form of Assignment and Assumption
E	Form of Borrowing Request
F	Form of U.S. Tax Compliance Certificates
G	Form of Adherence Agreement
H	Form of Qualified Borrower Guarantee

AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT (this “Agreement”), dated as of February 1, 2017, among MEDICAL PROPERTIES TRUST, INC., a Maryland corporation (“Holdings”), MPT OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “Borrower”), any Subsidiary Borrower that becomes a party hereto pursuant to Section 10.22, the several banks and other financial institutions or entities from time to time parties to this Agreement (the “Lenders”), BANK OF AMERICA, N.A., as syndication agent (in such capacity, the “Syndication Agent”), the Documentation Agents listed on the cover to this Agreement, and JPMORGAN CHASE BANK, N.A., as administrative agent.

WHEREAS, Holdings, the Borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto are parties to an Amended and Restated Revolving Credit Agreement dated as of June 19, 2014, as amended to date (the “Existing Credit Agreement”); and

WHEREAS, the parties wish to amend and restate the Existing Credit Agreement in their entirety.

The parties hereto hereby agree to amend and restate the Existing Credit Agreement in their entirety as follows:

## SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

“2012 Senior Unsecured Note Indenture”: the Indenture dated as of February 17, 2012 entered into by the Borrower and MPT Finance Corp. in connection with the issuance of the 2012 Senior Unsecured Notes in the principal amount of \$350,000,000, together with all instruments, supplements and other agreements entered into by the Borrower and MPT Finance Corp. in connection therewith.

“2012 Senior Unsecured Notes”: the 6.375% Senior Notes due 2022 issued by the Borrower pursuant to the 2012 Senior Unsecured Note Indenture.

“2013 Senior Unsecured Note Indenture”: the Indenture dated as of October 10, 2013, as supplemented through the date hereof, entered into by the Borrower and MPT Finance Corp. in connection with the issuance of the 2013 Senior Unsecured Notes in the principal amount of €200,000,000 and the 2014 Senior Unsecured Notes in the principal amount of \$300,000,000, together with all instruments, supplements and other agreements entered into by the Borrower and MPT Finance Corp. in connection therewith.

“2013 Senior Unsecured Notes”: the 5.750% Senior Notes due 2020 issued by the Borrower pursuant to the 2013 Senior Unsecured Note Indenture.

“2014 Senior Unsecured Notes”: the 5.50% Senior Notes due 2024 issued by the Borrower pursuant to the 2013 Senior Unsecured Note Indenture.

“ABR”: for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Eurodollar Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the purpose of this definition, the Eurodollar Rate for any day shall be based on the LIBO Screen Rate at approximately 11:00 A.M. London time on such day (or, if the LIBOR Screen Rate is not available for such one month Interest Period, the Interpolated Rate). For purposes hereof: “Prime Rate” shall mean the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by JPMorgan Chase Bank, N.A. in connection with extensions of credit to debtors). Any change in the ABR due to a change in the Prime Rate, the NYFRB Rate or the Eurodollar Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate, the NYFRB Rate or the Eurodollar Rate, respectively.

“ABR Loans”: Loans denominated in Dollars the rate of interest applicable to which is based upon the ABR.

“Acceptable Jurisdiction”: Luxembourg and any other jurisdiction (other than the United States) acceptable to the Administrative Agent in its sole discretion, including, if requested by the Administrative Agent in its sole discretion, based on satisfactory advice received by it from local counsel in such jurisdiction with respect to the procedure for enforcement of a U.S. judgment in such jurisdiction, and the collection of such judgment from assets located there.

“Adherence Agreement”: an agreement substantially in the form of Exhibit G executed and delivered by the Borrower and a Subsidiary Borrower to the Administrative Agent in connection with the admission of such Subsidiary Borrower as a Borrower hereunder.

“Additional Credit Extension Amendment”: an amendment to this Agreement providing for any Incremental Commitments which shall be consistent with the applicable provisions of this Agreement relating to such Incremental Commitments and otherwise reasonably satisfactory to the Administrative Agent and the Borrower.

“Additional Senior Unsecured Indentures”: the 2012 Senior Unsecured Note Indenture, the 2013 Senior Unsecured Note Indenture and any other indenture entered into by the Borrower and its Subsidiaries in connection with the issuance of the Additional Senior Unsecured Notes, together with all instruments and other agreements entered into by the Borrower and its Subsidiaries in connection therewith.

“Additional Senior Unsecured Notes”: the 2012 Senior Unsecured Notes, the 2013 Senior Unsecured Notes, the 2014 Senior Unsecured Notes and any other senior unsecured notes issued by the Borrower that are *pari passu* with the Obligations and that are in an amount that would not cause a violation of any covenant set forth in Section 7.1 or any other provision of this Agreement after giving pro forma effect to the incurrence of the Indebtedness under such notes.

“Adjusted NOI”: for any fiscal period, the NOI (or pro rata share of NOI from any Real Property owned by an unconsolidated Subsidiary or joint venture of the Borrower) from any Real Property and adjusted to remove the effect of recognizing rental income on a straight-line basis over the applicable lease term.

“Administrative Agent”: JPMorgan Chase Bank, N.A., together with its affiliates (including J.P. Morgan Europe Limited with respect to Loans and Letters of Credit denominated in an Alternative Currency), as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors.

“Administrative Questionnaire”: an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate”: as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

“Agency Site”: the Electronic System established by the Administrative Agent to administer this Agreement.

“Agent Party”: as defined in Section 10.2(d)(ii).

“Agents”: the collective reference to the Syndication Agent, the Documentation Agents, and the Administrative Agent.

“Aggregate Exposure”: with respect to any Lender at any time, an amount equal to (a) until the Funding Date, the aggregate amount of such Lender’s Commitments at such time and (b) thereafter, the sum of (i) the aggregate then unpaid principal amount of such Lender’s Term Loans and (ii) the amount of such Lender’s Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender’s Revolving Extensions of Credit then outstanding.

“Aggregate Exposure Percentage”: with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the Aggregate Exposures of all Lenders at such time.

“Agreement”: as defined in the preamble hereto.

“Alternative Currency”: each of the following currencies: AUD, CAD, CHF, Euro, Sterling and Yen, together with each other currency (other than Dollars) that is approved in accordance with Section 1.4.

“Alternative Currency Equivalent”: at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Administrative Agent or the Issuing Lender, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Alternative Currency with Dollars.

“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.

“Anti-Corruption Laws”: all laws, rules, and regulations of any jurisdiction applicable to the Borrower and its affiliated companies from time to time concerning or relating to bribery or corruption.

“Applicable Margin”: for each Type of Loan, the rate per annum set forth in the Pricing Grids.

“Applicable Time”: with respect to any borrowings and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent or the Issuing Lender, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

“Application”: an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to issue a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with Section 3.1 of this Agreement), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit.

“Approved Fund”: as defined in Section 10.6(b)(i).

“Arrangers”: the financial institutions listed as “Joint Lead Arrangers and Joint Bookrunners” on the cover page to this Agreement.

“Assignee”: as defined in Section 10.6(b)(i).

“Assignment and Assumption”: an Assignment and Assumption, substantially in the form of Exhibit D.

“AUD”: the lawful currency of the Commonwealth of Australia.

“AUD Screen Rate”: with respect to any Interest Period, the average bid reference rate as administered by the Australian Financial Markets Association (or any other Person that takes over the administration of that rate) for AUD bills of exchange with a tenor equal to such Interest Period, displayed on page BBSY of the Reuters screen (or, in the event such rate does not appear on such Reuters page, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion) as of the Specified Time on the Quotation Day for such Interest Period.

**“Available Revolving Commitment”**: as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender’s Revolving Commitment then in effect over (b) such Lender’s Revolving Extensions of Credit then outstanding; provided, that in calculating any Lender’s Revolving Extensions of Credit for the purpose of determining such Lender’s Available Revolving Commitment pursuant to Section 2.8(a), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

**“Bail-In Action”**: means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

**“Bail-In Legislation”**: means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

**“Bankruptcy Event”**: with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

**“Baseline Conditions”**: as to any Wholly Owned Subsidiary of the Borrower, in connection with the admission of such Subsidiary as a Subsidiary Borrower hereunder, that such Subsidiary (a) at the time of the delivery by such Wholly Owned Subsidiary of its Adherence Agreement pursuant to Section 10.22, can truthfully and correctly make each of its representations and warranties in Section 4 in all material respects and (b) if such Subsidiary is not organized under the laws of any state of the United States, (i) shall be organized under the laws of an Acceptable Jurisdiction and (ii) shall have submitted for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, including for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof.

**“Benefitted Lender”**: as defined in Section 10.7(a).

**“Board”**: the Board of Governors of the Federal Reserve System of the United States (or any successor).

“Borrower”: as defined in the preamble hereto, and shall collectively include any Subsidiary Borrower that becomes a party hereto pursuant to Section 10.22.

“Borrowing Date”: any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

“Business”: as defined in Section 4.17(b).

“Business Day”: a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close; and when used in connection with a Eurodollar Loan for a LIBOR Quoted Currency, the term “Business Day” shall also exclude any day on which banks are not open for general business in London; and in addition, with respect to any date for the payment or purchase of, or the fixing of an interest rate in relation to, any Non-Quoted Currency, the term “Business Day” shall also exclude any day on which banks are not open for general business in the principal financial center of the country of that currency and, if the Loan or Letter of Credit which is the subject of a borrowing, drawing, payment, reimbursement or rate selection are denominated in Euro, the term “Business Day” shall also exclude any day on which the TARGET2 payment system is not open for the settlement of payments in Euro.

“CAD”: the lawful currency of Canada.

“Capital Lease Obligations”: as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

“Capital Stock”: any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including partnership interests, membership interests in a limited liability company, and beneficial interests in a trust, and any and all warrants, rights or options to purchase any of the foregoing.

“Cash Equivalents”: (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than \$500,000,000; (c) commercial paper of an issuer rated at least A-1 by Standard & Poor’s Ratings Services (“S&P”) or P-1 by Moody’s Investors Service, Inc. (“Moody’s”), or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any

commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000, or (i) in the case of any Foreign Subsidiary, Investments of comparable tenor and credit quality to those described in the foregoing clauses (a) through (h) customarily utilized in countries in which such Foreign Subsidiary operates for short-term cash management purposes; provided that such Investments shall only be included in Total Asset Value if they are freely available to be repatriated to the Borrower without adverse tax or accounting consequences.

"Cash Management Services": any cash management services that are (i) in effect on the Closing Date between a Loan Party and a counterparty that is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent as of the Closing Date or (ii) entered into after the Closing Date between a Loan Party and any counterparty that is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent at the time such services are entered into.

"CDOR Screen Rate": with respect to any Interest Period, the average rate for bankers acceptances as administered by the Investment Industry Regulatory Organization of Canada (or any other Person that takes over the administration of that rate) with a tenor equal to such Interest Period, displayed on CDOR page of the Reuters screen (or, in the event such rate does not appear on such Reuters page, on any successor or substitute page on such screen or service that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion) as of the Specified Time on the Quotation Day for such Interest Period.

"Change in Law": the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender or the Issuing Lender (or, for purposes of Section 2.18(b), by any lending office of such Lender or by such Lender's or the Issuing Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank

for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a “Change in Law” regardless of the date enacted, adopted or issued.

“CHF”: the lawful currency of Switzerland.

“Closing Date”: the date hereof.

“Code”: the Internal Revenue Code of 1986, as amended from time to time.

“Commitments”: as to any Lender, the Revolving Commitment and Term Commitments of such Lender.

“Commitment Fee Rate”: for any calendar quarter (a) 0.35% per annum if the average daily Revolving Commitment Utilization Percentage for such quarter is less than 50% and (b) 0.25% per annum if the average daily Revolving Commitment Utilization Percentage for such quarter is greater than or equal to 50%.

“Commodity Exchange Act”: the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Commonly Controlled Entity”: an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

“Communications”: as defined in Section 10.2(d)(ii).

“Compliance Certificate”: a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

“Conduit Lender”: any special purpose corporation organized and administered by any Lender for the purpose of making Loans otherwise required to be made by such Lender and designated by such Lender in a written instrument; provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 2.18, 2.19, 2.20 or 10.5 than the designating Lender would have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Commitment.

“Connection Income Taxes”: Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Tangible Net Worth”: as of any date of determination for Holdings and its Subsidiaries on a consolidated basis, consolidated shareholder’s equity (as reported on the consolidated balance sheet of Holdings in accordance with GAAP) minus assets of Holdings and its Subsidiaries that are considered to be intangible assets under GAAP (other than SFAS 141 Intangibles).

“Construction-in-Process”: cash expenditures for land and improvements with respect to Development Properties determined in accordance with GAAP.

“Continuing Directors”: the directors of Holdings on the Closing Date, and each other director, if, in each case, such other director’s nomination for election or appointment to the board of directors of Holdings is made by, or at the direction of, at least a majority of the then Continuing Directors.

“Contractual Obligation”: as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Credit Party”: the Administrative Agent, the Issuing Lender, the Swingline Lender or any other Lender.

“Credit Rating”: the publicly announced senior unsecured credit rating of the Borrower given by Moody’s, S&P or Fitch.

“Default”: any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Defaulting Lender”: any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding

Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, (d) has become the subject of a Bankruptcy Event or a Bail-In Action or (e) is the Subsidiary of a Parent that has become the subject of a Bankruptcy Event or a Bail-In Action. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (e) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.24(e)) upon delivery of written notice of such determination to the Borrower, the Issuing Lender, the Swingline Lender and each Lender.

"Development Property": a Real Property owned by the Borrower or one of its Subsidiaries on which the construction of a medical building of a type consistent with the Borrower's business strategy has commenced. Such Real Property shall be treated as a Development Property until construction is completed and a certificate of occupancy (or its equivalent in the applicable jurisdiction) has been issued.

"Discharged" means Indebtedness that has been defeased (pursuant to a contractual or legal defeasance) or discharged pursuant to the prepayment or deposit of amounts sufficient to satisfy such Indebtedness as it becomes due or irrevocably called for redemption in accordance with the terms of the instrument governing such Indebtedness (and regardless of whether such Indebtedness constitutes a liability on the balance sheet of the obligors thereof); *provided, however*, that Indebtedness shall be deemed Discharged if the payment or deposit of all amounts required for defeasance or discharge or redemption thereof have been made even if certain customary conditions thereto have not been satisfied, so long as such conditions are reasonably expected to be satisfied within 95 days after such prepayment or deposit.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer, or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Disqualified Institution": means (a) (i) a prospective assignee or successor administrative agent (other than a Lender or an Affiliate of a Lender) which is a REIT investing primarily in healthcare properties (including, without limitation, hospitals) and (ii) which as of any date of determination has been designated by the Borrower as a "Disqualified Institution" by written notice to the Administrative Agent and the Lenders (including by posting such notice to the Electronic System) not less than ten (10) Business Days prior to such date (*provided* that "Disqualified Institutions" shall exclude any Person that the Borrower has designated as no longer being a "Disqualified Institution" by written notice delivered to the Administrative Agent from time to time), or (b) an Affiliate of such REIT that is clearly identifiable as such based solely on the similarity of its name.

"Disqualified Institution List": has the meaning assigned to such term in Section 10.6(g).

"Documentation Agents": the financial institutions listed as "Documentation Agents" on the cover page of this Agreement.

“Dollar Equivalent”: at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any Alternative Currency, the equivalent amount thereof in Dollars as determined by the Administrative Agent or the Issuing Lender, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with such Alternative Currency.

“Dollar Term Commitment”: as to any Lender, (a) the obligation of such Lender, if any, to make a Dollar Term Loan to the Borrower in a principal amount not to exceed the amount set forth under the heading “Dollar Term Commitment” opposite such Lender’s name on Schedule 1.1A or (b) any incremental Commitments of such Lender to make New Term Loans pursuant to Section 2.23. The initial aggregate amount of the Dollar Term Commitments is \$200,000,000.

“Dollar Term Facility”: the Dollar Term Commitments and the Dollar Term Loans made thereunder.

“Dollar Term Lender”: each Lender that has a Dollar Term Commitment or that holds a Dollar Term Loan.

“Dollar Term Loan”: as defined in Section 2.1(a) and including any incremental Dollar Term Loans made pursuant to Section 2.23.

“Dollar Term Loan Maturity Date”: February 1, 2022.

“Dollar Term Percentage”: as to any Dollar Term Lender at any time, the percentage which such Lender’s Dollar Term Commitment then constitutes of the aggregate Dollar Term Commitments (or, at any time after the Funding Date, the percentage which the aggregate principal amount of such Lender’s Dollar Term Loans then outstanding constitutes of the aggregate principal amount of all of the Dollar Term Loans then outstanding).

“Dollars” and “\$”: dollars in lawful currency of the United States.

“Domestic Subsidiary”: any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

“EBITDA”: for any fiscal period for any Person, consolidated net income (or loss) before interest, taxes, depreciation and amortization, calculated for such period on a consolidated basis in conformity with GAAP, excluding gains and losses from extraordinary, unusual or non-recurring items, acquisition costs for completed acquisitions, write-offs of straight-line rent related to sold assets, asset sales or write-ups/write-downs and forgiveness of indebtedness.

“EBITDAR”: for any fiscal period for any Person, EBITDA of such Person plus rent or operating lease expense of such Person, calculated for such period on a consolidated basis in conformity with GAAP.

“EEA Financial Institution”: means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

“EEA Member Country”: means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority”: means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic Signature”: an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

“Electronic System”: any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and the Issuing Lender and any of its respective Related Persons or any other Person, providing for access to data protected by passcodes or other security system.

“Eligible Assignee”: (a) a Lender or any Affiliate or Approved Fund of such Lender, or (b) a bank, trust company, finance company, insurance company or any other Person that is regularly engaged in making, purchasing or investing in loans of a type similar to the Loans; provided that, notwithstanding the foregoing, “Eligible Assignee” shall not include (w) Holdings, the Borrower or any of their respective Subsidiaries or Affiliates, (x) any natural person, (y) any Defaulting Lender or (z) any Disqualified Institution.

“Environmental Laws”: any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

“ERISA”: the Employee Retirement Income Security Act of 1974, as amended from time to time.

“EU Bail-In Legislation Schedule”: means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Euro” and “€”: the single currency of the Participating Member States.

“Euro Term Commitment”: as to any Lender, the obligation of such Lender, if any, to make a Euro Term Loan to the Borrower in a principal amount not to exceed the amount set forth under the heading “Euro Term Commitment” opposite such Lender’s name on Schedule 1.1A. The initial aggregate amount of the Euro Term Commitments is €200,000,000.

“Euro Term Facility”: the Euro Term Commitments and the Euro Term Loans made thereunder.

“Euro Term Lender”: each Lender that has a Euro Term Commitment or that holds a Euro Term Loan.

“Euro Term Loan”: as defined in Section 2.1(b).

“Euro Term Loan Maturity Date”: January 31, 2020, subject to extension as provided in Section 2.26.

“Euro Term Percentage”: as to any Euro Term Lender at any time, the percentage which such Lender’s Euro Term Commitment then constitutes of the aggregate Euro Term Commitments (or, at any time after the Funding Date, the percentage which the aggregate principal amount of such Lender’s Euro Term Loans then outstanding constitutes of the aggregate principal amount of all of the Euro Term Loans then outstanding).

“Eurodollar Base Rate”: with respect to each day during each Interest Period pertaining to a Eurodollar Loan (a) for any LIBOR Quoted Currency, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for the relevant currency for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; in each case the “LIBO Screen Rate”) at approximately 11:00 A.M., London time, two Business Days prior to the commencement of such Interest Period, and (b) for any Non-Quoted Currency, the applicable Local Screen Rate for such Non-Quoted Currency as of the Specified Time and on the Quotation Day for such currency and Interest Period; provided that, if the LIBO Screen or Local Screen Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement and provided, further, if the LIBO Screen Rate or Local Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”) with respect to the applicable currency then the Eurodollar Base Rate shall be the Interpolated Rate, provided, that, if any Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Eurodollar Loans”: Loans the rate of interest applicable to which is based upon the Eurodollar Rate. Eurodollar Loans may be denominated in Dollars or, if a Revolving Loan, an Alternative Currency. All Loans denominated in an Alternative Currency must be a Eurodollar Loan.

**“Eurodollar Rate”**: with respect to each day during each Interest Period pertaining to a Eurodollar Loan, an interest rate per annum (rounded upward if necessary to the nearest 1/100th of 1%) equal to (a) the Eurodollar Base Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

**“Eurodollar Tranche”**: the collective reference to Eurodollar Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

**“Event of Default”**: any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

**“Excluded Foreign Subsidiary”**: any Foreign Subsidiary, any Subsidiary of any Foreign Subsidiary, and any Domestic Subsidiary substantially all the assets of which consist of direct or indirect equity or debt investments in one or more Foreign Subsidiaries.

**“Excluded Swap Obligation”**: with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Guarantor of , or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) (a) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Guarantor or the grant of such security interest becomes or would become effective with respect to such Swap Obligation or (b) in the case of a Swap Obligation subject to a clearing requirement pursuant to Section 2(h) of the Commodity Exchange Act (or any successor provision thereto), because such Guarantor is a “financial entity,” as defined in Section 2(h)(7)(C)(i) the Commodity Exchange Act (or any successor provision thereto), at the time the guarantee of such Subsidiary Guarantor becomes or would become effective with respect to such related Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

**“Excluded Taxes”**: any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Letter of Credit or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan, Letter of Credit or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.22) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.19, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such

Lender acquired the applicable interest in a Loan, Letter of Credit or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.19(f) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

“Existing Credit Agreement”: as defined in the recitals hereto.

“Facility”: each of (a) the Term Facilities and (b) the Revolving Facility, and collectively, the “Facilities”.

“Facility Fee”: as defined in Section 2.8(b).

“Facility Fee Percentage”: the rate per annum set forth in the Pricing Grids.

“FATCA”: Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof (including any intergovernmental agreement implementing the foregoing) and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

“Federal Funds Effective Rate”: for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate, provided that if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to zero for the purposes of this Agreement.

“Fee Payment Date”: the first Business Day following the last day of each March, June, September and December and the last day of the Revolving Commitment Period.

“Fitch”: Fitch, Inc.

“Foreign Lender”: (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“Foreign Subsidiary”: any Subsidiary of the Borrower that is not a Domestic Subsidiary.

“Foreign Subsidiary Borrower”: as defined in Section 10.22(a).

“Funding Date”: the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied (or waived in accordance with Section 10.1).

“Funding Office”: the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

**“GAAP”**: generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Section 7.1, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 4.1(b). In the event that any “Accounting Change” (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower’s financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. “Accounting Changes” refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, (i) with respect to the accounting for leases as either operating leases or capital leases and the impact of such accounting in accordance with Accounting Standards Codification 840 on the definitions and covenants herein, GAAP as in effect on the Closing Date shall be applied and (ii) Indebtedness of Holdings and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

**“Governmental Authority”**: any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

**“Group Members”**: the collective reference to Holdings, the Borrower and their respective Subsidiaries.

**“Guarantee Agreement”**: the Guarantee Agreement to be executed and delivered by Holdings, the Borrower and any Subsidiary Guarantor, substantially in the form of Exhibit A.

**“Guarantee Obligation”**: as to any Person (the “guaranteeing person”), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing Person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the “primary obligations”) of any other third Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity

capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business, or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or Disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

“Guarantors”: the collective reference to Holdings and any Subsidiary Guarantors.

“Holdings”: as defined in the preamble hereto.

“Immaterial Subsidiary”: any Subsidiary of the Borrower that (x) does not own or lease an Unencumbered Property and (y) on a consolidated basis with its respective Subsidiaries and treated as if all such Subsidiaries and their respective Subsidiaries were combined and consolidated as a single Subsidiary, have an aggregate net equity value of \$75,000,000 or less.

“Impacted Interest Period”: as defined in the definition of “Eurodollar Base Rate”.

“Increased Amount Date”: as defined in Section 2.23(a).

“Incremental Commitments”: as defined in Section 2.23(a).

“Indebtedness”: of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all mandatorily redeemable preferred Capital

Stock of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, (j) all obligations under so-called forward equity purchase contracts to the extent such obligations are not payable solely in equity interests, (k) all obligations in respect of any so-called "synthetic lease" (i.e., a lease of property which is treated as an operating lease under GAAP and as a loan for U.S. income tax purposes) and (l) such obligor's liabilities, contingent or otherwise of the type set forth in (a) through (h) above, under any joint-venture, limited liability company or partnership agreement, and (m) all obligations of such Person in respect of Swap Agreements, valued at the Swap Termination Value thereof. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding the foregoing, in no event shall the following constitute Indebtedness: (u) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warrants or other unperformed obligations of the seller of such asset, (v) amounts owed to dissenting stockholders in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest), with respect to the Transactions, (w) trade accounts payable, deferred revenues, liabilities associated with customer prepayments and deposits and other accrued obligations (including transfer pricing and accruals for payroll and other operating expenses accrued in the ordinary course of business), in each case incurred in the ordinary course of business, (x) operating leases, (y) customary obligations under employment agreements and deferred compensation and (z) prepaid or deferred revenue and deferred tax liabilities. Notwithstanding the foregoing, the term "Indebtedness" shall not include contingent postclosing purchase price adjustments, non-compete or consulting obligations or earn-outs to which the seller in an Acquisition or Investment may become entitled.

"Indemnified Taxes": (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a) hereof, Other Taxes.

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

**“Interest Expense”**: for any fiscal period, an amount equal to the sum of the following with respect to all Total Indebtedness: (i) total interest expense, accrued in accordance with GAAP, plus (ii) all capitalized interest determined in accordance with GAAP (including the Borrower’s pro rata share thereof for unconsolidated Subsidiaries and joint ventures), *excluding*, to the extent included in Interest Expense above, (A) the amount of such Interest Expense of any Subsidiary if the net income of such Subsidiary is excluded in the calculation of Net Operating Income (but only in the same proportion as the net income of such Subsidiary is excluded from the calculation of Net Operating Income), as determined on a consolidated basis in conformity with GAAP and (B) (i) accretion of accrual of discounted liabilities not constituting Indebtedness, (ii) any expense resulting from the discounting of any outstanding Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (iii) amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses, (iv) any expensing of bridge, commitment or other financing fees (but not revolving loan commitment fees, including, without limitation, any fees associated with the exercise of the option to increase the Commitments) and (v) any amount not payable in cash).

**“Interest Payment Date”**: (a) as to any ABR Loan (other than any Swingline Loan), the last day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day that is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period, (d) as to any Loan (other than any Revolving Loan that is an ABR Loan and any Swingline Loan), the date of any repayment or prepayment made in respect thereof and (e) as to any Swingline Loan, the day that such Loan is required to be repaid.

**“Interest Period”**: as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months (or, for any LIBOR Quoted Currency, with the consent of each Lender, twelve months) thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months (or, for any LIBOR Quoted Currency, with the consent of each Lender, twelve months) thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not later than 11:00 A.M., New York City time, on the date that is (x) three Business Days prior to the last day of the then current Interest Period with respect to Eurodollar Loans denominated in Dollars and (y) four Business Days prior to the last day of the then current Interest Period with respect to Eurodollar Loans denominated in Alternative Currencies; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period with respect to any Loan that would extend beyond the Revolving Termination Date or the applicable Term Loan Maturity Date, as applicable, for such Loan;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(iv) the Borrower shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

“Interpolated Rate”: at any time, for any Interest Period, the rate *per annum* (rounded to the same number of decimal places as the applicable Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the applicable Screen Rate for the longest period (for which such Screen Rate is available for the applicable currency) that is shorter than the Impacted Interest Period; and (b) the applicable Screen Rate for the shortest period (for which such Screen Rate is available for the applicable currency) that exceeds the Impacted Interest Period, in each case, at such time.

“Investment Grade Rating”: a Credit Rating of BBB- or better from S&P or a Credit Rating of Baa3 or better from Moody’s.

“Investments”: as defined in Section 7.8.

“IRS”: the United States Internal Revenue Service.

“Issuing Lender”: JPMorgan Chase Bank, N.A., Bank of America, N.A., KeyBank National Association, Barclays Bank PLC, Goldman Sachs Bank USA and any other Lender that agrees to act as an Issuing Lender with the consent of the Borrower, each in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 3.9. The Issuing Lender may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Lender, in which case the term “Issuing Lender” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. Each reference herein to the “Issuing Lender” shall be deemed to be a reference to the relevant Issuing Lender, each Issuing Lender or all Issuing Lenders, as the context may require.

“Issuing Lender Commitment”: with respect to each Issuing Lender, the commitment of such Issuing Lender to issue Letters of Credit hereunder. The initial amount of each Issuing Lender’s Issuing Lender Commitment is set forth on Schedule 1.1C, or if an Issuing Lender has entered into an Assignment and Assumption, the amount set forth for such Issuing Lender as its Issuing Lender Commitment in the Register maintained by the Administrative Agent.

“L/C Commitment”: the amount that is ten percent (10%) of the Total Revolving Commitments then in effect.

“L/C Exposure”: at any time, the sum of the L/C Obligations at such time. Except to the extent that the L/C Exposure of a Defaulting Lender has been reallocated in accordance with Section 2.24(c), the L/C Exposure of any Revolving Lender shall be its Revolving Percentage of the total L/C Exposure at such time.

“L/C Obligations”: at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired Dollar Equivalent amount of the then outstanding Letters of Credit and (b) the aggregate Dollar Equivalent amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.5.

“L/C Participants”: the collective reference to all the Revolving Lenders other than the Issuing Lender.

“Lease Coverage Ratio”: for any person or property for any period, the ratio of EBITDAR for such person or property for such period to the aggregate rent payable under leases with respect to such person or property for such period.

“Lender Swap Agreement”: any Swap Agreement that (i) was in effect on the Closing Date between a Loan Party and a counterparty that is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent as of the Closing Date or (ii) is or was entered into after the Closing Date between a Loan Party and any counterparty that is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent at the time such Swap Agreement is entered into.

“Lenders”: as defined in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

“Letters of Credit”: as defined in Section 3.1(a). Letters of Credit may be denominated in Dollars or an Alternative Currency.

“LIBO Screen Rate”: as defined in the definition of “Eurodollar Base Rate”.

“LIBOR Quoted Currency”: Dollars, Euros, GBP, JPY and CHF.

“Lien”: any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

“Loan”: any loan made by any Lender pursuant to this Agreement.

“Loan Documents”: this Agreement, the Guarantee Agreement, the Notes, any Adherence Agreements, any Qualified Borrower Guarantees, any document granting a Lien on cash collateral pursuant to Section 8, the fee agreements described in Section 2.8(b), and any amendment, waiver, supplement or other modification to any of the foregoing.

“Loan Parties”: Holdings, the Borrower (including any Subsidiary Borrowers) and any Subsidiary Guarantors.

“Local Screen Rates”: the AUD Screen Rate or the CDOR Screen Rate.

“Majority Facility Lenders”: with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans or the Total Revolving Extensions of Credit, as the case may be, outstanding under such Facility (or, in the case of the Revolving Facility, prior to any termination of the Revolving Commitments, the holders of more than 50% of the Total Revolving Commitments).

“Material Adverse Effect”: a material adverse effect on (a) the business, property, operations or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

“Materials of Environmental Concern”: any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

“Median”: Median Kliniken S. à r.l. together with its subsidiaries, affiliates and participations.

“Median Investment”: any Investment made by the Borrower or its Subsidiaries, directly or indirectly, in Median.

“Moody's”: as defined in the definition of Cash Equivalents.

“Mortgage Note”: as defined in the definition of Total Asset Value.

“Multiemployer Plan”: a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA and in respect of which the Borrower or a Commonly Controlled Entity participates or is required to make contributions with respect thereto.

“Net Cash Proceeds”: in connection with any issuance or sale of Capital Stock, the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

“Net Operating Income (“NOI”)”: for any fiscal period, and with respect to any Real Property, the total rental and other operating income from the operation of such Real Property (including proceeds of rent loss or business interruption insurance) after deducting all expenses and other proper charges incurred by the Group Members in connection with the operation of such Real Property during such fiscal period, including, without limitation, property operating expenses paid by a Group Member and real estate taxes and bad debt expenses paid by a Group Member, but before payment or provision for Total Fixed Charges, income taxes, and depreciation, amortization, and other non-cash expenses of a Group Member, all as determined

in accordance with GAAP. In the case of Real Property owned by Affiliates of the Borrower which are not wholly-owned by the Borrower, Net Operating Income shall be reduced by the amount of cash flow of such Affiliate allocated for distribution to the other owners of such Affiliate.

“New Revolving Commitments”: as defined in Section 2.23(a).

“New Revolving Lender”: as defined in Section 2.23(a).

“New Term Commitments”: as defined in Section 2.23(a).

“New Term Lender”: as defined in Section 2.23(a).

“New Term Loan”: as defined in Section 2.23(a).

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.01 and (b) has been approved by the Required Lenders.

“Non-Quoted Currency”: means each of AUD and CAD; collectively, “Non-Quoted Currencies”.

“Nonrecourse Indebtedness”: with respect to a Person, Indebtedness for borrowed money (or the portion thereof) in respect of which recourse for payment (except for customary exceptions for fraud, misapplication of funds, environmental indemnities, violation of “special purpose entity” covenants, bankruptcy, insolvency, receivership or other similar events and other similar exceptions to recourse liability until a claim is made with respect thereto, and then in the event of any such claim, only a portion of such Indebtedness in an amount equal to the amount of such claim shall no longer constitute “Nonrecourse Indebtedness” for the period that such portion is subject to such claim) is contractually limited to specific assets of such Person encumbered by a Lien securing such Indebtedness.

“Normalized Adjusted FFO”: for any fiscal period, “funds from operations” (or “FFO”) of the Group Members as defined in accordance with resolutions adopted by the Board of Governors of the National Association of Real Estate Investment Trusts as in effect from time to time; provided that FFO shall (a) be based on net income after payment of distributions to holders of preferred partnership units in the Borrower and distributions necessary to pay holders of preferred stock of Holdings and (b) at all times exclude (i) charges for impairment losses, (ii) stock-based compensation, (iii) write-offs or reserves of straight-line rent related to sold assets, (iv) amortization of debt costs, (v) non-recurring charges and (vi) any costs, fees and expenses related to acquisitions.

“Notes”: the collective reference to any promissory note evidencing Loans.

“NYFRB”: means the Federal Reserve Bank of New York.

“NYFRB Rate”: means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such

day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a Federal funds transaction quoted at 11:00 a.m. (New York City time) on such day received by the Administrative Agent from a Federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Obligations": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise; provided, however, that the definition of "Obligations" shall not create any guarantee by any Guarantor of (or grant of security interest by any Guarantor to support, as applicable) any Excluded Swap Obligations of such Guarantor for purposes of determining any obligations of any Guarantor.

"Other Connection Taxes": with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

"Other Taxes": all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.22).

"Overnight Bank Funding Rate": means, for any day, the rate comprised of both overnight Federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate (from and after such date as the NYFRB shall commence to publish such composite rate).

"Parent": with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Participant”: as defined in Section 10.6(c).

“Participant Register”: as defined in Section 10.6(c).

“Participating Member States”: any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

“Permitted Investments”:

- (a) Investments made by the Borrower or the Subsidiaries as a result of consideration received in connection with any disposition or transfer of assets permitted under Section 7.5;
- (b) extensions of trade credit in the ordinary course of business;
- (c) Investments in cash and Cash Equivalents;
- (d) Guarantee Obligations permitted by Section 7.2;
- (e) loans and advances to employees of any Group Member in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for all Group Members not to exceed \$2,500,000 at any one time outstanding;
- (f) Investments received in satisfaction of judgments or in settlements of debt or compromises of obligations incurred in the ordinary course of business;
- (g) Investments in tenants and any Investments made pursuant to a RIDEA Structure in an aggregate amount not to exceed the greater of (x) \$1,000,000,000 and (y) 15% of Total Asset Value at any one time outstanding, so long as such Investment does not cause an Event of Default;
- (h) obligations under Swap Agreements otherwise permitted under this Agreement;
- (i) intercompany Investments by any Group Member in the Borrower or any Person that, prior to such or upon the making of such investment, is a Wholly-Owned Subsidiary of the Borrower;
- (j) any Investment consisting of prepaid expenses, negotiable instruments held for collection and lease, endorsements for deposit or collection in the ordinary course of business, utility or workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;

- (k) Investments in Subsidiaries (other than Wholly-Owned Subsidiaries of the Borrower) and joint ventures, so long as such Investment does not cause an Event of Default;
- (l) Investments consisting of acquisitions of real property or Mortgage Notes receivable (including any such acquisitions effected through acquisition, merger, or consolidation of a Person that will become a Subsidiary) consistent with the Borrower's business strategy, so long as such Investment does not cause an Event of Default;
- (m) additional Investments not to exceed the greater of (x) \$350,000,000 and (y) 5.0% of Total Asset Value at any time outstanding, so long as such Investment does not cause an Event of Default;
- (n) pledges or deposits by a Person under workers' compensation laws, unemployment insurance laws or similar legislation, or deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business;
- (o) any Investment acquired by Holdings, the Borrower or any of its Subsidiaries (a) in exchange for any other Investment or accounts receivable or rents receivable held by Holdings, the Borrower or any such Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or rents receivable or (b) as a result of a foreclosure by Holdings, the Borrower or any of its Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;
- (p) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (q) any Investment made in connection with the funding of contributions under any non-qualified employee retirement plan or similar employee compensation plan in an amount not to exceed the amount of compensation expenses recognized by Holdings, the Borrower and any of their Subsidiaries in connection with such plans;
- (r) the Median Investment; and
- (s) any transaction (other than any Investment specifically limited by the above clauses (a) through (s)) which constitutes an Investment to the extent permitted by Section 7.10.

“**Person**”: an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“**Plan**”: at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is at such time (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“**Pooled Unencumbered Properties**”: the Unencumbered Properties consisting of (a) as of the Closing Date, those properties set forth on Schedule PUP for which the underlying leases relating to such properties are cross-defaulted, and (b) after the Closing Date, such other additional or replacement Unencumbered Properties for which the underlying leases relating to such properties are cross-defaulted and which are reasonably acceptable to the Administrative Agent for addition to Schedule PUP from time to time.

“**Pricing Grids**”: the tables set forth below (the “Ratings Based Pricing Grids”).

For Revolving Loans

Range of Credit Ratings (S&P/Moody's/ Fitch Ratings)	Applicable Margin for Revolving Loans which are Eurodollar Loans (% per annum)	Applicable Margin for Revolving Loans which are ABR Loans (% per annum)	Facility Fee Percentage (% per annum)
A-/A3 or higher	0.875%	0.00%	0.125%
BBB+/Baa1	0.90%	0.00%	0.15%
BBB/Baa2	1.05%	0.05%	0.20%
BBB-/Baa3	1.25%	0.25%	0.25%
below BBB-/Baa3 or unrated	1.65%	0.65%	0.30%

For Term Loans

Range of Credit Ratings (S&P/Moody's/ Fitch Ratings)	Applicable Margin for Term Loans which are Eurodollar Loans (% per annum)	Applicable Margin for Term Loans which are ABR Loans (% per annum)
A-/A3 or higher	0.90%	0.00%
BBB+/Baa1	0.95%	0.00%
BBB/Baa2	1.20%	0.20%
BBB-/Baa3	1.50%	0.50%
below BBB-/Baa3 or unrated	1.95%	0.95%

For purposes of the Ratings Based Pricing Grids, if at any time the Borrower has two (2) Credit Ratings, the Applicable Margin and Facility Fee Percentage shall be the rate per annum applicable to the highest Credit Rating; provided that if the highest Credit Rating and the lowest Credit Rating are more than one ratings category apart, the Applicable Margin and Facility Fee Percentage shall be the rate per annum applicable to Credit Rating that is one ratings category below the highest Credit Rating. If at any time the Borrower has three (3) Credit Ratings, and such Credit Ratings are split, then: (A) if the difference between the highest and the lowest such Credit Ratings is one ratings category (e.g. Baa2 by Moody's and BBB- by S&P or Fitch), the Applicable Margin and Facility Fee Percentage shall be the rate per annum that would be applicable if the highest of the Credit Ratings were used; and (B) if the difference between such Credit Ratings is two ratings categories (e.g. Baa1 by Moody's and BBB- by S&P or Fitch) or more, the Applicable Margin and Facility Fee Percentage shall be the rate per annum that would be applicable if the average of the two (2) highest Credit Ratings were used, provided that if such average is not a recognized rating category, then the Applicable Margin and Facility Fee Percentage shall be the rate per annum that would be applicable if the second highest Credit Rating of the three were used. If at any time the Borrower has only one Credit Rating (and such Credit Rating is from Moody's or S&P), the Applicable Margin and Facility Fee Percentage shall be the rate per annum applicable to such Credit Rating. If the Borrower does not have a Credit Rating from either Moody's or S&P, the Applicable Margin and Facility Fee Percentage shall be the rate per annum applicable to a Credit Rating of "below BBB-/Baa3 or unrated" in the tables above.

A change (if any) in the Applicable Margin and Facility Fee Percentage shall be effective immediately as of the date on which any of the rating agencies announces a change in the Credit Rating or the date on which the Borrower no longer has a Credit Rating from one of the rating agencies or the date on which the Borrower has a Credit Rating from a rating agency that had not provided a Credit Rating for the Borrower on the day immediately preceding such date, whichever is applicable.

"Projections": as defined in Section 6.2(b).

"Properties": as defined in Section 4.17(a).

"Property Owning Subsidiary": a Subsidiary of the Borrower that owns or leases any Real Property.

"Qualified Borrower Guarantee": a Qualified Borrower Guarantee substantially in the form of Exhibit H executed and delivered by the Borrower to the Administrative Agent in connection with the admission of a Subsidiary Borrower as a Borrower hereunder.

"Quotation Day": with respect to any borrowing of Eurodollar Loans for any Interest Period, (i) if the currency is GBP, AUD or CAD, the first day of such Interest Period, (ii) if the currency is Euro, two TARGET Days before the first day of such Interest Period, and (iii)

for any other currency, two Business Days prior to the commencement of such Interest Period (unless, in each case, market practice differs in the relevant market where the Eurodollar Rate for such currency is to be determined, in which case the Quotation Day will be determined by the Administrative Agent in accordance with market practice in such market (and if quotations would normally be given on more than one day, then the Quotation Day will be the last of those days).

“Ratings Based Pricing Grids”: as defined in the definition of “Pricing Grids”.

“Real Property”: any real property owned or ground-leased by a Group Member.

“Recipient”: (a) the Administrative Agent, (b) any Lender and (c) any Issuing Lender, as applicable.

“Recourse Indebtedness”: any Indebtedness that is not Nonrecourse Indebtedness.

“Refunded Swingline Loans”: as defined in Section 2.7(b).

“Register”: as defined in Section 10.6(b)(iv).

“Regulation U”: Regulation U of the Board as in effect from time to time.

“Reimbursement Obligation”: the obligation of the Borrower to reimburse the Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit.

“REIT”: a domestic trust or corporation that qualifies as a real estate investment trust under the provisions of §856, et. seq. of the Code or any successor provisions.

“Related Parties”: with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Reorganization”: with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

“Reportable Event”: any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty (30) day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

“Required Lenders”: at any time, subject to Section 2.24(b), the holders of more than fifty percent (50%) of the sum of (a) the aggregate unpaid principal amount of the Term Loans plus (b) the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding.

“Requirement of Law”: as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer”: the chief executive officer, president, chief financial officer, chief operating officer, managing director, controller, treasurer, vice president or secretary of Holdings, the sole member of the general partner of the Borrower, but in any event, with respect to financial matters, the chief financial officer or controller of Holdings, the sole member of the general partner of the Borrower.

“Restricted Payments”: as defined in Section 7.6.

“Revaluation Date”: (a) with respect to any Loan, each of the following: (i) each date of a borrowing of a Eurodollar Loan denominated in an Alternative Currency, (ii) each date of a continuation of a Eurodollar Loan denominated in an Alternative Currency pursuant to Section 2.12, and (iii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in an Alternative Currency, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof, (iii) each date of any payment by the Issuing Lender under any Letter of Credit denominated in an Alternative Currency, and (iv) such additional dates as the Administrative Agent or the Issuing Lender shall determine or the Required Lenders shall require.

“Revolving Commitment”: as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading “Revolving Commitment” opposite such Lender’s name on Schedule 1.1A or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof, including Section 2.23. The original amount of the Total Revolving Commitments is \$1,300,000,000.

“Revolving Commitment Period”: the period from and including the Funding Date to the Revolving Termination Date.

“Revolving Commitment Utilization Percentage”: on any date, the percentage equal to a fraction (a) the numerator of which is the Total Revolving Extensions of Credit and (b) the denominator of which is the Total Revolving Commitments; provided that in calculating the Total Revolving Extensions of Credit for purposes of Section 2.8(a), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

“Revolving Extensions of Credit”: as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate Dollar Equivalent principal amount of all Revolving Loans held by such Lender then outstanding, (b) such Lender’s Revolving Percentage of the L/C Obligations then outstanding and (c) such Lender’s Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

“Revolving Facility”: the Revolving Commitments and the Loans and extensions of credit made thereunder made thereunder.

“Revolving Lender”: each Lender that has a Revolving Commitment or that holds Revolving Loans.

“Revolving Loans”: as defined in Section 2.4(a).

“Revolving Percentage”: as to any Revolving Lender at any time, the percentage which such Lender’s Revolving Commitment then constitutes of the Total Revolving Commitments; provided that in the case of Section 2.24 when a Defaulting Lender which is a Revolving Lender shall exist, “Revolving Percentage” shall mean the percentage which such Lender’s Revolving Commitment then constitutes of the Total Revolving Commitment (disregarding any Defaulting Lender’s Revolving Commitment). With respect to any Revolving Lender whose Revolving Commitments shall have expired or terminated, “Revolving Percentage” shall mean the percentage which the aggregate principal amount of such Lender’s Revolving Loans then outstanding constitutes of the aggregate principal amount of the Revolving Loans then outstanding, provided, that, in the event that the Revolving Loans are paid in full prior to the reduction to zero of the Total Revolving Extensions of Credit, the Revolving Percentages shall be determined in a manner designed to ensure that the other outstanding Revolving Extensions of Credit shall be held by the Revolving Lenders on a comparable basis.

“Revolving Termination Date”: February 1, 2021, subject to extension as provided in Section 2.25.

“RIDEA”: REIT Investment Diversification and Empowerment Act of 2007, as amended.

“S&P”: as defined in the definition of Cash Equivalents.

“Sanctioned Country”: at any time, a country, region or territory which is the subject or target of any Sanctions.

“Sanctioned Person”: at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any EU member state, Her Majesty’s Treasury of the United Kingdom or any other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

“Sanctions”: economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any EU member state, Her Majesty’s Treasury of the United Kingdom or any other relevant sanctions authority.

“Screen Rate”: the LIBOR Screen Rate and the Local Screen Rates, collectively and individually as the context may require.

“SEC”: the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

“Secured Indebtedness”: the portion of Total Indebtedness which is secured by a Lien on any Real Property, personal property, Capital Stock or other assets.

“Secured Leverage Ratio”: as defined in Section 7.1(c).

“Senior Note Indenture”: the Indenture dated as of July 14, 2006 entered into by the Borrower and Holdings in connection with the issuance of the Senior Notes, together with all instruments and other agreements entered into by the Borrower or Holdings in connection therewith.

“Senior Notes”: the senior notes of the Borrower issued pursuant to the Senior Note Indenture.

“Significant Acquisition”: any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in the acquisition (including, without limitation, a merger or consolidation or any other combination with another Person) by one or more Group Members of properties or assets of a Person (or the Capital Stock of a Person) for a purchase price in excess of 5% of Total Asset Value or its foreign currency equivalent.

“Single Employer Plan”: any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

“Solvent”: when used with respect to any Person, means that, as of any date of determination, (a) the amount of the “present fair saleable value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) “debt” means liability on a “claim”, and (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

“Specified Change of Control”: a “Change of Control” or “Designated Event” (or any other defined term having a similar purpose) as defined in the Senior Note Indenture or any Additional Senior Unsecured Indentures.

“Specified Jurisdictions”: Germany, the United Kingdom, Australia, Canada, Switzerland, Japan, Spain, Italy, Ireland, Austria, France and such other countries or such territories of the United States as are proposed by the Borrower and approved by the Administrative Agent.

“Specified Time”: (i) in relation to a Loan in AUD, as of 11:00 A.M., Sydney, Australia time; (ii) in relation to a Loan in CAD, as of 11:00 A.M. Toronto, Ontario time; and (iii) in relation to a Loan in a LIBOR Quoted Currency, as of 11:00 A.M., London time.

“Spot Rate”: for a currency means the rate determined by the Administrative Agent or the Issuing Lender, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 A.M. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent or the Issuing Lender may obtain such spot rate from Reuters, Bloomberg another financial institution designated by the Administrative Agent or the Issuing Lender if the Person acting in such capacity so elects; and provided further that the Issuing Lender may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Alternative Currency.

“Statutory Reserve Rate”: a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Eurodollar Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Sterling” and “GBP”: the lawful currency of the United Kingdom.

“Subsidiary”: as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Subsidiary Borrower”: as defined in Section 10.22(a).

“Subsidiary Guarantor”: each Property Owning Subsidiary of the Borrower, other than any Excluded Foreign Subsidiary, that provides a Guarantee Agreement so that the Real Property owned or leased by such Subsidiary shall qualify as an Unencumbered Property. The Subsidiary Guarantors on the Closing Date are listed on Schedule SG.

“Swap Agreement”: any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or any of its Subsidiaries shall be a “Swap Agreement”.

“Swap Obligations”: with respect to any Person, any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction, including any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swap Termination Value”: in respect of any one or more Swap Agreements, after taking into account the effect of any netting agreements relating to such Swap Agreements (to the extent, and only to the extent, such netting agreements are legally enforceable in a bankruptcy or insolvency proceeding against the applicable counterparty obligor thereunder), (i) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (ii) for any date prior to the date referenced in preceding clause (i), the amount(s) determined as the mark-to-market value(s) for such Swap Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements (which may include a Lender or any Affiliate of a Lender).

“Swingline Commitment”: as to each Swingline Lender, the obligation of such Swingline Lender to make Swingline Loans pursuant to Section 2.6 in an aggregate Dollar Equivalent principal amount at any one time outstanding not to exceed 20% of the Swingline Sublimit (or such other amount as is agreed to among the Borrower, such Swingline Lender and the Administrative Agent); provided that the aggregate Swingline Commitments for all Swingline Lenders shall not exceed the Swingline Sublimit.

“Swingline Exposure”: at any time, the aggregate Dollar Equivalent principal amount of all Swingline Loans outstanding at such time. Except to the extent the Swingline

Exposure of a Defaulting Lender has been reallocated in accordance with Section 2.24(c), the Swingline Exposure of any Revolving Lender shall be the sum of (a) its Revolving Percentage of the total Swingline Exposure at such time related to Swingline Loans other than any Swingline Loans made by such Lender in its capacity as a Swingline Lender and (b) if such Lender is a Swingline Lender, the aggregate Dollar Equivalent principal amount of all Swingline Loans made by such Lender outstanding at such time (to the extent that other Lenders shall not have funded their participations in such Swingline Loans).

“Swingline Lender”: each of JPMorgan Chase Bank, N.A., Bank of America, N.A., KeyBank National Association, Barclays Bank PLC, Goldman Sachs Bank USA and any other Lender that agrees to provide Swingline Loans with the consent of the Borrower and the Administrative Agent, in each case in its capacity as the lender of Swingline Loans up to its Swingline Commitment. Each reference herein to “Swingline Lender” shall mean all of the Swingline Lenders, each Swingline Lender, or the applicable Swingline Lender, as the context may require.

“Swingline Loans”: as defined in Section 2.6(a).

“Swingline Sublimit”: \$100,000,000.

“Swingline Participation Amount”: as defined in Section 2.7(c).

“Syndication Agent”: as defined in the preamble hereto.

“TARGET2”: the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system (or, if such payment system ceases to be operative, such other payment system reasonably determined by the Administrative Agent to be a suitable replacement) for the settlement of payments in euro.

“Taxes”: all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Commitments”: as to any Lender, its Dollar Term Commitment and its Euro Term Commitment.

“Term Facilities”: the Dollar Term Facility and the Euro Term Facility.

“Term Loans”: the Dollar Term Loans and the Euro Term Loans.

“Term Loan Maturity Date”: the Dollar Term Loan Maturity Date or the Euro Term Loan Maturity Date, as applicable.

“Term Percentage”: the Dollar Term Percentage or the Euro Term Percentage, as applicable.

“Total Asset Value”: an amount equal to the sum, without duplication, of (i) the undepreciated cost (after taking into account any impairments) of all Real Properties that are

100% fee owned or ground-leased by the Group Members (other than Development Properties), plus (ii) the pro-rata share of the undepreciated cost (after taking into account any impairments) of all Real Properties that are less than 100% fee owned or ground-leased by the Group Members (other than Development Properties), plus (iii) unrestricted cash and Cash Equivalents of the Group Members in excess of \$10,000,000; provided that, for purposes of calculating the Total Leverage Ratio, no such unrestricted cash and Cash Equivalents will be added to Total Asset Value if such unrestricted cash and Cash Equivalents have been deducted from Total Indebtedness in the Total Leverage Ratio or from Secured Indebtedness in the Secured Leverage Ratio, plus (iv) the book value of (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 €100,000,000 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, plus (v) the book value (after taking into account any impairments) of equity or debt investments in unconsolidated subsidiaries and joint ventures (in an amount not to exceed 10% of Total Asset Value), plus (vi) the book value (after taking into account any impairments) of Construction-in-Process for all Development Properties (in an amount not to exceed the greater of \$200,000,000 and 7% of Total Asset Value), all as determined on a consolidated basis in accordance with GAAP.

"Total EBITDA": for any fiscal period, total EBITDA of the Group Members and the Borrower's pro rata share of EBITDA of unconsolidated Subsidiaries and joint ventures of the Group Members.

"Total Fixed Charges": for any fiscal period, an amount equal to the sum of (i) Interest Expense, (ii) regularly scheduled installments of principal payable with respect to all Total Indebtedness (but excluding any balloon bullet, or similar payments due at maturity and principal payments with respect to intercompany Indebtedness between the Borrower and its Wholly Owned Subsidiaries), plus (iii) all dividend payments due to the holders of any preferred shares of beneficial interest of Holdings and all distributions due to the holders of any limited partnership interests in the Borrower other than (a) limited partner distributions based on the per share dividend paid on the common shares of beneficial interest of the Company (including the Borrower's pro rata share thereof for unconsolidated Subsidiaries and joint ventures), (b) redemption payments or charges in connection with the redemption of preferred Capital Stock and (c) dividends or distributions paid or payable to the Borrower or any of its Subsidiaries.

“Total Indebtedness”: all Indebtedness of the Group Members and the Borrower’s pro rata share of all Indebtedness of unconsolidated Subsidiaries and joint ventures of the Borrower.

“Total Leverage Ratio”: as defined in Section 7.1(a).

“Total Revolving Commitments”: at any time, the aggregate amount of the Revolving Commitments then in effect.

“Total Revolving Extensions of Credit”: at any time, the aggregate amount of the Revolving Extensions of Credit of the Revolving Lenders outstanding at such time.

“Transferee”: any Assignee or Participant.

“Type”: as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

“Unencumbered Asset Value”: an amount equal to the sum without duplication of (i) the undepreciated cost (after taking into account any impairments) of those Unencumbered Properties (other than Development Properties) that are 100% fee owned or ground leased by the Borrower, a Subsidiary Guarantor or a Wholly Owned Subsidiary of the Borrower, plus (ii) the pro rata share of the undepreciated cost (after taking into account any impairments) of those Unencumbered Properties (other than Development Properties) that are at least 51% owned by the Borrower, directly or indirectly, plus (iii) the book value of unencumbered Mortgage Notes so long as (A) the real estate securing such Mortgage Note meets the criteria for an Unencumbered Property that is not a Development Property (other than clauses (1), 3(a) and (7) of the definition thereof), (B) such Mortgage Note is not more than 60 days past due or otherwise in payment default after giving effect to applicable cure periods that has resulted in the commencement of the exercise of remedies and (C) such Mortgage Note is owned by the Borrower, a Subsidiary Guarantor or a Wholly-Owned Subsidiary of the Borrower that is not liable for any Recourse Indebtedness, plus (iv) unrestricted cash and Cash Equivalents in excess of \$10,000,000; provided that, for purposes of calculating the Unsecured Leverage Ratio, no such unrestricted cash and Cash Equivalents will be added to Unencumbered Asset Value if such unrestricted cash and Cash Equivalents have been deducted from Unsecured Indebtedness in the Unsecured Leverage Ratio, plus (v) the book value (after taking into account any impairments) of Construction-in-Process for all Development Properties that are Unencumbered Properties (in an amount not to exceed the greater of \$200,000,000 and 7% of Unencumbered Asset Value), all, except for clause (ii), as determined on a consolidated basis in accordance with GAAP;

provided that (A) not more than 30% of Unencumbered Asset Value shall be attributable to Mortgage Notes, (B) not more than 15% of Unencumbered Asset Value may be attributable to any single Unencumbered Property, (C) not more than 40% of Unencumbered Asset Value may be attributable to Unencumbered Properties and Mortgage Notes for which a single Person is the tenant or obligor (and where any tenant or obligor is a joint venture in which a Person holds an interest, only such Person’s pro-rata share of the Unencumbered Asset Value attributable to the Unencumbered Property or Mortgage Note owned by such joint venture shall be counted against such Person for purposes of this clause (C)), (D) not more than 30% of Unencumbered Asset Value may be attributable to Unencumbered Properties that are not

wholly-owned by the Borrower or a Guarantor; provided further that not more than 20% of Unencumbered Asset Value may be attributable to Unencumbered Properties that are at least 51% owned by the Borrower, directly or indirectly, but less 90% owned by the Borrower, directly or indirectly, (E) not more than 15% of Unencumbered Asset Value may be attributable to Unencumbered Properties that are ground-leased by the Borrower or a Guarantor, (F) not more than 15% of Unencumbered Asset Value, in the aggregate, may be attributable to single Unencumbered Properties that have a Lease Coverage Ratio for the most recent four quarters of less than 1.50 to 1.0 or Pooled Unencumbered Properties which have an aggregate Lease Coverage Ratio for the most recent four quarters of less than 1.50 to 1.0; provided that such limitation shall cease to apply if the Borrower achieves and maintains an Investment Grade Rating, (G) not more than 40% of Unencumbered Asset Value, in the aggregate, may be attributable to Unencumbered Properties located in Specified Jurisdictions (provided that not more than 20% of Unencumbered Asset Value, in the aggregate, may be attributable to Unencumbered Properties located in Specified Jurisdictions other than Germany and the United Kingdom), and (H) not more than 10% of Unencumbered Asset Value, in the aggregate, may be attributable to any Real Property leased to a tenant that is subject to any Bankruptcy Event.

“Unencumbered NOI”: for any fiscal period, the sum of (a) the total Adjusted NOI attributable to all Unencumbered Properties for such period plus (b) the net income attributable to any unencumbered Mortgage Notes that are included in the calculation of Unencumbered Asset Value.

“Unencumbered Property”: any Real Property that meets each of the following criteria as of the date of determination (with each such Real Property that meets such criteria being treated as an Unencumbered Property herein):

1. Such Real Property is either (i) 100% fee owned or ground leased (with a remaining term of at least 25 years (except for the Real Property described on Schedule EGL, which shall have a remaining ground lease term of at least 20 years) and the ability to qualify for financing under traditional long term financing terms and conditions), by (x) the Borrower, (y) a Subsidiary Guarantor or (z) a Property Owning Subsidiary that is a Wholly Owned Subsidiary of the Borrower that is not a Subsidiary Guarantor and that is not liable for any Recourse Indebtedness (whether secured or unsecured, and including any Guarantee Obligations in respect of indentures or otherwise) or (ii) at least 51% owned by the Borrower, directly or indirectly, so long as the Borrower exclusively controls the sale and financing of such Real Property.
2. Such Real Property is improved with one or more completed medical buildings of a type consistent with the Borrower’s business strategy, unless such Real Property is a Development Property.
3. Such Real Property is not directly or indirectly subject to any Lien (other than Liens permitted under clauses (a), (b), (c), (d), (e), (g) and (h) of Section 7.3) or any negative pledge agreement or other agreement that prohibits the creation of a Lien.
4. The representations in Section 4.17 are true with respect to such Real Property.

5. The buildings and improvements on such Real Property are free of material defects which would materially decrease the value of such Real Property.
6. Such Real Property is located in the United States or a Specified Jurisdiction; provided if such Real Property is located in a Specified Jurisdiction and the Foreign Subsidiary that is the owner or lessee of such Real Property is not a Subsidiary Guarantor, then such Real Property shall only be treated as an Unencumbered Property if such Subsidiary does not have any Recourse Indebtedness.
7. Such Real Property is subject to a triple-net lease with a tenant, the tenant under such lease is not in default in the payment of base rent after giving effect to applicable cure periods, and such tenant is not in bankruptcy under Chapter 7 of the U.S. Bankruptcy Code or similar insolvency liquidation proceedings of a country other than the United States, unless such Real Property is a Development Property.

“United States”: the United States of America.

“Unsecured Indebtedness”: the outstanding principal amount of Total Indebtedness that is not secured by a Lien on any Real Property, personal property, Capital Stock or other assets.

“Unsecured Interest Expense”: for any fiscal period, the amount of actual Interest Expense on Unsecured Indebtedness.

“Unsecured Leverage Ratio”: as defined in Section 7.1(f).

“U.S. Person”: a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate”: as defined in Section 2.19(f)(ii)(B)(3).

“Wholly Owned Subsidiary”: as to any Person, any other Person all of the Capital Stock of which (other than directors’ qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

“Write-Down and Conversion Powers”: means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

“Yen” and “JPY”: the lawful currency of Japan.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, (iii) the word “incur” shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words “incurred” and “incurrence” shall have correlative meanings), (iv) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, and (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

(c) The words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

1.3 Exchange Rates; Currency Equivalents. (a) The Administrative Agent or the Issuing Lender, as applicable, shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of Loans and Letters of Credit denominated in Alternative Currencies. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or the Issuing Lender, as applicable.

(b) Wherever in this Agreement in connection with a borrowing, conversion, continuation or prepayment of a Eurodollar Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such borrowing, Eurodollar Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the Issuing Lender, as the case may be.

(c) The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of “Eurodollar Base Rate” or with respect to any comparable or successor rate thereto.

1.4 Additional Alternative Currencies. (a) The Borrower may from time to time request that Eurodollar Loans be made and/or Letters of Credit be issued in a currency other than those specifically listed in the definition of "Alternative Currency;" provided that such requested currency is a lawful currency (other than Dollars) that is readily available and freely transferable and convertible into Dollars and for which Reuters (or a successor thereto, or a substitute service selected by the Administrative Agent) reports a Eurodollar Base Rate. In the case of any such request with respect to the making of Eurodollar Loans, such request shall be subject to the approval of the Administrative Agent and all of the Lenders; and in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent, the Issuing Lender and all of the Lenders.

(b) Any such request shall be made to the Administrative Agent not later than 11:00 A.M., twenty (20) Business Days prior to the date of the desired Loan or Letter of Credit (or such other time or date as may be agreed by the Administrative Agent and, in the case of any such request pertaining to Letters of Credit, the Issuing Lender, in its or their sole discretion). In the case of any such request pertaining to Eurodollar Loans, the Administrative Agent shall promptly notify each Lender thereof; and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the Issuing Lender thereof. Each Lender (in the case of any such request pertaining to Eurodollar Loans) or the Issuing Lender (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 A.M., ten (10) Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Eurodollar Rate Loans or the issuance of Letters of Credit, as the case may be, in such requested currency.

(c) Any failure by a Lender or the Issuing Lender, as the case may be, to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Lender or the Issuing Lender, as the case may be, to permit Eurodollar Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the Lenders consent to making Eurodollar Loans in such requested currency, the Administrative Agent shall so notify the Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any borrowings of Eurodollar Loans; and if the Administrative Agent and the Issuing Lender consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify the Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain consent to any request for an additional currency under this Section 1.4, the Administrative Agent shall promptly so notify the Borrower.

1.5 Change of Currency. (a) Each obligation of the Borrower to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the date hereof shall be redenominated into Euro at the time of such adoption. If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or

practice with effect from the date on which such member state adopts the Euro as its lawful currency; provided that if any borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such borrowing, at the end of the then current Interest Period.

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

(c) Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

1.6 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.7 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

## SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Term Commitments. (a) Subject to the terms and conditions hereof, each Dollar Term Lender severally agrees to make a term loan (a "Dollar Term Loan") to the Borrower in Dollars in a single borrowing on the Funding Date in an amount not to exceed the amount of the Dollar Term Commitment of such Lender. The Dollar Term Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.12. The Dollar Term Lenders' commitments to make the Dollar Term Loan shall expire on the earlier to occur of 5:00 P.M. on the Funding Date and February 28, 2017 if the Funding Date has not occurred by such date. Amounts paid or prepaid in respect of Dollar Term Loans may not be reborrowed.

(b) Subject to the terms and conditions hereof, each Euro Term Lender severally agrees to make a term loan (a "Euro Term Loan") to the Borrower in Euros in a single borrowing on the Funding Date in an amount not to exceed the amount of the Euro Term Commitment of such Lender. The Euro Term Loans shall be Eurodollar Loans. The Euro Term Lenders' commitments to make the Euro Term Loan shall expire on the earlier to occur of 5:00 P.M. on the Funding Date and February 28, 2017 if the Funding Date has not occurred by such date. Amounts paid or prepaid in respect of Euro Term Loans may not be reborrowed.

**2.2 Procedure for Dollar Term Loan Borrowing.** The Borrower shall give the Administrative Agent irrevocable notice in the form of Exhibit E (which notice must be received by the Administrative Agent prior to 11:00 A.M., New York City time, (a) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) one Business Day prior to the requested Borrowing Date, in the case of ABR Loans) requesting that the Dollar Term Lenders make the Dollar Term Loans on the Funding Date, specifying the amount to be borrowed, the requested Borrowing Date and whether such Dollar Term Loan shall be Eurodollar Loans or ABR Loans and, in the case of Eurodollar Loans, the initial Interest Period applicable thereto, which shall be a period contemplated by the definition of "Interest Period". Upon receipt of such notice the Administrative Agent shall promptly notify each Dollar Term Lender thereof. Not later than 11:00 A.M., New York City time, on the Funding Date each Dollar Term Lender shall make available to the Administrative Agent at the Funding Office an amount in Dollars in immediately available funds equal to the Dollar Term Loan to be made by such Lender. The Administrative Agent shall credit the account of the Borrower on the books of such office of the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Dollar Term Lenders in immediately available funds.

If no election as to the Type of Dollar Term Loan is specified, then the requested Dollar Term Loan shall be an ABR Loan. If no Interest Period is specified with respect to any requested Eurodollar Tranche, then Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a borrowing request in the form of Exhibit E and in accordance with this Section, the Administrative Agent shall advise each Dollar Term Lender of the details thereof and of the amount of such Dollar Term Lender's Dollar Term Loan to be made.

Each Dollar Term Loan shall be made by the Dollar Term Lenders ratably in accordance with their applicable Dollar Term Commitments; provided that the failure of any Dollar Term Lender to make its Dollar Term Loan shall not in itself relieve any other Dollar Term Lender of its obligation to lend hereunder (it being understood, however, that no Dollar Term Lender shall be responsible for the failure of any other Dollar Term Lender to make any Dollar Term Loan required to be made by such other Dollar Term Lender). ABR Loans comprising any Dollar Term Loan shall be in an aggregate principal amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000. Eurodollar Loans comprising any Dollar Term Loan shall be in an aggregate principal amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000.

Subject to Sections 2.16 and 2.18, each Eurodollar Tranche shall be comprised entirely of Eurodollar Loans as Borrower may request in accordance herewith. Each Dollar Term Lender may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Dollar Term Lender to make such Dollar Term Loan; provided that any exercise of such option shall not affect the obligation of Borrower to repay such Dollar Term Loan in accordance with the terms of this Agreement. Borrowings of Dollar Term Loans of more than one Type may be outstanding at the same time, subject to Section 2.13. For purposes of the foregoing, Eurodollar Tranches having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate borrowings.

Notwithstanding any other provision of this Agreement, Borrower shall not be entitled to request, or to elect to convert or continue, any Eurodollar Tranche if the Interest Period requested with respect thereto would end after the Dollar Term Loan Maturity Date.

2.3 Procedure for Euro Term Loan Borrowing. The Borrower shall give the Administrative Agent irrevocable notice in the form of Exhibit E (which notice must be received by the Administrative Agent prior to 11:00 A.M., New York City time, four Business Days prior to the requested Borrowing Date requesting that the Euro Term Lenders make the Euro Term Loans (which shall be a Eurodollar Loan) on the Funding Date, specifying the amount to be borrowed, the requested Borrowing Date and the initial Interest Period applicable thereto, which shall be a period contemplated by the definition of "Interest Period". Upon receipt of such notice the Administrative Agent shall promptly notify each Euro Term Lender thereof. Not later than 11:00 A.M., New York City time, on the Funding Date each Euro Term Lender shall make available to the Administrative Agent at the Funding Office an amount in Euros in immediately available funds equal to the Euro Term Loan to be made by such Lender. The Administrative Agent shall credit the account of the Borrower on the books of such office of the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Euro Term Lenders in immediately available funds.

If no Interest Period is specified with respect to any requested Eurodollar Tranche, then Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a borrowing request in the form of Exhibit E and in accordance with this Section, the Administrative Agent shall advise each Euro Term Lender of the details thereof and of the amount of such Euro Term Lender's Euro Term Loan to be made.

Each Euro Term Loan shall be made by the Euro Term Lenders ratably in accordance with their applicable Euro Term Commitments; provided that the failure of any Euro Term Lender to make its Euro Term Loan shall not in itself relieve any other Euro Term Lender of its obligation to lend hereunder (it being understood, however, that no Euro Term Lender shall be responsible for the failure of any other Euro Term Lender to make any Euro Term Loan required to be made by such other Euro Term Lender). Eurodollar Loans comprising any Euro Term Loan shall be in an aggregate principal amount that is an integral multiple of €1,000,000 and not less than €5,000,000.

Subject to Sections 2.16 and 2.18, each Eurodollar Tranche shall be comprised entirely of Eurodollar Loans as Borrower may request in accordance herewith. Each Euro Term Lender may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Euro Term Lender to make such Euro Term Loan; provided that any exercise of such option shall not affect the obligation of Borrower to repay such Euro Term Loan in accordance with the terms of this Agreement. For purposes of the foregoing, Eurodollar Tranches having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate borrowings.

Notwithstanding any other provision of this Agreement, Borrower shall not be entitled to request, or to elect to convert or continue, any Eurodollar Tranche if the Interest Period requested with respect thereto would end after the Euro Term Loan Maturity Date.

## 2.4 Revolving Commitments.

(a) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans (“Revolving Loans”) to the Borrower or any Subsidiary Borrower from time to time during the Revolving Commitment Period in an aggregate Dollar Equivalent principal amount at any one time outstanding which, when added to such Lender’s Revolving Percentage of the sum of (i) the L/C Obligations then outstanding and (ii) the aggregate principal amount of the Swingline Loans then outstanding, does not exceed the amount of such Lender’s Revolving Commitment; provided that after giving effect to any such Revolving Loans, (x) the Total Revolving Extensions of Credit shall not exceed the Total Revolving Commitments and (y) the Total Revolving Extensions of Credit denominated in Alternative Currencies shall not exceed the Alternative Currency Sublimit. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.5 and 2.12.

(b) Unless previously terminated, the Revolving Commitments shall terminate on the Revolving Termination Date. The Borrower shall repay all outstanding Revolving Loans on the Revolving Termination Date.

2.5 Procedure for Revolving Loan Borrowing. The Borrower may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day, provided that the Borrower shall give the Administrative Agent irrevocable notice in the form of Exhibit E (which notice must be received by the Administrative Agent prior to 11:00 A.M., New York City time, (a) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans denominated in Dollars, (b) four Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans denominated in Alternative Currencies (except that the Borrower may give notice prior to 11:00 A.M., London time, three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans denominated in Euros or Sterling), or (c) one Business Day prior to the requested Borrowing Date, in the case of ABR Loans) (provided that any such notice of a borrowing of ABR Loans under the Revolving Facility to finance payments required by Section 3.5 may be given not later than 10:00 A.M., New York City time, on the date of the proposed borrowing), specifying (i) the amount and Type of Revolving Loans to be borrowed, (ii) the requested Borrowing Date, (iii) in the case of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor and (iv) the currency of the Revolving Loans to be borrowed, and certifying that the conditions set forth in Section 5.2 are satisfied. Each borrowing under the Revolving Commitments shall be in an amount equal to (x) in the case of ABR Loans, \$1,000,000 or a whole multiple thereof (or, if the then aggregate Available Revolving Commitments are less than \$1,000,000, such lesser amount) and (y) in the case of Eurodollar Loans, the Dollar Equivalent of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof; provided, that the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 2.7. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Revolving Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent in funds

immediately available to the Administrative Agent for the account of the Borrower at the Funding Office prior to (x) 12:00 Noon, New York City time, in the case of Revolving Loans denominated in Dollars or (y) the Applicable Time specified by the Administrative Agent, in the case of Revolving Loans denominated in an Alternative Currency, in each case, on the Borrowing Date requested by the Borrower. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Revolving Lenders and in like funds as received by the Administrative Agent. If the Borrower fails to specify a currency in the notice for any Revolving Loans, then such Revolving Loans shall be made in Dollars.

Subject to Sections 2.16 and 2.18, each borrowing of Revolving Loans shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Revolving Lender may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Revolving Lender to make such Revolving Loan; provided that any exercise of such option shall not affect the obligation of Borrower to repay such Revolving Loan in accordance with the terms of this Agreement. Borrowings of Revolving Loans of more than one Type may be outstanding at the same time, subject to Section 2.13. For purposes of the foregoing, Eurodollar Tranches having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate borrowings.

#### 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.

2.8 Commitment Fees, Facility Fees, etc.

(a) Until the Debt Rating Pricing Election Date, the Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee in Dollars for the period from and including the date hereof to the last day of the Revolving Commitment Period, computed at the Commitment Fee Rate on the average daily amount of the Available Revolving Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on each Fee Payment Date, commencing on the first such date to occur after the date hereof.

(b) From and after the Debt Rating Pricing Election Date, the Borrower agrees to pay the Administrative Agent, for the account of each Revolving Lender, a facility fee (the "Facility Fee") in Dollars equal to the then applicable Facility Fee Percentage on the Total Revolving Commitments, such fee being payable quarterly in arrears on each Fee Payment Date, commencing on the first day of the fiscal quarter next succeeding the Debt Rating Pricing Election Date.

(c) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent and to perform any other obligations contained therein.

2.9 Termination or Reduction of Revolving Commitments. The Borrower shall have the right to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans and Swingline Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Total Revolving Commitments. Any such reduction shall be in an amount equal to \$1,000,000, or a whole multiple thereof, and shall reduce permanently the Revolving Commitments then in effect. The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments under this Section at least three (3) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Revolving Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Revolving Commitments shall be permanent. Each reduction of the Revolving Commitments shall be made ratably among the Revolving Lenders in accordance with their respective Revolving Commitments.

2.10 Prepayments. (a) The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty (except as set forth below), upon irrevocable notice delivered to the Administrative Agent no later than 11:00 A.M., New York City time, (i) three Business Days prior thereto, in the case of Eurodollar Loans denominated in Dollars, (ii) four Business Days prior thereto, in the case of Eurodollar Loans denominated in Alternative Currencies, (iii) one Business Day prior thereto, in the case of ABR Loans, and (iv) on the date of prepayment, in the case of Swingline Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or ABR Loans; provided, that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.20. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Revolving Loans or Term Loans shall be in an aggregate principal Dollar Equivalent amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Swingline Loans shall be in an aggregate principal amount of \$100,000 or a whole multiple thereof or, if less, the entire principal amount thereof then outstanding.

(b) The Administrative Agent shall calculate the Dollar Equivalent Amount of all Revolving Extensions of Credit denominated in Alternative Currencies at the time of each borrowing thereof, on the last Business Day of each month and at such other times as the Administrative Agent may elect. If the Administrative Agent notifies the Borrower at such times that the outstanding Dollar Equivalent amount of all Revolving Extensions of Credit denominated in Alternative Currencies at such time exceeds an amount equal to 105% of the Alternative Currency Sublimit then in effect, then, within five (5) Business Days after receipt of such notice, the Borrower shall prepay Revolving Loans in an aggregate amount sufficient to reduce such Revolving Extensions of Credit as of such date of payment to an amount not to exceed 105% of the Alternative Currency Sublimit then in effect. In addition, if the Administrative Agent notifies the Borrower at any time that the outstanding Dollar Equivalent amount of all Revolving Extensions of Credit at such time exceeds an amount equal to 105% of the Total Revolving Commitments then in effect, then, within five (5) Business Days after receipt of such notice, the Borrower shall prepay Revolving Loans in an aggregate amount sufficient to reduce such Revolving Extensions of Credit as of such date of payment to an amount not to exceed 100% of the Total Revolving Commitments then in effect.

#### 2.11 Repayment of Loans.

(a) The Borrower promises to repay all outstanding Revolving Loans on the Revolving Termination Date or such earlier date as required herein. The Borrower promises to repay all outstanding Dollar Term Loans on the Dollar Term Loan Maturity Date or such earlier date as required herein. The Borrower promises to repay all outstanding Euro Term Loans on the Euro Term Loan Maturity Date or such earlier date as required herein.

(b) Amounts to be applied in connection with prepayments of Revolving Loans made pursuant to Section 2.11 shall be applied, first, to the prepayment of Swingline Loans (without

any corresponding reduction of the Revolving Commitments), second, to the prepayment of Revolving Loans (without any corresponding reduction of the Revolving Commitments), and third, to cash collateralize Letters of Credit by depositing an amount in cash in a cash collateral account established with the Administrative Agent for the benefit of the Revolving Lenders on terms and conditions satisfactory to the Administrative Agent. The application of any prepayment pursuant to Section 2.11 of Loans shall be made, first, to ABR Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under Section 2.11 (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

#### 2.12 Conversion and Continuation Options.

(a) The Borrower may elect from time to time to convert Eurodollar Loans denominated in Dollars to ABR Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.M., New York City time, on the Business Day preceding the proposed conversion date, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans denominated in Dollars by giving the Administrative Agent prior irrevocable notice of such election no later than 11:00 A.M., New York City time, on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan under a particular Facility may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and the Administrative Agent or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such conversions. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans (or, if none is specified, one month), provided that no Eurodollar Loan under a particular Facility may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such continuations, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso then (i) such Loans denominated in Dollars shall be automatically continued as Eurodollar Loans with an Interest Period of one month on the last day of such then expiring Interest Period (unless such continuation is not permitted pursuant to the preceding proviso, in which case such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period) and (ii) such Loans denominated in an Alternative Currency shall be continued as Eurodollar Loans in their original currency with an Interest Period of one month. Upon receipt of any such notice (or any such automatic conversion or continuation) the Administrative Agent shall promptly notify each relevant Lender thereof. No Loan may be converted into or continued as a Loan denominated in a different currency, but instead must

be repaid in the original currency and reborrowed in the other currency. During the existence of an Event of Default, the Required Lenders may demand that any or all of the then outstanding Eurodollar Loans denominated in an Alternative Currency be prepaid, or redenominated into Dollars in the amount of the Dollar Equivalent thereof, on the last day of the then current Interest Period with respect thereto.

2.13 Limitations on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal Dollar Equivalent amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof and (b) no more than ten (10) Eurodollar Tranches shall be outstanding at any one time.

2.14 Interest Rates and Payment Dates.

(a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) (i) If all or a portion of the principal amount of any Loan or Reimbursement Obligation shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), all overdue outstanding Loans and Reimbursement Obligations shall bear interest at a rate per annum equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to ABR Loans under the Revolving Facility plus 2%, and (ii) if all or a portion of any interest payable on any Loan or any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Revolving Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand of the Administrative Agent.

2.15 Computation of Interest and Fees.

(a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, (i) with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be

calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed and (ii) with respect to Loans denominated in AUD, CAD, and Sterling, the interest thereon shall be calculated on the basis of a 365-day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.14(a).

2.16 Inability to Determine Interest Rate. (a) If at the time that the Administrative Agent shall seek to determine the relevant Screen Rate on the Quotation Day for any Interest Period for a borrowing of Eurodollar Loans the applicable Screen Rate shall not be available for such Interest Period and/or for the applicable currency with respect to such borrowing for any reason and the Administrative Agent shall determine that it is not possible to determine the Interpolated Rate (which conclusion shall be conclusive and binding absent manifest error), then (i) if such borrowing shall be requested in Dollars, then such borrowing shall be made as a borrowing of ABR Loans and (ii) if such borrowing shall be requested in any Alternative Currency, the Eurodollar Rate shall be equal to the cost to each Lender to fund its pro rata share of such borrowing (from whatever source and using whatever methodologies as such Lender may select in its reasonable discretion); such rate, the "CF Rate".

(b) If prior to the first day of any Interest Period for any Eurodollar Loan:

(i) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate in the applicable currency for such Interest Period, or

(ii) the Administrative Agent shall have received notice from the Required Lenders that the Eurodollar Rate determined or to be determined in the applicable currency for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period,

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any request for the conversion of any Eurodollar Loan to, or continuation of any Eurodollar Loan in the applicable currency or for the applicable Interest Period, as the case may be, shall be ineffective, (B) if a borrowing of Eurodollar Loans is requested in Dollars, such

borrowing shall be made as a borrowing of ABR Loans and (C) if a borrowing of Eurodollar Loans is requested in any Alternative Currency, then the Eurodollar Rate for such borrowing shall be at the CF Rate (as defined above).

#### 2.17 Pro Rata Treatment and Payments.

(a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Commitments of the Lenders shall be made pro rata according to the respective applicable Term Percentages or Revolving Percentages of the applicable Lenders.

(b) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Dollar Term Loans shall be made pro rata according to the respective outstanding principal amounts of the Dollar Term Loans then held by the Dollar Term Lenders. Amounts repaid or prepaid on account of the Dollar Term Loans may not be reborrowed. Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Euro Term Loans shall be made pro rata according to the respective outstanding principal amounts of the Euro Term Loans then held by the Euro Term Lenders. Amounts repaid or prepaid on account of the Euro Term Loans may not be reborrowed.

(c) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders.

(d) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim. Except with respect to principal and interest on Loans denominated in an Alternative Currency, all payments shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars and in immediately available funds. Except as otherwise expressly provided herein, all payments by the Borrower hereunder with respect to principal and interest on Loans denominated in an Alternative Currency shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Funding Office in such Alternative Currency and in immediately available funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. Without limiting the generality of the foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, the Borrower is prohibited by any Requirement of Law from making any required payment hereunder in an Alternative Currency, the Borrower shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding

Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans, on demand, from the Borrower.

(f) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

(g) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.5, Section 2.7(b), Section 2.7(c), Section 2.17(d), Section 2.17(e), Section 3.4(a) or Section 9.7, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under such Sections; in the case of each of (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

2.18 Requirements of Law. (a) If any Change in Law:

(i) shall subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) shall impose, modify or hold applicable any reserve, special deposit, liquidity, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender or the Issuing Lender that is not otherwise included in the determination of the Eurodollar Rate; or

(iii) shall impose on such Lender or the Issuing Lender or the London interbank market any other condition, cost or expense (other than Taxes);

and the result of any of the foregoing is to increase the cost to such Lender or the Issuing Lender, by an amount that such Lender or the Issuing Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender or the Issuing Lender, upon its demand, any additional amounts necessary to compensate such Lender or the Issuing Lender for such increased cost or reduced amount receivable. If any Lender or the Issuing Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender or the Issuing Lender shall have determined that any Change in Law regarding capital or liquidity requirements or ratios shall have the effect of reducing the rate of return on such Lender's or the Issuing Lender's capital or on the capital of such Lender's or Issuing Lender's holding company, if any, as a consequence of its obligations hereunder or under or in respect of any Letters of Credit to a level below that which such Lender or the Issuing Lender or such Lender's or Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Lender's or such holding company's policies with respect to capital adequacy) by an amount deemed by such Lender or the Issuing Lender to be material, then from time to time, after submission by such Lender or the Issuing Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender or the Issuing Lender such additional amount or amounts as will compensate such Lender or the Issuing Lender or such holding company for such reduction.

(c) A certificate as to any additional amounts payable pursuant to this Section submitted by any Lender or the Issuing Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. Notwithstanding anything to the contrary in this Section, the Borrower shall not be required to compensate a Lender or the Issuing Lender pursuant to this Section for any amounts incurred more than nine

months prior to the date that such Lender or the Issuing Lender notifies the Borrower of such Lender's or the Issuing Lender's intention to claim compensation therefor; provided that, if the circumstances giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period of such retroactive effect. The obligations of the Borrower pursuant to this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

#### 2.19 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.19) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrower. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.19, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Borrower. The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already

indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.19(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, an executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) an executed IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) an executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4) to the extent a Foreign Lender is not the beneficial owner, an executed IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section

1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.19 (including by the payment of additional amounts pursuant to this Section 2.19), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.19 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.19 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms. For purposes of this Section 2.19, the term "Lender" includes any Issuing Lender and the term "applicable law" includes FATCA.

2.20 Indemnity. The Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss, cost or expense (including any foreign exchange losses) that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by

the Borrower in making any prepayment of or conversion from Eurodollar Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement, (c) the making of a prepayment of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto, (d) the assignment of any Eurodollar Loan other than on the last day of an Interest Period pursuant to a request by the Borrower under Section 2.22, or (e) any failure by the Borrower to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency. In the case of a Eurodollar Loan, such indemnification shall be deemed to include the amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, at the Eurodollar Rate that would have been applicable for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder. This Section 2.20 shall not apply with respect to Taxes other than Taxes that represent losses, costs or expenses arising from any non-Tax claims.

2.21 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.18 or 2.19 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.18 or 2.19(a).

2.22 Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.18 or 2.19 or (b) becomes a Defaulting Lender or a Non-Consenting Lender, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) if applicable, prior to any such replacement, such Lender shall have taken no action under Section 2.21 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.18 or 2.19, (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.20 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall

be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.18 or 2.19, as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

#### 2.23 Incremental Commitments.

(a) Incremental Facilities. On one or more occasions at any time after the Closing Date, the Borrower may by written notice to the Administrative Agent elect to request (A) an increase to the existing Revolving Commitments (any such increase, the “New Revolving Commitments”) and/or (B) the establishment of one or more new term loan commitments denominated in Dollars (the “New Term Commitments”, together with the New Revolving Commitments, the “Incremental Commitments”), by up to an aggregate amount not to exceed \$500,000,000 for all Incremental Commitments (so that the sum of the Total Revolving Commitments plus the principal amount of Dollar Term Loans made hereunder does not exceed \$2,000,000,000). Each such notice shall specify the date (each, an “Increased Amount Date”) on which the Borrower proposes that such Incremental Commitments shall be effective, which shall be a date not less than ten (10) Business Days after the date on which such notice is delivered to the Administrative Agent. The Administrative Agent and/or its Affiliates shall use commercially reasonable efforts, with the assistance of the Borrower, to arrange a syndicate of Lenders or other Persons that are Eligible Assignees willing to hold the requested Incremental Commitments; provided that (x) any Incremental Commitments on any Increased Amount Date shall be in the minimum aggregate amount of \$25,000,000, (y) any Lender approached to provide all or a portion of the Incremental Commitments may elect or decline, in its sole discretion, to provide an Incremental Commitment; provided that the Lenders will first be afforded the opportunity to provide the Incremental Commitments on a pro rata basis, and if any Lender so approached fails to respond within such ten (10) Business Day period after its receipt of such request, such Lender shall be deemed to have declined to provide such Incremental Commitments, and (z) any Lender or other Person that is an Eligible Assignee (each, a “New Revolving Lender” or “New Term Lender,” as applicable) to whom any portion of such Incremental Commitment shall be allocated shall be subject to the approval of the Borrower and the Administrative Agent (such approval not to be unreasonably withheld or delayed), and, in the case of a New Revolving Commitment, the Issuing Lender and the Swingline Lender (each of which approvals shall not be unreasonably withheld), unless such New Revolving Lender is an existing Lender (other than a Defaulting Lender) with a Revolving Commitment at such time or such New Term Lender is an existing Lender or an Affiliate of an existing Lender.

The terms and provisions of any New Revolving Commitments shall be identical to the existing Revolving Commitments. The terms and provisions of any New Term Commitments and any New Term Loans shall (a) provide that the maturity date of any New Term Loan that is a separate tranche shall be no earlier than the Dollar Term Loan Maturity Date for the existing Dollar Term Loans and the weighted average life to maturity of such New Term Loans shall not

be shorter than the weighted average life to maturity of the existing Dollar Term Loans, and such New Term Loans shall not have any scheduled amortization payments, (b) share ratably in any prepayments of the existing Dollar Term Facility, unless the Borrower and the New Term Lenders in respect of such New Term Loans elect lesser payments and (c) otherwise be identical to the existing Dollar Term Loans or reasonably acceptable to the Administrative Agent, the Borrower and each New Term Lender.

The effectiveness of any Incremental Commitments and the availability of any borrowings under any such Incremental Commitments shall be subject to the satisfaction of the following conditions precedent: (x) after giving pro forma effect to such Incremental Commitments and borrowings and the use of proceeds thereof, (i) no Default or Event of Default shall exist and (ii) as of the last day of the most recent calendar quarter for which financial statements have been delivered pursuant to Section 6.1, the Borrower would have been in compliance with the financial covenants set forth in Section 7.1; (y) the representations and warranties made or deemed made by the Borrower in any Loan Document shall be true and correct in all material respects (other than any representation or warranty qualified as to "materiality", "Material Adverse Effect" or similar language, which shall be true and correct in all respects) on the effective date of such Incremental Commitments except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date); and (z) the Administrative Agent shall have received each of the following, in form and substance reasonably satisfactory to the Administrative Agent: (i) if not previously delivered to the Administrative Agent, copies certified by the Secretary or Assistant Secretary of all corporate or other necessary action taken by the Borrower to authorize such Incremental Commitments; and (ii) a customary opinion of counsel to the Borrower (which may be in substantially the same form as delivered on the Closing Date), and addressed to the Administrative Agent and the Lenders, and (iii) if requested by any Lender, new Notes executed by the Borrower, payable to any new Lender, and replacement Notes executed by the Borrower, payable to any existing Lenders.

On any Increased Amount Date on which New Revolving Commitments are effected, subject to the satisfaction of the foregoing terms and conditions, (a) each of the Revolving Lenders shall assign to each of the New Revolving Lenders, and each of the New Revolving Lenders shall purchase from each of the Revolving Lenders, at the principal amount thereof (together with accrued interest), such interests in the Revolving Loans outstanding on such Increased Amount Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans will be held by existing Revolving Lenders and New Revolving Lenders ratably in accordance with their Revolving Commitments after giving effect to the addition of such New Revolving Commitments to the Revolving Commitments, (b) each New Revolving Commitment shall be deemed for all purposes a Revolving Commitment and each Loan made thereunder shall be deemed, for all purposes, a Revolving Loan and (c) each New Revolving Lender shall become a Lender with respect to its New Revolving Commitment and all matters relating thereto.

On any Increased Amount Date on which any New Term Commitments are effected, subject to the satisfaction of the foregoing terms and conditions, (i) each New Term Lender shall

make a Loan to the Borrower (a "New Term Loan") in an amount equal to its New Term Commitment, and (ii) each New Term Lender shall become a Dollar Term Lender hereunder with respect to the New Term Commitment and the New Term Loans made pursuant thereto.

The Administrative Agent shall notify the Lenders promptly upon receipt of the Borrower's notice of each Increased Amount Date and in respect thereof (y) the New Revolving Commitments and the New Revolving Lenders or the New Term Commitments and the New Term Lenders, as applicable, and (z) in the case of each notice to any Revolving Lender, the respective interests in such Revolving Lender's Revolving Loans, in each case subject to the assignments contemplated by this paragraph.

The fees payable by Borrower upon any such Incremental Commitments shall be agreed upon by the Administrative Agent and Borrower at the time of such increase.

The Incremental Commitments shall be evidenced pursuant to one or more Additional Credit Extension Amendments executed and delivered by the Borrower, the New Revolving Lenders or New Term Lenders, as applicable, and the Administrative Agent, and each of which shall be recorded in the Register. Each Additional Credit Extension Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.23, subject to the approval of the Borrower (which approval shall not be unreasonably withheld or delayed).

2.24 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unused portion of the Revolving Commitment of such Defaulting Lender pursuant to Section 2.8;

(b) the Commitments, Term Loans, and Revolving Extensions of Credit of such Defaulting Lender shall not be included in determining whether all Lenders, the Majority Facility Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 10.1), provided that any waiver, amendment or modification that increases the Commitment of a Defaulting Lender, forgives all or any portion of the principal amount of any Loan or Reimbursement Obligation or interest thereon owing to a Defaulting Lender, reduces the Applicable Margin on the underlying interest rate options owing to a Defaulting Lender or extends the Revolving Termination Date or a Term Loan Maturity Date applicable to such Defaulting Lender shall require the consent of such Defaulting Lender;

(c) if any Swingline Exposure or L/C Exposure exists with respect to a Lender at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of such Swingline Exposure and L/C Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their respective Revolving Percentages but only to the extent (x) the sum of all non-Defaulting Lenders' Revolving Extensions of Credit plus such Defaulting

Lender's Swingline Exposure and L/C Exposure does not exceed the total of all non-Defaulting Lenders' Revolving Commitments, (y) the sum of each non-Defaulting Lender's Revolving Extensions of Credit would not exceed its Revolving Commitment and (z) the conditions set forth in Section 5.2 are satisfied at such time; and

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall (x) first, within one (1) Business Day following notice by the Administrative Agent, prepay such Swingline Exposure and (y) second, within ten (10) Business Days following notice by the Administrative Agent, cash collateralize such Defaulting Lender's L/C Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) by depositing amounts into the collateral account in accordance with the procedures set forth in Section 8 for so long as such L/C Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's L/C Exposure pursuant to Section 2.24(c), the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.3(a) with respect to such Defaulting Lender's L/C Exposure during the period such Defaulting Lender's L/C Exposure is cash collateralized;

(iv) if the L/C Exposure of the non-Defaulting Lenders is reallocated pursuant to Section 2.24(c), then the fees payable to the Lenders pursuant to Section 3.3(a) shall be adjusted in accordance with such non-Defaulting Lenders' Revolving Percentages; or

(v) if any Defaulting Lender's L/C Exposure is neither cash collateralized nor reallocated pursuant to Section 2.24, then, without prejudice to any rights or remedies of the Issuing Lender or any Lender hereunder, all letter of credit fees payable under Section 3.3(a) with respect to such Defaulting Lender's L/C Exposure shall be payable to the Issuing Lender until such L/C Exposure is cash collateralized and/or reallocated.

(d) so long as any Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure will be one hundred percent (100%) covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in the amount of the Defaulting Lender's L/C Exposure in accordance with Section 2.24, and participating interests in any such newly issued or increased Letter of Credit or newly made Swingline Loan shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.24(c)(i) (and Defaulting Lenders shall not participate therein).

(e) In the event that the Administrative Agent, the Borrower, the Issuing Lender and the Swingline Lender each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and L/C Exposure of the Revolving Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving

Commitment and on such date such Revolving Lender shall purchase at par such of the Revolving Loans of the other Revolving Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Revolving Loans in accordance with its Revolving Percentage.

2.25 Extension of Revolving Termination Date. The Borrower may, by written notice to the Administrative Agent (which shall promptly notify each of the Lenders) given at least thirty (30) days but not more than ninety (90) days prior to the Revolving Termination Date, extend the Revolving Termination Date for up to one (1) year so long as (A) the extended Revolving Termination Date is not later than February 1, 2022, (B) no Default or Event of Default shall have occurred and be continuing on the date of such written notice and on the last day of the initial Revolving Termination Date, (C) each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of the date of such written notice and on and as of the effective date of such extension as if made on and as of such dates, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date), and (D) the Borrower pays an aggregate extension fee equal to 0.15% of the then existing Revolving Commitments (to the Administrative Agent for the ratable benefit of the Revolving Lenders).

2.26 Extension of Euro Term Loan Maturity Date. The Borrower may, by written notice to the Administrative Agent (which shall promptly notify each of the Lenders) given at least thirty (30) days but not more than ninety (90) days prior to the Euro Term Loan Maturity Date, extend the Euro Term Loan Maturity Date for up to one (1) year so long as (A) the extended Euro Term Loan Maturity Date is not later than February 1, 2021, (B) no Default or Event of Default shall have occurred and be continuing on the date of such written notice and on the last day of the initial Euro Term Loan Maturity Date, (C) each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of the date of such written notice and on and as of the effective date of such extension as if made on and as of such dates, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date), and (D) the Borrower pays an aggregate extension fee equal to 0.15% of the then outstanding principal amount of the Euro Term Loans (to the Administrative Agent for the ratable benefit of the Euro Term Lenders).

### SECTION 3. LETTERS OF CREDIT

#### 3.1 L/C Commitment.

(a) Subject to the terms and conditions hereof, the Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 3.4(a), may in its sole discretion issue standby letters of credit ("Letters of Credit") for the account of the Borrower denominated in Dollars or any Alternative Currency on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by the Issuing Lender; provided that the Issuing Lender shall have no obligation to issue any Letter

of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment, (ii) the aggregate amount of the Available Revolving Commitments would be less than zero, (iii) the Total Revolving Extensions of Credit denominated in Alternative Currencies would exceed the Alternative Currency Sublimit or (iv) unless such Issuing Lender otherwise consents, the L/C Obligations with respect to Letters of Credit issued by any Issuing Lender would exceed the Issuing Lender Commitment of such Issuing Lender. Each Letter of Credit shall (i) be denominated in Dollars or any Alternative Currency and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the date that is five Business Days prior to the Revolving Termination Date, provided that any Letter of Credit with a one-year term may provide for the automatic renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above) so long as such Letter of Credit permits the Issuing Lender to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Once an automatic renewal Letter of Credit has been issued, the Revolving Lenders shall be deemed to have authorized the Issuing Lender to permit the extension of such Letter of Credit at any time to an expiry date not later than the date referred to in clause (y) above; provided, however, that the Issuing Lender shall not permit any such extension if it has received written notice on or before the day that is seven Business Days before the Non-Extension Notice Date from any Lender or the Administrative Agent that a Default or Event of Default has occurred and is continuing directing the Issuing Lender not to permit such extension. The letters of credit outstanding under the Existing Revolving Credit Agreement and described in Schedule 3.1(a) hereto shall become Letters of Credit hereunder on the Funding Date and thereafter be Letters of Credit hereunder for all purposes.

(b) The Issuing Lender shall not at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause the Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law or would violate such Issuing Lender's internal policies or procedures. Notwithstanding anything herein to the contrary, the Issuing Lender shall have no obligation hereunder to issue, and shall not issue, any Letter of Credit the proceeds of which would be made to any Person (i) to fund any prohibited activity or business of or with any Sanctioned Person, or in any country or territory, that at the time of such funding is the subject of any Sanctions or (ii) in any manner that would result in a violation of any Sanctions by any party to this Agreement.

3.2 Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender and the Administrative Agent at their address for notices specified herein a request and an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may request. Upon receipt of any Application, the Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and, unless it has received written notice from any Lender, the Administrative Agent or a Loan Party at least one (1) Business Day prior to the requested date of issuance that a Default or Event of Default has occurred and is continuing,

shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

### 3.3 Fees and Other Charges.

(a) The Borrower will pay to the Administrative Agent for the account of the Revolving Lender a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin under the Revolving Facility then in effect with respect to Eurodollar Loans on the average daily amount of the L/C Obligations (excluding any portion thereof attributable to unreimbursed drawings), shared ratably among the Revolving Lenders and payable in Dollars quarterly in arrears on each Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the Issuing Lender for its own account a fronting fee of 0.125% per annum on the average daily amount of the L/C Obligations (excluding any portion thereof attributable to unreimbursed drawings), payable in Dollars quarterly in arrears on each Fee Payment Date after the issuance date.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse the Issuing Lender in Dollars for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

### 3.4 L/C Participations.

(a) The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Percentage in the Issuing Lender's obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by the Issuing Lender thereunder. Such participation interest shall be in the currency of the applicable underlying Letter of Credit. Each L/C Participant agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C Participant shall pay to the Administrative Agent, for the account of the Issuing Lender, upon demand at the Administrative Agent's address for notices specified herein an amount equal to such L/C Participant's Revolving Percentage of the amount of such draft, or any part thereof, that is not so reimbursed. Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against the Issuing Lender, the Borrower or any other Person

for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing

(b) If any amount required to be paid by any L/C Participant for the account of the Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit is paid to the Administrative Agent within three Business Days after the date such payment is due, such L/C Participant shall pay to the Administrative Agent, for the account of the Issuing Lender, on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the Administrative Agent by such L/C Participant within three Business Days after the date such payment is due, the Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Revolving Facility. A certificate of the Issuing Lender submitted to the Administrative Agent and any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a), the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will distribute to the Administrative Agent, for the account of such L/C Participant, its pro rata share thereof; provided, however, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such L/C Participant shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

3.5 Reimbursement Obligation of the Borrower. If any drawing is paid under any Letter of Credit, the Borrower shall reimburse the Administrative Agent for the amount of (a) the drawing so paid and in the applicable currency and (b) any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment, not later than (x) in the case of any Letter of Credit to be reimbursed in Dollars 12:00 Noon, New York City time, on (i) the Business Day that the Borrower receives notice of such drawing, if such notice is received on such day prior to 10:00 A.M., New York City time, or (ii) if clause (i) above does not apply, the Business Day immediately following the day that the Borrower receives such notice or (y) in the case of a Letter of Credit to be reimbursed in an Alternative Currency, the Applicable Time specified by the Issuing Lender on the date of any payment by the Issuing

Lender (each such date, an "Honor Date"); provided that the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.5 or Section 2.6 and the provisions below that such payment to be reimbursed in Dollars be financed with an ABR Revolving Loan or Swingline Loan in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Loan or Swingline Loan. Each such payment shall be made to the Administrative Agent at its address for notices referred to herein in the applicable currency and in immediately available funds. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Lender. Interest shall be payable on any such amounts from the date on which the relevant drawing is paid until payment in full at the rate set forth in (x) until the Business Day next succeeding the date of the relevant notice, Section 2.14(b) and (y) thereafter, Section 2.14(c).

In the case of a Letter of Credit denominated in an Alternative Currency, the Borrower shall reimburse the Administrative Agent, for the account of the Issuing Lender, in such Alternative Currency, unless the Issuing Lender (at its option) shall have specified in such notice that it will require reimbursement in Dollars. In the case of any such reimbursement in Dollars of a drawing under a Letter of Credit denominated in an Alternative Currency, the Issuing Lender shall notify the Administrative Agent and the Borrower of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof. In the event that (A) a drawing denominated in an Alternative Currency is to be reimbursed in Dollars pursuant to the first sentence of this paragraph and (B) the Dollar amount paid by the Borrower, whether on or after the Honor Date, shall not be adequate on the date of that payment to purchase in accordance with normal banking procedures a sum denominated in the Alternative Currency equal to the drawing, the Borrower agrees, as a separate and independent obligation, to indemnify the Issuing Lender for the loss resulting from its inability on that date to purchase the Alternative Currency in the full amount of the drawing.

3.6 Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Lender under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Lenders, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence

arising from causes beyond the control of the Issuing Lender; provided that the foregoing shall not be construed to excuse the Issuing Lender from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Lender's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Lender (as finally determined by a court of competent jurisdiction), the Issuing Lender shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Lender may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

3.7 Letter of Credit Payments. If any documents shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any documents presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

3.9 Replacement of the Issuing Lender. (i) Any Issuing Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Lender and the successor Issuing Lender. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Lender. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Lender pursuant to Section 3.3. From and after the effective date of any such replacement, (x) the successor Issuing Lender shall have all the rights and obligations of the Issuing Lender under this Agreement with respect to Letters of Credit to be issued thereafter and (y) references herein to the term "Issuing Lender" shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the replacement of an Issuing Lender hereunder, the replaced Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(ii) Any Issuing Lender may resign as an Issuing Lender at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower and the Lenders, in which case, such Issuing Lender shall be replaced in accordance with Section 3.9(i) above.

## SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans or to issue or participate in the Letters of Credit, Holdings and the Borrower hereby jointly and severally represent and warrant to the Administrative Agent and each Lender that:

### 4.1 Financial Condition.

(a) The pro forma covenant compliance certificate described in Section 5.1(j), copies of which have heretofore been furnished to each Lender, has been prepared giving effect (as if such events had occurred on such date) to (i) the Loans to be made on the Funding Date and the use of proceeds thereof, (ii) the repayment of Indebtedness under the Existing Credit Agreement and (iii) the payment of fees and expenses in connection with the foregoing. Such certificate has been prepared based on the best information available to the Borrower as of the date of delivery thereof, and presents fairly in all material respects on a pro forma basis the estimated financial covenant compliance of Borrower and its consolidated Subsidiaries as at the Funding Date, assuming that the events specified in the preceding sentence had actually occurred at such date.

(b) The audited consolidated balance sheets of Holdings and its Subsidiaries as at December 31, 2015, and the related consolidated statements of income and of cash flows for the fiscal year ended on such date, reported on by and accompanied by an unqualified report from PricewaterhouseCoopers, present fairly in all material respects the consolidated financial condition of Holdings and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended. The unaudited consolidated balance sheet of Holdings and its Subsidiaries as at September 30, 2016, and the related unaudited consolidated statements of income and cash flows for the three-month period ended on such date, present fairly in all material respects the consolidated financial condition of Holdings and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the three-month period then ended (subject to normal year end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein and except for the lack of footnotes with interim statements). No Group Member has any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph.

4.2 No Change. Since December 31, 2015, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Each Group Member (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the

property it operates as lessee and to conduct the business in which it is currently engaged except to the extent that its failure could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, (c) is duly qualified as a foreign corporation or other organization and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except to the extent that its failure to be so qualified could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i) consents, authorizations, filings and notices described in Schedule 4.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect and (ii) the filings referred to in Section 4.19. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder, the issuance of the Letters of Credit and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of any Group Member, except for any such violation which could not reasonably be expected to have a Material Adverse Effect, and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation. No Requirement of Law or Contractual Obligation applicable to the Borrower or any of its Subsidiaries could reasonably be expected to have a Material Adverse Effect.

4.6 Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of Holdings or the Borrower, threatened by or against any Group Member or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each Group Member has title in fee simple to, or a valid leasehold interest in, all its Real Property, and good title to, or a valid leasehold interest in, all its other property (including Mortgage Notes) necessary in the ordinary conduct of its business, and none of such property is subject to any Lien except as permitted by Section 7.3 and except for minor defects in title that do not materially interfere with its ability to conduct its business or to utilize such assets for their intended purposes and except where the failure to have such title or other property interests described above would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each Group Member has obtained customary title insurance on its owned Real Property.

4.9 Intellectual Property. Each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted, except where the failure to have any such rights, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does Holdings or the Borrower know of any valid basis for any such claim, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. To the knowledge of Borrower, the use of Intellectual Property by each Group Member does not infringe on the rights of any Person in any material respect.

4.10 Taxes. Each Group Member has filed or caused to be filed all material Federal, state and other tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member); no tax Lien has been filed, and, to the knowledge of Holdings and the Borrower, no claim is being asserted, that any such tax, fee or other charge is past due or delinquent.

4.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used (a) for “buying” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect for any purpose that violates the provisions of the Regulations of the Board or (b) for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

4.12 Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any

Group Member pending or, to the knowledge of Holdings or the Borrower, threatened; (b) hours worked by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from any Group Member on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Group Member.

4.13 ERISA. Neither a Reportable Event nor an “accumulated funding deficiency” (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Single Employer Plan or Multiemployer Plan, and, except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan or Multiemployer Plan has occurred, and no Lien in favor of the PBGC or such a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan that is a “pension plan” within the meaning of Section 3(2) of ERISA (based on those assumptions used to fund such Single Employer Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Single Employer Plan allocable to such accrued benefits by a material amount. Neither the Borrower nor any Commonly Controlled Entity has had, within the past five years, a complete or partial withdrawal from any Multiemployer Plan that has resulted or would reasonably be expected to result in a material liability under ERISA, and neither the Borrower nor any Commonly Controlled Entity would become subject to any material liability under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such Multiemployer Plan is in Reorganization or Insolvent.

4.14 Investment Company Act; Other Regulations. No Loan Party is an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

4.15 Subsidiaries. Except as disclosed to the Administrative Agent by the Borrower in writing from time to time after the Closing Date, (a) Schedule 4.15 sets forth the name and jurisdiction of incorporation of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors’ qualifying shares) of any nature relating to any Capital Stock of the Borrower or any Subsidiary, except as created by the Loan Documents.

4.16 Use of Proceeds. The proceeds of the Term Loans, the Revolving Loans and the Swingline Loans, and the Letters of Credit, shall be used for general corporate purposes of the Borrower and its Subsidiaries, including the financing of working capital needs, the repayment of Indebtedness of the Borrower (including Indebtedness under the Existing Credit Agreement) and its Subsidiaries and acquisitions and other Investments permitted by this Agreement.

4.17 Environmental Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, to the best knowledge of Holdings and the Borrower after due inquiry:

(a) the facilities and properties owned, leased or operated by any Group Member (the "Properties") do not contain, and have not previously contained during the ownership or lease of, or operation by, such Group Member, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) no Group Member has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the "Business"), nor does Holdings or the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) During the ownership or lease of, or operation by, any Group Member, Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of Holdings and the Borrower, threatened, under any Environmental Law to which any Group Member is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) during the ownership or lease of, or operation by, any Group Member, there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of any Group Member in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws;

(f) the Business and all operations of any Group Member at the Properties are, and have been, in compliance, with all applicable Environmental Laws, and there is no violation of any Environmental Law with respect to the Properties or the Business; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

4.18 Accuracy of Information, etc. The statements and information contained in this Agreement, any other Loan Document, or any other document, certificate or statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, taken as a whole, do not contain as of the date such statement, information, document or certificate was so furnished and as updated from time to time, any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not materially misleading in light of the circumstances under which, and in light of the purposes for which, such statements are made. The projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information will differ, possibly significantly, from the projected results set forth therein, and that no assurance can be given that the projected results will be realized. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents, or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

4.19 Anti-Corruption Laws and Sanctions. The Borrower, its Subsidiaries and to the knowledge of the Borrower, its directors, officers, employees and agents to the extent acting on behalf of Borrower or its Subsidiaries or benefitting from the credit facilities established hereby, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of the Borrower, any Subsidiary or any of their respective directors, officers or employees that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

4.20 Solvency. The Loan Parties, on a consolidated basis, are, and after giving effect to the incurrence of all Indebtedness and obligations being incurred in connection herewith will be and will continue to be, Solvent.

4.21 Reserved.

4.22 Status of Holdings. Holdings (i) is a REIT, (ii) has not revoked its election to be a REIT, (iii) has not engaged in any “prohibited transactions” as defined in Section 856(b)(6)(iii) of the Code (or any successor provision thereto), and (iv) for its current “tax year” (as defined in the Code) is, and for all prior tax years subsequent to its election to be a real estate investment trust has been, entitled to a dividends paid deduction which meets the requirements of Section 857 of the Code. The common stock of Holdings is listed for trading on the New York Stock Exchange.

4.23 Properties. Schedule 4.23(a), as supplemented from time to time, sets forth a list of all Real Property of the Group Members and the owner (or ground-lessor) of such Real

Property, and Schedule 4.23(b), as supplemented from time to time, sets forth a list of all Unencumbered Properties and the owner (or ground-lessor) of such Unencumbered Property. All such Unencumbered Properties satisfy the requirements for an Unencumbered Property set forth in the definition thereof.

4.24 EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

## SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Initial Extension of Credit. The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction, prior to or concurrently with the making of such extension of credit on the Funding Date, of the following conditions precedent:

(a) Credit Agreement; Guarantee Agreement. The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Administrative Agent, Holdings, the Borrower and each Person listed on Schedule 1.1A, and (ii) the Guarantee Agreement, executed and delivered by Holdings, the Borrower and each Subsidiary Guarantor.

(b) Financial Statements. The Lenders shall have received (i) audited consolidated financial statements of Holdings and its Subsidiaries for the 2015 fiscal year and (ii) unaudited interim consolidated financial statements of Holdings and its Subsidiaries for each fiscal quarter ended after the date of the latest applicable financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available, and such financial statements shall not, in the reasonable judgment of the Lenders, reflect any material adverse change in the consolidated financial condition of Holdings and its Subsidiaries, as reflected in the financial statements.

(c) Projections. The Lenders shall have received satisfactory projections through 2020.

(d) Approvals. All material governmental and third party approvals necessary in connection with the continuing operations of the Group Members and the transactions contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the financing contemplated hereby.

(e) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions where assets of the Borrower and Holdings are located, and such search shall reveal no liens on any of the assets of the Borrower or Holdings except for liens permitted by Section 7.3 or discharged or to be discharged on or prior to the Funding Date pursuant to documentation satisfactory to the Administrative Agent.

(f) Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), at least one (1) Business Day before the

Funding Date. All such amounts will be paid with proceeds of Loans made on the Funding Date and will be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Funding Date.

(g) Closing Certificate; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Funding Date, substantially in the form of Exhibit C, with appropriate insertions and attachments, including the certificate of incorporation of each Loan Party that is a corporation certified by the relevant authority of the jurisdiction of organization of such Loan Party, and (ii) a good standing certificate for each Loan Party from its jurisdiction of organization.

(h) Legal Opinion. The Administrative Agent shall have received the legal opinion of Goodwin Procter LLP, counsel to the Borrower and its Subsidiaries, in form and substance reasonably satisfactory to the Agents.

(i) Know-Your-Customer Requirements. The Administrative Agent shall have received all documentation and other information about the Loan Parties as shall have been reasonably requested by the Administrative Agent at least two (2) Business Days prior to the Closing Date that they shall have reasonably determined is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation, the USA Patriot Act.

(j) Compliance Certificate. The Lenders shall have received a certificate of a Responsible Officer of the Borrower certifying as to compliance with the financial covenants set forth in Section 7.1 on a pro-forma basis on the Funding Date after giving effect to the incurrence of the Loans, which certificate shall include calculations in reasonable detail demonstrating such compliance, including as to the calculation of Unencumbered Asset Value.

(k) Solvency Certificate. The Administrative Agent shall have received a solvency certificate from a Responsible Officer of Holdings certifying that it is Solvent.

For purposes of determining compliance with the conditions specified in this Section 5.1, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender.

5.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit), and of the Issuing Lender to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (other than any representation or warranty qualified as to “materiality”, “Material Adverse Effect” or similar language, which shall be true and correct in all respects) on and as of such date as if made on and as of such date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct on and as of such earlier date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

(c) Alternative Currency. In the case of Loans or Letters of Credit to be denominated in an Alternative Currency, there shall not have occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Administrative Agent, the Required Lenders (in the case of any Loans to be denominated in an Alternative Currency) or the Issuing Lender (in the case of any Letter of Credit to be denominated in an Alternative Currency) would make it impracticable for such Loan or Letter of Credit to be denominated in the relevant Alternative Currency.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in Section 5.2(a) and (b) have been satisfied.

## SECTION 6. AFFIRMATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (except to the extent cash collateralized on a basis reasonably acceptable to the Administrative Agent) or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than contingent indemnification obligations as to which no claim has been asserted), each of Holdings and the Borrower shall and shall cause each of its Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent for prompt further distribution to each Lender each of the following:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of Holdings, a copy of the audited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by PricewaterhouseCoopers or other independent certified public accountants of nationally recognized standing (other than as may be required as a result of the impending maturity of the Obligations maturing within one (1) year after the time such opinion is delivered); and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of Holdings, the unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments).

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein and except for the absence of footnotes with the interim statements) consistently throughout the periods reflected therein and with prior periods. Delivery by Holdings to the Administrative Agent and the Lenders of its annual report to the SEC on Form 10-K and its quarterly report to the SEC on Form 10-Q, in each case in accordance with SEC requirement for such reports, shall be deemed to be compliance by Holdings with this Section 6.1(a) and Section 6.1(b), as applicable.

6.2 Certificates; Other Information. Furnish to the Administrative Agent for prompt further distribution by the Administrative Agent to each Lender each of the following (or, in the case of clause (f), to the relevant Lender):

(a) as soon as available, but in any event within 60 days after the end of each of the first three quarterly periods of each fiscal year of Holdings and within 90 days after the end of each fiscal year of Holdings, (i) a certificate of a Responsible Officer stating that, to the best of such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (ii) in the case of quarterly or annual financial statements, (x) a Compliance Certificate containing all information and calculations necessary for determining compliance by each Group Member with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be, and (y) to the extent not previously disclosed to the Administrative Agent, a description of any change in the jurisdiction of organization of any Loan Party since the date of the most recent report delivered pursuant to this clause (y) (or, in the case of the first such report so delivered, since the Closing Date), (iii) the items described in Section 6.10 with respect to any Subsidiary Guarantors created or acquired during such fiscal quarter or any Unencumbered Properties or Mortgage Notes added during such fiscal quarter and (iv) updates to Schedules 4.23(a) and 4.23(b) and Schedule PUP (if applicable);

(b) as soon as available, and in any event no later than 90 days after the end of each fiscal year of the Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year, the related consolidated statements of projected cash flow, projected changes in financial position and projected income and a description of the underlying assumptions applicable thereto), and, as soon as available, significant revisions, if any, of such budget and projections with respect to such fiscal year (collectively, the "Projections"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections are based on reasonable estimates, information and assumptions;

(c) within 45 days after the end of each fiscal quarter of the Borrower (or 90 days in the case of the fourth quarter), a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter,

as compared to the comparable periods of the previous year; provided that delivery to the Administrative Agent and the Lenders of Holdings' annual report to the SEC on Form 10-K and its quarterly report to the SEC on Form 10-Q containing such narrative discussion and analysis shall be deemed to be compliance with this Section 6.2(c);

(d) [Reserved];

(e) within five days after the same are sent, copies of all financial statements and reports that Holdings or the Borrower sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all material financial statements and reports that Holdings or the Borrower may make to, or file with, the SEC; provided that delivery to the Administrative Agent and the Lenders of Holdings' quarterly report to the SEC on Form 10-Q and its current report to the SEC on Form 8-K containing such narrative discussion and analysis shall be deemed to be compliance with this Section 6.2(e); and

(f) promptly, such additional financial and other information as the Administrative Agent or any Lender may from time to time reasonably request.

6.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member and except for any nonpayment of which could not reasonably be expected to have a Material Adverse Effect.

6.4 Maintenance of Existence; Compliance. (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except (other than with respect to the preservation of the existence of the Loan Parties) (x) to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect or (y) pursuant to any merger, amalgamation, consolidation, liquidation, dissolution or Disposition permitted hereunder; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, Holdings will do all things necessary to maintain its status as a REIT and will maintain its listing on the New York Stock Exchange. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by Holdings, the Borrower, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions.

6.5 Maintenance of Property; Insurance. (a) Except if the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and fire, casualty or condemnation excepted and (b) maintain with financially sound and reputable insurance companies insurance on all its property in at

least such amounts and against at least such risks (but including in any event public liability, all-risks casualty and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP (it being understood and agreed that any Foreign Subsidiary may maintain additional individual books and records in a manner that permits preparation of its financial statements in accordance with the generally accepted accounting principles that are applicable in its jurisdiction of organization and that such maintenance shall not constitute a breach of the representations, warranties or covenants hereunder) and (b) permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and with their independent certified public accountants (subject to such accountants' customary policies and procedures), all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; *provided* that, absent the existence of an Event of Default, only the expenses of the Administrative Agent for one inspection during any calendar year shall be at the Borrower's expense; *provided, further*, that when an Event of Default exists, the Administrative Agent (or any of its respective representatives or independent contractors) and the Lenders may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants. Notwithstanding anything to the contrary in this Section 6.6, none of Holdings, the Borrower or any of the Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (a) constitutes non-financial trade secrets or non-financial proprietary information, (b) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or any binding agreement or (c) is subject to attorney-client or similar privilege or constitutes attorney work product; *provided* that, to the extent legally permissible, the Borrower shall notify the Administrative Agent that any such document, information or other matter is being withheld pursuant to clauses (a), (b) or (c) of this Section 6.6 and shall use commercially reasonable efforts to communicate, to the extent permitted, the applicable information in a way that would not violate such restrictions and to eliminate such restrictions.

6.7 Notices. Promptly give notice to the Administrative Agent for prompt further distribution by the Administrative Agent to each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting any Group Member (i) in which the amount involved is \$10,000,000 or more and not covered by insurance, (ii) in which injunctive or similar relief is sought or (iii) which relates to any Loan Document;

(d) the following events, as soon as possible and in any event within 30 days after the Borrower knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Single Employer Plan or Multiemployer Plan, a failure to make any material required contribution to a Single Employer Plan or Multiemployer Plan, the creation of any Lien in favor of the PBGC or a Single Employer Plan or Multiemployer Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Single Employer Plan or Multiemployer Plan;

(e) [Reserved]; and

(f) any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

#### 6.8 Environmental Laws.

(a) Comply with, and take commercially reasonable steps to ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and take commercially reasonable steps to ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, in each case to the extent the failure to do so could reasonably be expected to have a Material Adverse Effect.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

6.9 Distributions in the Ordinary Course. In the ordinary course of business, the Borrower causes all of its Subsidiaries to make transfers of net cash and cash equivalents upstream to the Borrower, and the Borrower shall continue to follow such ordinary course of business. The Borrower shall not make net transfers of cash and cash equivalents downstream to its Subsidiaries except in the ordinary course of business consistent with past practice.

6.10 Additional Guarantors; Additional Unencumbered Properties. (a) With respect to any Subsidiary of the Borrower (other than an Excluded Foreign Subsidiary) that is required to

become a Subsidiary Guarantor so that the Real Property owned or leased by such Subsidiary qualifies as an Unencumbered Property or any Mortgage Note owned by such Subsidiary is included in the computation of Unencumbered Asset Value, cause such new Subsidiary (A) to become a party to the Guarantee Agreement, (B) to deliver to the Administrative Agent a certificate of such Subsidiary, substantially in the form of Exhibit C, with appropriate insertions and attachments, and (C) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent, all at the times, with respect to clauses (A), (B) and (C), required by Section 6.2(a) above.

(b) Upon the addition of any new Real Property as an Unencumbered Property after the Closing Date, the Borrower shall deliver to the Administrative Agent (a) a certificate of a Responsible Officer certifying that such Real Property satisfies the eligibility criteria set forth in the definition of "Unencumbered Property", certifying as to compliance with the financial covenants on a pro-forma basis after giving effect to the addition of such Real Property as an Unencumbered Property, which certificate shall include calculations in reasonable detail demonstrating such compliance, including as to the calculation of Unencumbered Asset Value, and (b) updated Schedules 4.23(a) and (b) of all Unencumbered Properties, all at times, with respect to clauses (a) and (b) required by Section 6.2(a) above. From and after the date of delivery of such certificate, schedule and information and so long as such Real Property continues to satisfy the eligibility criteria set forth in the definition of "Unencumbered Property", such Real Property shall be treated as a Unencumbered Property hereunder.

(c) Upon the inclusion of any new Mortgage Note in the computation of Unencumbered Asset Value, the Borrower shall deliver to the Administrative Agent an updated schedule of all Mortgage Notes included in the computation of Unencumbered Asset Value, all at times required by Section 6.2(a) above.

(d) The Borrower shall deliver the items described in and required by clauses (a), (b) and (c) above at the time of the delivery of the Compliance Certificate pursuant to Section 6.2(a). The Borrower will, and will cause each of its Subsidiaries to, cooperate with the Lenders and the Administrative Agent and execute such further instruments and documents as the Lenders or the Administrative Agent shall reasonably request to carry out to their satisfaction the transactions contemplated by this Agreement and the other Loan Documents.

6.11 Notices of Asset Sales, Encumbrances or Dispositions. The Borrower shall deliver to the Administrative Agent and the Lenders written notice not less than two (2) Business Days prior to a sale, encumbrance with a Lien to secure Indebtedness or other Disposition of an Unencumbered Property for consideration in excess of \$75,000,000, which is permitted pursuant to Section 7.2(f), Section 7.3(i) or Section 7.5, as applicable. In addition, simultaneously with delivery of any such notice, the Loan Parties shall deliver to the Administrative Agent (A) a certificate of a Responsible Officer certifying that no Default or Event of Default (including any non-compliance with the financial covenants contained herein) has occurred and is continuing or would occur on a pro forma basis after giving effect to the proposed sale, encumbrance or other Disposition, which certificate shall include calculations in reasonable detail demonstrating compliance with the financial covenants on a pro-forma basis, including as to the calculation of Unencumbered Asset Value and (B) an updated schedule of all Unencumbered Properties.

To the extent such proposed transaction would result in a Default or an Event of Default, the Borrower shall apply the proceeds of such transaction (together with such additional amounts as may be required), to prepay the Obligations in an amount, as determined by the Administrative Agent, equal to that which would be required to reduce the Obligations so that no Default or Event of Default would exist.

6.12 Maintenance of Ratings. The Borrower shall maintain a senior unsecured credit rating from each of S&P and Moody's; provided that if the rating obtained from such rating agency is a private letter rating that is not monitored and automatically updated by such rating agency, then the Borrower shall obtain an annual update of such rating on or before each anniversary of the Closing Date.

6.13 Use of Proceeds. The proceeds of the Loans shall be used only for the purposes set forth in Section 4.16 and in compliance with Section 4.11. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. The Borrower will not request any Loan or Letter of Credit, and the Borrower shall not use, and shall not permit its Subsidiaries and its or their respective directors, officers, employees and agents to use, the proceeds of any Loan or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in a violation of any Sanctions applicable to any party hereto.

## SECTION 7. NEGATIVE COVENANTS

Holdings and the Borrower hereby jointly and severally agree that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding (except to the extent cash collateralized on a basis reasonably acceptable to the Administrative Agent) or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than contingent indemnification obligations as to which no claim has been asserted), each of Holdings and the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

### 7.1 Financial Condition Covenants.

(a) Total Leverage Ratio. Permit the ratio of (i) (A) Total Indebtedness (other than any such Indebtedness that has been Discharged) minus (B) as of such date of determination, unrestricted cash and Cash Equivalents of the Group Members in excess of \$10,000,000 that is being held to repay that portion of Total Indebtedness that matures within twenty-four (24) months of such date of determination to (ii) Total Asset Value (the "Total Leverage Ratio") as at the last day of any period of four consecutive fiscal quarters of the Borrower or on the date of any incurrence of Indebtedness by the Borrower or its Subsidiaries hereunder to exceed 60%; provided that such ratio may exceed 60% in order to permit the Borrower to

consummate a Significant Acquisition so long as (i) such ratio does not exceed 60% as of the end of more than four (4) consecutive fiscal quarters and (ii) such ratio does not exceed 65% as of such date of determination.

(b) Fixed Charge Coverage Ratio. Permit the ratio of Total EBITDA to Total Fixed Charges for any period of four consecutive fiscal quarters of the Borrower to be less than 1.50 to 1.0.

(c) Secured Leverage Ratio. Permit the ratio of (A) (i) the aggregate amount of all Secured Indebtedness (other than any such Indebtedness that has been Discharged) minus (ii) as of such date of determination, unrestricted cash and Cash Equivalents of the Group Members in excess of \$10,000,000 that is being held to repay that portion of Secured Indebtedness that matures within twenty-four (24) months of such date of determination (the "Secured Debt Reserve"), and without duplication of the Unsecured Debt Reserve in Section 7.1(f), to (B) Total Asset Value (the "Secured Leverage Ratio"), as at the last day of any period of four consecutive fiscal quarters of the Borrower or on the date of any incurrence of Indebtedness by the Borrower or its Subsidiaries hereunder to exceed 40%.

(d) [Reserved].

(e) Consolidated Adjusted Net Worth. Permit Consolidated Tangible Net Worth to be less than the sum of (i) \$2,650,000,000 plus (ii) 75% of Net Cash Proceeds from issuances of Capital Stock by the Borrower or Holdings after September 30, 2016.

(f) Unsecured Leverage Ratio. Permit the ratio of (i)(A) Unsecured Indebtedness (other than any such Indebtedness that has been Discharged) minus (B) as of such date of determination, unrestricted cash and Cash Equivalents of the Group Members in excess of \$10,000,000 that is being held to repay that portion of Unsecured Indebtedness that matures within twenty-four (24) months of such date of determination ("Unsecured Debt Reserve"), and without duplication of the Secured Debt Reserve in Section 7.1(c), to (ii) Unencumbered Asset Value (the "Unsecured Leverage Ratio") as at the last day of any period of four consecutive fiscal quarters of the Borrower or on the date of any incurrence of Indebtedness by the Borrower or its Subsidiaries hereunder to exceed 65%.

(g) Unsecured Interest Coverage Ratio. Permit the ratio of Unencumbered NOI for any period of four consecutive fiscal quarters of the Borrower to Unsecured Interest Expense for such period to be less than 1.75 to 1.0 as at the last day of any period of four consecutive fiscal quarters of the Borrower or on the date of any incurrence of Indebtedness by the Borrower or its subsidiaries hereunder.

(h) [Reserved].

(i) Pro Forma Calculations.

(i) For purposes of the pro-forma calculations to be made pursuant to Sections 7.1(a), (c) and (f) (and the definitions used therein), such calculations shall be adjusted by (A) excluding from Total Asset Value and Unencumbered Asset Value the

actual value of any assets sold by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter and (B) adding to Total Asset Value and Unencumbered Asset Value the actual value of any assets acquired (or to be acquired with any borrowing) by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter.

(ii) For purposes of the pro-forma calculations to be made pursuant to Sections 7.1(b) and (g) (and the definitions used therein), such calculations shall be adjusted by (A) excluding from Unencumbered NOI the actual NOI for the relevant period of any assets sold by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter, (B) adding to Unencumbered NOI the projected NOI for the next four quarters (based on the Borrower's projections made in good faith) for any assets acquired (or to be acquired with any borrowing) by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter, (C) excluding from Unsecured Interest Expense, the Unsecured Interest Expense for the relevant period for any Unsecured Indebtedness for which the Borrower or any Subsidiary is no longer obligated in respect of, or as the result of the application of proceeds from, any Unencumbered Properties sold by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter, and (D) adding to Unsecured Interest Expense, the projected Unsecured Interest Expense for the next four quarters (based on the Borrower's projections made in good faith) for any Unsecured Indebtedness assumed or incurred by the Borrower or any of its Subsidiaries since the last day of the prior fiscal quarter.

7.2 Indebtedness. Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document, and the other Obligations;

(b) (i) Indebtedness of the Borrower to any Subsidiary and of any Wholly Owned Subsidiary of the Borrower to the Borrower or any other Subsidiary, (ii) Indebtedness of the Borrower or any Wholly Owned Subsidiary of the Borrower to any non-Wholly Owned Subsidiary of the Borrower, and (iii) Indebtedness of any non-Wholly Owned Subsidiary to the Borrower or to any Wholly Owned Subsidiary of the Borrower in an aggregate amount not to exceed 5% of Total Asset Value at any one time outstanding;

(c) Guarantee Obligations incurred in the ordinary course of business by the Borrower or any of its Subsidiaries of obligations of any Wholly Owned Subsidiary of the Borrower in an aggregate amount not to exceed \$50,000,000 at any one time outstanding;

(d) Indebtedness outstanding on the date hereof and listed on Schedule 7.2(d) and any refinancings, refundings, renewals or extensions thereof that would not cause a violation of any covenant set forth in Section 7.1 after giving pro forma effect thereto;

(e) (i) Indebtedness of the Borrower in respect of the Senior Notes, and any Additional Senior Unsecured Notes and (ii) Guarantee Obligations of Holdings and its Subsidiaries, as applicable, in respect of such Indebtedness;

(f) additional Indebtedness of Holdings, the Borrower or any of its Subsidiaries in an aggregate principal amount at any one time outstanding that would not cause a violation of any covenant set forth in Section 7.1 after giving pro forma effect to any such additional Indebtedness;

(g) Indebtedness with respect to obligations of the Borrower with respect to Swap Agreements permitted by Section 7.12; and

(h) Discharged Indebtedness.

7.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for taxes that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP or the equivalent accounting principles in the relevant local jurisdiction;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation, or to secure statutory obligations;

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(f) Liens (not affecting the Unencumbered Properties) in existence on the date hereof listed on Schedule 7.3(f), securing Indebtedness permitted by Section 7.2(d), provided that no such Lien is spread to cover any additional property that is an Unencumbered Property after the Closing Date and that the amount of Indebtedness secured thereby is not increased in violation of Section 7.2;

(g) Liens securing the Obligations;

(h) any interest or title of a lessor under any lease entered into by the Borrower or any other Subsidiary in the ordinary course of its business and covering only the assets so leased;

(i) Liens (not affecting the Unencumbered Properties) securing Indebtedness constituting Indebtedness permitted by Section 7.2(f), and Liens (not affecting Unencumbered Properties) incurred in connection with the cash collateralization of any Swap Agreement permitted by Section 7.12;

(j) Liens (not affecting the Unencumbered Properties) arising from judgments or orders for the payment of money (or appeal or other surety bonds relating thereto) not constituting an Event of Default under Section 8;

(k) Liens (i) of a collection bank arising under section 4-208 or 4-210 of the Uniform Commercial Code or other similar provisions of applicable Law on the items in the course of collection and (ii) in favor of a banking or other financial institution arising as a matter of common or statutory Law or under customary general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of setoff);

(l) Liens (i) on advances of cash or Cash Equivalents in favor of the seller of any property to be acquired in an Investment permitted hereunder to be applied against the purchase price for such Investment or other acquisition, and (ii) consisting of an agreement to Dispose of any property in a Disposition permitted hereunder, in each case, solely to the extent such Investment or other acquisition or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien or on the date of any contract for such Investment or Disposition;

(m) Liens that are customary contractual rights of setoff or banker's liens (i) relating to the establishment of depository relations with banks or other deposit-taking financial institutions in the ordinary course and not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit, automatic clearinghouse accounts or sweep accounts of Holdings, the Borrower or any of the Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Holdings, the Borrower or any of the Subsidiaries, or (iii) relating to securities accounts of Holdings, the Borrower or any of the Subsidiaries incurred in the ordinary course of business of Holdings, the Borrower or any of the Subsidiaries;

(n) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(o) customary rights of first refusal and tag, drag and similar rights in joint venture agreements entered into in the ordinary course of business;

(p) customary Liens of an indenture trustee on money or property held or collected by it to secure fees, expenses and indemnities owing to it by any obligor under an indenture;

(q) Liens on Real Property where a Group Member is insured against such Liens by title insurance;

(r) the interests of lessees and lessors under leases or subleases of, and the interest of managers or operators with respect to, real or personal property made in the ordinary course of business;

(s) Liens securing assessments or charges payable to a property owner association or similar entity, which assessments are not yet due and payable or are being contested in good faith by appropriate proceedings diligently conducted, and for which adequate reserves with respect thereto, to the extent required by GAAP, are maintained on the books of the applicable Person; and

(t) Liens on a Property (other than an Unencumbered Property) acquired by Borrower and or any of its Subsidiaries after the date hereof and which are in place at the time such Property is so acquired and not created in contemplation of such acquisition.

7.4 Fundamental Changes. (a) Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that:

(i) any Subsidiary of the Borrower may be merged, consolidated or amalgamated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any Wholly Owned Subsidiary of the Borrower (provided that a Wholly Owned Subsidiary of the Borrower shall be the continuing or surviving corporation);

(ii) any Subsidiary of the Borrower may Dispose of any or all of its assets (i) to the Borrower or any Wholly Owned Subsidiary of the Borrower (upon voluntary liquidation or otherwise) or (ii) pursuant to a Disposition permitted by Section 7.5;

(iii) any Investment expressly permitted by Section 7.8 may be structured as a merger, consolidation or amalgamation; and

(iv) any non-Wholly Owned Subsidiary of the Borrower may merge, consolidate or amalgamate with any other non-Wholly Owned Subsidiary of the Borrower.

(b) With respect to Holdings or the Borrower, enter into any merger, consolidation, amalgamation or reorganization transaction that would result in such Person being organized under the laws of a jurisdiction other than the United States.

7.5 Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of obsolete or worn out property in the ordinary course of business;

(b) the sale of inventory, receivables and other current assets and any immaterial assets in the ordinary course of business;

(c) Dispositions permitted by clause (i) of Section 7.4(b);

(d) the sale or issuance of any Subsidiary's Capital Stock to the Borrower or any Wholly Owned Subsidiary of the Borrower;

(e) to the extent allowable under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a permitted business between the Borrower or any Subsidiary and another Person;

(f) the voluntary unwinding of any Cash Management Services or Swap Agreements;

(g) the Disposition of other property, assets or Capital Stock so long as (i) no Default or Event of Default has occurred and is continuing, or would occur after giving effect thereto and (ii) the Borrower complies with Section 6.11, if applicable;

(h) the creation, granting, perfection or realization of any Lien permitted under this Agreement; the license or sublicense of intellectual property or other general intangibles; the lease, assignment or sublease of property in the ordinary course of business so long as the same does not materially interfere with the business of Holdings, the Borrower and their Subsidiaries, taken as a whole; and any sale or disposition of property in connection with scheduled turnarounds, maintenance and equipment and facility updates;

(i) the surrender or waiver of contract rights or settlement, release or surrender of a contract, tort or other litigation claim in the ordinary course of business;

(j) (i) any exchange or swap of assets, or lease, assignment or sublease of any real property or personal property of like property for use in a business permitted by Section 6.18 and (ii) Dispositions of property to the extent that (x) such property is exchanged for credit against the purchase price of similar replacement property or (y) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property;

(k) Dispositions of cash and Cash Equivalents;

(l) any Disposition (i) arising from foreclosure, casualty, condemnation or any similar action or transfers by reason of eminent domain with respect to any property or other asset of Holdings, the Borrower or any of its Subsidiaries; and

(m) the transfer for fair value of property (including Capital Stock of Subsidiaries) to another Person in connection with a joint venture arrangement with respect to the transferred property.

7.6 Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Group Member, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member (collectively, "Restricted Payments"), except that:

(a) any Subsidiary of the Borrower may make Restricted Payments to the Borrower or any Wholly Owned Subsidiary of the Borrower, and any Subsidiary of the Borrower may make Restricted Payments to any other Subsidiary and any other holders of its Capital Stock so long as such Restricted Payments are made on a pro rata basis or otherwise in accordance with the applicable governing documents;

(b) the Borrower may make Restricted Payments to Holdings (and Holdings may make Restricted Payments of such amount to its shareholders) in an amount not to exceed 95% of Normalized Adjusted FFO attributable to the period of four fiscal quarters then ended, unless such Restricted Payment is necessary in order for Holdings to maintain its status as a REIT and to avoid any U.S. federal income taxes on the taxable income of Holdings or any excise tax under Section 4981 of the Code; provided that (i) if an Event of Default has occurred and is continuing, the Borrower may only make Restricted Payments to Holdings in the amounts required to be made by Holdings in order to maintain its status as a REIT and (ii) the Borrower may not make any Restricted Payments to Holdings if the Obligations have been declared due and payable.

(c) redemptions, repurchases, retirements or other acquisitions of Capital Stock in Holdings, the Borrower or any of the Subsidiaries deemed to occur upon exercise of stock options or warrants or similar rights if such Capital Stock represent a portion of the exercise price of, or tax withholdings with respect to, such options or warrants or similar rights;

(d) the Borrower and the Subsidiaries may pay (or make Restricted Payments to allow Holdings or any direct or indirect parent thereof to pay, so long as in the case of any payment in respect of Capital Stock of any direct or indirect parent of Holdings, the amount of such Restricted Payment is directly attributable to the Capital Stock of Holdings owned directly or indirectly by such parent) for the repurchase, retirement or other acquisition or retirement for value of Capital Stock of Holdings (or such direct or indirect parent thereof) held by any future, present or former officers, directors, employees, members of management and consultants (or their respective estates, executors, administrators, heirs, family members, legatees, distributees, spouses, former spouses, domestic partners and former domestic partners) of Holdings (or any direct or indirect parent of Holdings) or any of its Subsidiaries in connection with the death, disability, retirement or termination of employment of any such Person (or a breach of any non-compete or other restrictive covenant or confidentiality obligations of any such Person at any time after such Person's disability, retirement or termination of employment); and

(e) (i) redemptions, repurchases, retirements or other acquisitions of Capital Stock in connection with or pursuant to any joint venture agreement, and (ii) the declaration and payment of dividends or other distributions on any non-Wholly Owned Subsidiary's Capital Stock, in each case based on the relevant ownership interests in the relevant class of Capital Stock.

7.7 [Reserved].

7.8 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, "Investments"), except Permitted Investments.

7.9 [Reserved].

7.10 Transactions with Affiliates. Enter into any material transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than Holdings, the Borrower or any Wholly Owned Subsidiary of the Borrower) unless such transaction is (i) for payments of compensation, perquisites and fringe benefits arising out of any employment or consulting relationship in the ordinary course of business, (ii) for payments of Restricted Payments permitted by this Agreement, (iii) between or among Loan Parties, or (iv) (A) otherwise not prohibited under this Agreement and (B) in the ordinary course of business of the relevant Group Member, and (C) upon fair and reasonable terms not less favorable to the relevant Group Member than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate.

7.11 Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by any Group Member of real or personal property that has been or is to be sold or transferred by such Group Member to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of such Group Member.

7.12 Swap Agreements. Enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by the Borrower or any Subsidiary and for the Borrower or such Subsidiary has actual exposure (other than those in respect of Capital Stock or the Senior Notes, or any Additional Senior Unsecured Notes) and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary.

7.13 Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than December 31 or change the Borrower's method of determining fiscal quarters.

7.14 Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Group Member to create, incur, assume or suffer to exist any Lien upon any of its property (including equity interests owned by such Group Member) or revenues, whether now owned or hereafter acquired (which, for the avoidance of doubt, shall exclude any agreement that requires maintenance of financial covenant ratios regarding amounts of secured debt or unencumbered assets), other than (a) this Agreement and the other Loan Documents, (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (c) any restrictions set forth in the organizational documents of the Subsidiaries of the Borrower listed on Schedule ES, (d) any restrictions set forth in the 2012 Senior Unsecured Note Indenture, the 2013 Senior Unsecured Note Indenture or any Additional Senior Unsecured Indentures, (e) customary restrictions and conditions contained in any agreement relating to the sale of any property pending the consummation of such sale; provided that (1) such restrictions apply only to the property to be sold, and (2) such sale is permitted hereunder, (f) covenants in any one or more

agreements governing Indebtedness permitted under Section 7.2 entered into after the Closing Date that are not materially more restrictive with respect to Borrower and its Subsidiaries than the equivalent restrictions set forth in the Loan Documents, (g) any encumbrance or restriction in connection with an acquisition of property, so long as such encumbrance or restriction relates solely to the property so acquired and was not created in connection with or in anticipation of such acquisition, (h) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses or similar agreements entered into in the ordinary course of business (provided that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be), (i) provisions limiting the disposition or distribution of assets or property in joint venture agreements, stock sale agreements and other similar agreements, in each case, to the extent permitted under this Agreement and only if entered into with the approval of the Board of Directors of Holdings, which limitation is applicable only to the assets that are the subject of such agreement, (j) Contractual Obligations that are binding on a Subsidiary at the time such Subsidiary first becomes a Subsidiary, so long as such Contractual Obligations were not entered into in contemplation of such Person becoming a Subsidiary, (k) are required by or pursuant to applicable Law, (l) are customary restrictions on leases, subleases, licenses, sublicenses, Capital Stock, or asset sale agreements and other similar agreements otherwise permitted hereby so long as such restrictions relate to the assets subject thereto, and (m) are customary provisions restricting assignment of any agreement entered into in the ordinary course of business.

7.15 Cluses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Subsidiary of the Borrower, (b) make loans or advances to, or other Investments in, the Borrower or any other Subsidiary of the Borrower or (c) transfer any of its assets to the Borrower or any other Subsidiary of the Borrower, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, the Senior Note Indenture, the 2012 Senior Unsecured Note Indenture, the 2013 Senior Unsecured Note Indenture or any Additional Senior Unsecured Indentures, (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Subsidiary, (iii) any restrictions set forth in the organizational documents of the Subsidiaries of the Borrower listed on Schedule ES, (iv) applicable Requirements of Law, (v) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of a Subsidiary, (vi) any holder of a Lien permitted by Section 7.3 restricting the transfer of the property subject to such permitted Lien, (vii) any agreement in effect at the time such Subsidiary becomes a Subsidiary of the Borrower, so long as such agreement was not entered into in connection with or in contemplation of such Person becoming a Subsidiary of the Borrower, and (viii) any restrictions in any one or more agreements governing Indebtedness permitted under Section 7.2 entered into after the Closing Date that are not materially more restrictive with respect to Borrower and its Subsidiaries than the equivalent restrictions set forth in the Loan Documents.

7.16 Lines of Business. Enter into any business, either directly or through any Subsidiary, except for those businesses in which the Borrower and its Subsidiaries are engaged on the date of this Agreement or that are reasonably related thereto.

## SECTION 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation, or any other amount payable hereunder or under any other Loan Document, within five days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate (i) in any material respect on or as of the date made or deemed made or (ii) in the case of any representation or warranty qualified by "materiality", "Material Adverse Effect" or any similar language, in any respect (after giving effect to such materiality qualifier) on or as of the date made or deemed made; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 6.4(a) (with respect to Holdings and the Borrower only), Section 6.7(a), Section 6.13, or Section 7 of this Agreement or Section 4 of the Guarantee Agreement; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after notice to the Borrower from the Administrative Agent or the Required Lenders; provided that if such default is capable of being cured but cannot be cured within such 30 day period and so long as the Borrower shall have commenced to cure such default within such 30 day period and shall be diligently pursuing such cure, the Borrower shall have an additional 30 day period to cure such default; or

(e) any Group Member (other than an Immaterial Subsidiary) shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due,

prepaid, repurchased, defeased or redeemed prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate (x) \$50,000,000, in the case of Recourse Indebtedness or (y) \$100,000,000 in the case of Nonrecourse Indebtedness; *provided* further that this clause (e) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder; or

(f) (i) any Group Member (other than an Immaterial Subsidiary) shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Group Member (other than an Immaterial Subsidiary) shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Group Member (other than an Immaterial Subsidiary) any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismitted or undischarged for a period of 60 days; or (iii) any Group Member (other than an Immaterial Subsidiary) shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i) or (ii) above; or (iv) any Group Member (other than an Immaterial Subsidiary) shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of any Group Member or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, or (v) any Group Member or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders would be reasonably likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, would, in the reasonable judgment of the Required Lenders, reasonably be expected to have a Material Adverse Effect; or

(h) one or more final judgments or decrees shall be entered against any Group Member (other than an Immaterial Subsidiary) involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has not denied coverage) of \$50,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) any of the Loan Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert other than as expressly permitted hereunder or thereunder; or

(j) [reserved]; or

(k) (i) (any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of more than 40% of the outstanding common stock of Holdings; (ii) the board of directors of Holdings shall cease to consist of a majority of Continuing Directors; (iii) Holdings shall cease to own and control, of record and beneficially, 100% of the outstanding Capital Stock of the general partner of the Borrower or shall cease to own and control, of record and beneficially, 90% of each class of outstanding Capital Stock of the Borrower free and clear of all Liens; or (iv) a Specified Change of Control shall occur; or

(l) Holdings shall (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than (A) those incidental to its ownership of the Capital Stock of the Borrower, (B) the maintenance of its legal existence (including the ability to incur fees, costs and expenses relating to such maintenance), (C) the performance of its obligations and payments with respect to the Loan Documents and any other agreements permitted hereunder, (D) any public offering of its common stock or any other issuance of its Capital Stock or hold proceeds thereof, (E) making payments or Restricted Payments to the extent otherwise permitted hereunder, (F) making Investments in its Subsidiaries, (G) participating in tax, accounting and other administrative matters as a member of the consolidated, combined, unitary or similar group that included Holdings and the Borrower, (H) holding any cash, Cash Equivalents or other property received in connection with Restricted Payments received from, and Investments in Holdings made by, its Subsidiaries, contributions to its capital or in exchange for the issuance of Capital Stock and Investments received in respect of any of the foregoing pending application thereof by Holdings, and (I) providing indemnification and contribution, directors, officers, employees, members of management and consultants, (ii) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (w) Indebtedness incurred with respect to guarantees of the Senior Notes, or other Indebtedness of the Borrower and its Subsidiaries that is permitted by Section 7.2, (x) nonconsensual obligations imposed by operation of law, (y) obligations pursuant to the Loan Documents to which it is a party and (z) obligations with respect to its Capital Stock, or (iii) own, lease, manage or otherwise operate any properties or assets (including cash (other than cash received in connection with dividends made by the Borrower in accordance with Section 7.6 pending application in the manner contemplated by said Section) and cash equivalents) other than the ownership of shares of Capital Stock of the Borrower;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i), (ii), (iii) or (iv) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall immediately become due and payable (and the obligation to deposit cash collateral for Letters of Credit described below shall become effectively immediately and such deposits shall become immediately due and payable), and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith, whereupon the same shall immediately become due and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be held as collateral for the payment and performance of the Obligations and shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other obligations of the Borrower hereunder and under the other Loan Documents. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other obligations of the Borrower hereunder and under the other Loan Documents shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

In the event that following the occurrence or during the continuance of any Event of Default, the Administrative Agent or any Lender, as the case may be, receives any monies in connection with the enforcement of any the Loan Documents, such monies shall be distributed for application as follows:

(a) First, to the payment of, or (as the case may be) the reimbursement of the Administrative Agent for or in respect of, all reasonable costs, expenses, disbursements and losses which shall have been incurred or sustained by the Administrative Agent in connection with the collection of such monies by the Administrative Agent, for the exercise, protection or enforcement by the Administrative Agent of all or any of the rights, remedies, powers and privileges of the Administrative Agent under this Agreement or any of the other Loan Documents or in support of any provision of adequate indemnity to the Administrative Agent against any taxes or liens which by law shall have, or may have, priority over the rights of the Administrative Agent to such monies;

(b) Second, to pay any fees or expense reimbursements then due to the Lenders from the Loan Parties;

(c) Third to pay interest then due and payable on the Loans and Reimbursement Obligations ratably,

(d) Fourth, to payment of Obligations constituting principal on the Loans and Reimbursement Obligations and obligations under Cash Management Services and Lender Swap Agreements due to the Administrative Agent or any Lender or any Affiliate of the Administrative Agent or any Lender by the Loan Parties, and to pay an amount to the Administrative Agent equal to one hundred five percent (105%) of the aggregate undrawn face amount of all outstanding Letters of Credit and the aggregate amount of any unpaid Reimbursement Obligations, to be held as cash collateral for such Obligations, in each case ratably among the Lenders, the Administrative Agent and their Affiliates in proportion to the amounts described in this clause Fourth payable to them; and

(e) Fifth, to the payment of any other Obligation due to the Administrative Agent or any Lender or any Affiliate of the Administrative Agent or any Lender by the Loan Parties.

Notwithstanding the foregoing, amounts received from any Guarantor shall not be applied to any Excluded Swap Obligation of such Guarantor, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation otherwise set forth in clauses (d) and (e) above.

## SECTION 9. THE AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein.

Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.1), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party. The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into or monitor compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Institution.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been

signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to Holdings or the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither the Agents nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent, any Arranger or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent, any Arranger or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required

to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7 Indemnification. To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent, the Issuing Lender or the Swingline Lender under Section 10.5, each Lender severally agrees to pay to the Administrative Agent, the Issuing Lender or the Swingline Lender, as the case may be, such Lender's Aggregate Exposure Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Lender or the Swingline Lender in its capacity as such.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it and with respect to any Letters of Credit issued or participated in by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

9.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon ten (10) days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(a) or Section 8(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is ten (10) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

9.10 Other Agents. The Syndication Agent, the Documentation Agents, and the Arrangers shall not have any duties or responsibilities hereunder in its capacity as such.

## SECTION 10. MISCELLANEOUS

10.1 Amendments and Waivers. Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall: (i) forgive or reduce the principal amount or extend the final scheduled date of maturity of any Loan (except as provided in Section 2.25), reduce the stated rate of any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)), extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 10.1 without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, or release Holdings from its obligations under the Guarantee Agreement or release the Borrower from its obligations under any Qualified Borrower Guarantee, in each case without the written consent of all Lenders; (iv) amend, modify or waive any provision of Section 9 without the written consent of the Administrative Agent; (v) amend, modify or waive any provision of Section 2.6 or 2.7 or Section 2.24 without the written consent of the Swingline Lender; (vi) amend, modify or waive any provision of Section 2.24 or Section 3 without the written consent of the Issuing Lender; (vii) change Section 2.17(a), (b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender affected thereby; (viii) amend Section 1.4 or the definition of "Alternative Currency" without the consent of each Revolving Lender; (ix) reduce the percentage specified in the definition of "Majority Facility Lenders" with respect to any Facility without the written consent of all Lenders under such Facility; (x) amend the last paragraph of Section 8 (regarding the application of funds after an Event of Default), without the written consent of the Majority Facility Lenders of each Facility; or (xi) amend, modify or waive Section 5.2 without the consent of the applicable Majority Facility Lenders of the affected Facility. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders,

the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

10.2 Notices. (a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of Holdings, the Borrower and the Administrative Agent, and as set forth in an Administrative Questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Holdings:	Medical Properties Trust, Inc. 1000 Urban Center Drive, Suite 501 Birmingham, AL 35242 Attention: R. Steven Hamner Telecopy: (205) 969-3756 Telephone: (205) 969-3755
Borrower:	MPT Operating Partnership, L.P. c/o Medical Properties Trust, Inc. 1000 Urban Center Drive, Suite 501 Birmingham, AL 35242 Attention: R. Steven Hamner Telecopy: (205) 969-3756 Telephone: (205) 969-3755
With a copy to:	Goodwin Procter LLP 100 Northern Avenue Boston, MA 02210 Attention: Edward Matson Sibble, Jr. Telecopy: (617) 523-1231 Telephone: (617) 570-1000
Administrative Agent:	JPMorgan Chase Bank, N.A. Loan and Agency Services Group 500 Stanton Christiana Road, NCC5/1 <sup>st</sup> Floor Newark, DE 19713-2107 Attention: Joseph Burke Email: joseph.m.burke@jpmorgan.com Telecopy: (302) 634-1697 Telephone: (302) 634-8459

With a copy to (for requests relating to Loans and Letters of Credit denominated in an Alternative Currency):

J.P.Morgan Europe Limited  
25 Bank Street, Canary Wharf  
London E14 5JP  
Attention of The Manager, Loan & Agency Services  
Telecopy No. +44 207 777 2360,  
Email: loan\_and\_agency\_london@jpmorgan.com

With a copy to:

JPMorgan Chase Bank, N.A.  
383 Madison Avenue, 40th Floor  
New York, NY 10179  
Attention: Jaime Gitler  
Telecopy: (212) 270-2157  
Telephone: (212) 270-1311

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

(d) Electronic Systems.

(i) Each Loan Party agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Issuing Lenders and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(ii) Any Electronic System used by the Administrative Agent is provided “as is” and “as available.” The Agent Parties (as defined below) do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or any Electronic System. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to the Borrower or the other Loan Parties, any Lender, the Issuing Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower’s, any Loan Party’s or the Administrative Agent’s transmission of communications through an Electronic System. “Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Lender by means of electronic communications pursuant to this Section, including through an Electronic System.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law or otherwise available. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 10.1, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Lender may have had notice or knowledge of such Default at the time.

10.4 Survival. All covenants, representations and warranties made by the Borrower hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder, regardless of any investigation

made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Lender or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.18, 2.19, 2.20 and 10.5 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

10.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent and the Arrangers and their respective Affiliates for all its reasonable out-of-pocket costs and expenses incurred in connection with the development, syndication, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the Administrative Agent and including such costs and expenses incurred under Section 6.10 and 6.11, with statements with respect to the foregoing to be submitted to the Borrower prior to the Funding Date (in the case of amounts to be paid on the Funding Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender and the Administrative Agent for all its documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents (including any workout or restructuring or negotiations in respect thereof) , including the documented fees and disbursements and other out-of-pocket costs of counsel to each Lender and of counsel to the Administrative Agent, (c) to pay, indemnify, and hold each Lender and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender and the Administrative Agent and their respective officers, directors, employees, affiliates, advisors, trustees, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (except for Taxes, other than Taxes that represent losses, costs or expenses arising from any non-Tax claims) incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any Loan Party with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of any Group Member or any of the Properties and the reasonable documented fees and expenses

of legal counsel in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document or asserted against any Indemnitee (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence, willful misconduct or material breach of Loan Document obligations of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than ten (10) Business Days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to R. Steven Hamner (Telephone No. (205) 969-3755) (Telecopy No. (205) 969-3756), at the address of the Borrower set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Loans and all other amounts payable hereunder.

10.6 Successors and Assigns; Participations and Assignments. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any affiliate of the Issuing Lender that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Lender that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Lender and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons that are Eligible Assignees (each, an "Assignee") all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Borrower (such consent not to be unreasonably withheld or delayed), provided that no consent of the Borrower shall be required for an assignment to a Lender, an affiliate of a Lender, an Approved Fund (as defined below) or, if an Event of Default has occurred and is continuing, any other Person that is an Eligible Assignee; and provided further that the Borrower shall be deemed to have consented to an assignment unless it shall have objected thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof;

(B) the Administrative Agent (such consent not to be unreasonably withheld or delayed); provided that no consent of the Administrative Agent shall be required for the assignment of Term Loans to a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) solely in the case of the Revolving Facility, the Issuing Lender and the Swingline Lender (such consent not to be unreasonably withheld or delayed).

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Loans, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that (1) no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its affiliates or Approved Funds, if any;

(B) the assigning Lender and the Assignee party to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire.

For the purposes of this Section 10.6, "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an affiliate of a Lender or (c) an entity or an affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.18, 2.19, 2.20 and 10.5). Any assignment or transfer by a Lender of rights or obligations under

this Agreement that does not comply with this Section 10.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent, and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Lender and any Lender, at any reasonable time and from time to time upon reasonable prior notice. The obligations of Borrower under the Loan Documents are registered obligations and the right, title and interest of the Lenders and their Assignees in and to such obligations shall be transferable only upon notation of such transfer in the Register. This Section 10.6(b)(iv) shall be construed so that such obligations are at all times maintained in "registered from" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations (and any other relevant or successor provisions of the Code or such regulations).

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (other than the Company, the Borrower or any of their respective Subsidiaries or Affiliates) or a natural person (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Lender and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver

that (1) requires the consent of each Lender directly affected thereby pursuant to the proviso to the second sentence of Section 10.1 and (2) directly affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.18, 2.19 and 2.20 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7(b) as though it were a Lender, provided such Participant shall be subject to Section 10.7(a) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register. The obligations of Borrower under the Loan Documents are registered obligations and the right, title and interest of the Lenders and their Participants in and to such obligations shall be transferable only upon notation of such transfer in the Participant Register. This Section 10.6(c)(i) shall be construed so that such obligations are at all times maintained in "registered from" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and any related regulations (and any other relevant or successor provisions of the Code or such regulations).

(ii) Each Participant shall agree to be subject to the provisions of Section 2.22 as though it were a Lender. A Participant shall not be entitled to receive any greater payment under Section 2.18 or 2.19 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent, which consent specifically refers to this Section 10.6(c)(ii). Any Participant that is a Non-U.S. Lender shall not be entitled to the benefits of Section 2.19 unless such Participant complies with Section 2.19(f).

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any other central bank having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto.

(e) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (d) above.

(f) Notwithstanding the foregoing, any Conduit Lender may assign any or all of the Loans it may have funded hereunder to its designating Lender without the consent of the Borrower or the Administrative Agent and without regard to the limitations set forth in Section 10.6(b). Each of Holdings, the Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

(g) Disqualified Institutions. (i) No assignment or participation shall be made to any Person that was a Disqualified Institution as of the date (the "Trade Date") on which the assigning Lender entered into a binding agreement to sell and assign or grant a participation in all or a portion of its rights and obligations under this Agreement to such Person (unless the Borrower has consented to such assignment or participation in writing in its sole and absolute discretion, in which case such Person will not be considered a Disqualified Institution for the purpose of such assignment or participation). For the avoidance of doubt, with respect to any assignee or Participant that becomes a Disqualified Institution after the applicable Trade Date (including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, the definition of "Disqualified Institution"), (x) such assignee or Participant shall not retroactively be disqualified from becoming a Lender or Participant and (y) the execution by the Borrower of an Assignment and Assumption with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Institution. Any assignment or participation in violation of this clause (g)(i) shall not be void, but the other provisions of this clause (g) shall apply.

(ii) If any assignment or participation is made to any Disqualified Institution without the Borrower's prior written consent in violation of clause (i) above or if any Person becomes a Disqualified Institution after the applicable Trade Date, the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and the Administrative Agent, (A) terminate any Revolving Commitment of such Disqualified Institution and repay all obligations of the Borrower owing to such Disqualified Institution in connection with such Revolving Commitment plus accrued interest, accrued fees and all other amounts payable to it hereunder, (B) in the case of outstanding Term Loans held by Disqualified Institutions, purchase or prepay such Term Loans by paying the principal amount thereof plus accrued interest fees and other amounts payable to it hereunder and/or (C) require such Disqualified Institution to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 10.6), all of its interest, rights and obligations under this Agreement to one or more Eligible Assignees at the principal amount thereof plus accrued interest, accrued fees and all other amounts payable to it hereunder.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Institutions to whom an assignment or participation is made in violation of clause (i) above (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Institution will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Institutions consented to such matter.

(iv) The Administrative Agent shall have the right, and the Borrower hereby expressly authorizes the Administrative Agent, to (A) post the list of Disqualified Institutions provided by the Borrower and any updates thereto from time to time (collectively, the “*Disqualified Institution List*”) on the Electronic System, including that portion of the Electronic System that is designated for “public side” Lenders and/or (B) provide the Disqualified Institution List to each Lender requesting the same.

(h) The parties hereby agree that Merrill Lynch, Pierce, Fenner & Smith Incorporated may, without notice to the Loan Parties, assign its rights and obligations under this Agreement to any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation’s or any of its subsidiaries’ investment banking, commercial lending services or related businesses may be transferred following the date of this Agreement.

#### 10.7 Adjustments; Set-off.

(a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a “Benefitted Lender”) shall receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to Holdings or the Borrower, any such notice being expressly waived by Holdings and the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Holdings or the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Holdings or the Borrower, as the case may be. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

**10.8 Counterparts; Integration; Effectiveness; Electronic Execution.** (a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.1, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

**10.9 Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**10.10 Integration.** This Agreement and the other Loan Documents represent the entire agreement of Holdings, the Borrower, the Administrative Agent and the Lenders with respect to

the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12 Submission To Jurisdiction; Waivers. Each of Holdings and the Borrower hereby irrevocably and unconditionally:

(a) submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County, Borough of Manhattan, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Holdings or the Borrower, as the case may be at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

10.13 Acknowledgements. Each of Holdings and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) none of the Administrative Agent, the other Agents, the Arrangers or any Lender has any fiduciary or advisory relationship with or duty to Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent, the other Agents, the Arrangers and the Lenders, on one hand, and Holdings and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor;

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Borrower and the Lenders; and

(d) each Agent, Issuing Bank, Swing Line Lender, Lender and their Affiliates may have economic interests that conflict with those of the Loan Parties, their stockholders and/or their affiliates.

10.14 Releases of Guarantees. (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 10.1) to take any action requested by the Borrower having the effect of releasing any guarantee obligations (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 10.1 or (ii) under the circumstances described in paragraphs (b) and (c) below.

(b) At such time as the Loans, the Reimbursement Obligations, obligations under Lender Swap Agreements due to any Lender or its Affiliate by the Loan Parties and the other Obligations shall have been paid in full, the Commitments have been terminated and no Letters of Credit shall be outstanding, the Guarantors shall be released from their obligations under the Guarantee Agreement (other than those expressly stated to survive such termination), all without delivery of any instrument or performance of any act by any Person.

10.15 Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all Information (as defined below); provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such Information (a) to the Administrative Agent, any other Lender or any affiliate thereof, (b) subject to an agreement to comply with the provisions of this Section, to any actual or prospective Transferee or any direct or indirect counterparty to any Swap Agreement (or any professional advisor to such counterparty) (it being understood that the Disqualified Institution List may be disclosed to any assignee or Participant, or prospective assignee or Participant, in reliance on this clause (b) so long as such Person is not listed on such Disqualified Institution List), (c) to its Affiliates and to its and its Affiliates' employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates in connection with their rights and obligations hereunder and under the other Loan Documents, (d) upon the request or demand of any Governmental Authority or any regulatory authority (including any self-regulatory authority), (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed or becomes publicly

available, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, or (i) in connection with the exercise of any remedy hereunder or under any other Loan Document. For the purposes of this Section, "Information" means all information received from the Loan Parties relating to the Loan Parties or their business, other than any such information that is available to the Administrative Agent, any Issuing Lender or any Lender on a non-confidential basis prior to disclosure by the Borrower and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such information as such Person would accord to its own confidential information.

10.16 WAIVERS OF JURY TRIAL. HOLDINGS, THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND FOR ANY COUNTERCLAIM THEREIN. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.17 USA PATRIOT Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act") hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

10.18 Transitional Arrangements.

(a) Existing Credit Agreement Superseded. This Agreement shall supersede the Existing Credit Agreement in its entirety, except as provided in this Section 10.18. On the Closing Date, (i) the Term Loans outstanding under the Existing Credit Agreement and the Revolving Loans outstanding under the Existing Credit Agreement shall become Dollar Term Loans and Revolving Loans hereunder, respectively, (ii) the rights and obligations of the parties under each of the Existing Credit Agreement and the "Notes" defined therein shall be subsumed within and be governed by this Agreement and the Notes; *provided however*, that

for purposes of this clause (ii) any of the “Obligations” (as defined in the Existing Credit Agreement) outstanding under the Existing Credit Agreement shall, for purposes of this Agreement, be Obligations hereunder; (iii) this Agreement shall not in any way release or impair the rights, duties or Obligations created pursuant to the Existing Credit Agreement or any other Loan Document or affect the relative priorities thereof, in each case to the extent in force and effect thereunder as of the Closing Date, except as modified hereby or by documents, instruments and agreements executed and delivered in connection herewith, and all of such rights, duties and Obligations are assumed, ratified and affirmed by the Borrower; (iv) the Obligations incurred under each of the Existing Credit Agreement shall, to the extent outstanding on the Closing Date, continue outstanding under this Agreement and shall not be deemed to be paid, released, discharged or otherwise satisfied by the execution of this Agreement, and this Agreement shall not constitute a refinancing, substitution or novation of such Obligations or any of the other rights, duties and obligations of the parties hereunder; and (v) the execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of Lenders or the Administrative Agent under the Existing Credit Agreement, nor constitute a waiver of any covenant, agreement or obligation under the Existing Credit Agreement, except to the extent that any such covenant, agreement or obligation is no longer set forth herein or is modified hereby. The Lenders’ interests in such Obligations, and participations in such Letters of Credit, shall be reallocated on the Closing Date in accordance with each Lender’s applicable Revolving Percentages and Term Percentages. On the Closing Date, (a) the “Revolving Commitment” and “Term Commitment” (as defined in the Existing Credit Agreement) of each Lender that is a party to the Existing Credit Agreement but is not a party to this Agreement (an “Exiting Lender”) shall be terminated, all outstanding Obligations owing to the Exiting Lenders under the Existing Agreement on the Closing Date shall be paid in full, and each Exiting Lender shall cease to be a Lender under this Agreement, and (b) each Person listed on Schedule 1.1A attached to this Agreement shall be a Lender under this Agreement with the Commitments set forth opposite its name on such Schedule 1.1A.

(b) Interest and Fees under Existing Credit Agreement. All interest and all commitment, facility and other fees and expenses owing or accruing under or in respect of the Existing Credit Agreement shall be calculated as of the Closing Date (prorated in the case of any fractional periods), and shall be paid on the Closing Date in accordance with the method specified in the Existing Credit Agreement as if such agreement were still in effect.

10.19 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

10.20 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and,

to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

10.21 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document (provided, however, that Borrower shall be entitled to transfer, assign or waive its right to receive any such shares or other instruments to the extent necessary or prudent to preserve its status as a REIT), to the extent permitted by applicable law; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

#### 10.22 Subsidiary Borrowers.

(a) At the election of the Borrower at any time and from time to time, upon not less than seven (7) Business Days' notice (or 15 days' notice in the event the Subsidiary is organized under the laws of a jurisdiction other than the United States (a "Foreign Subsidiary Borrower")) to the Administrative Agent and each Lender, at the time of such election, one or more Wholly Owned Subsidiaries shall become a Borrower hereunder (each, a "Subsidiary Borrower") by (A) the Borrower's and such Subsidiary Borrower's executing and delivering to the Administrative Agent, as applicable, (i) an Adherence Agreement, (ii) an incumbency certificate as to the names, titles and specimen signatures of such Wholly Owned Subsidiary's officers or other representatives authorized to act on its behalf in connection with this Agreement, and (iii) if and to the extent generally issued by the applicable jurisdiction, a current good standing certificate as to such Wholly Owned Subsidiary from its jurisdiction of

organization and a certified copy of its organizational or constituent documents (such as a certificate or articles of incorporation or formation and by-laws, limited liability company agreement or limited partnership agreement, as applicable); provided that (x) each such Wholly Owned Subsidiary shall satisfy the Baseline Conditions on and as of the date such Wholly Owned Subsidiary delivers its Adherence Agreement, (y) the Borrower shall be deemed to represent and warrant as of such date that such proposed Subsidiary Borrower is a Wholly Owned Subsidiary, and (z) no Subsidiary Borrower shall cease to be a Subsidiary Borrower solely because it ceases to be a Wholly-Owned Subsidiary so long as it remains a Subsidiary and (B) the Borrower's executing a Qualified Borrower Guaranty. Following the giving of any notice pursuant to this Section 10.22(a) and prior to the effectiveness of any such Subsidiary becoming a Subsidiary Borrower, if the designation of such Subsidiary Borrower obligates the Administrative Agent or any Lender to comply with "know your customer" or similar identification procedures in accordance with applicable laws and regulations in circumstances where the necessary information is not already available to it, the applicable Subsidiary Borrower shall, promptly upon the request of the Administrative Agent or such Lender, supply such documentation and other evidence as is reasonably and customarily requested by the Administrative Agent or such Lender in order for the Administrative Agent or such Lender to be satisfied (in good faith) it has complied with all necessary "know your customer" or other similar verifications under all applicable laws and regulations. Notwithstanding the foregoing, (x) with respect to any Foreign Subsidiary Borrower, any Lender may, with notice to the Administrative Agent and the Borrower, fulfill its Commitment by causing an Affiliate of such Lender to act as the Lender in respect of such Foreign Subsidiary Borrower (and such Lender shall, to the extent of Loans made to and participations in Letters of Credit issued for the account of such Foreign Subsidiary Borrower, be deemed for all purposes hereof to have pro tanto assigned such Loans and participations to such Affiliate in compliance with the provisions of Section 10.6; and (y) as soon as practicable and in any event within seven (7) Business Days after notice of the designation under this Section of a Foreign Subsidiary Borrower, any Lender that (I) may not legally lend to such Foreign Subsidiary Borrower, (II) by policy or practice does not lend to entities in the jurisdiction of formation of such Foreign Subsidiary Borrower, or (III) would incur or suffer adverse regulatory or legal consequences by lending to such Foreign Subsidiary Borrower and, in any case (I) or (II) or (III), is generally not lending to other borrowers similarly situated to such Foreign Subsidiary Borrower (a "Protesting Lender") shall so notify the Borrower and the Administrative Agent in writing. With respect to each Protesting Lender, the Borrower shall, effective on or before the date that such Foreign Subsidiary Borrower shall have the right to borrow hereunder, either (I) (A) replace such Protesting Lender in accordance with Section 2.22 or (B) notify the Administrative Agent and such Protesting Lender that the Commitments of such Protesting Lender shall be terminated (whereupon such Commitments shall be terminated); provided that, in the case of this clause (B) with respect to Revolving Commitments, (1) the Borrower shall have received the prior written consent of the Administrative Agent and each Issuing Lender, which consents shall not unreasonably be withheld, and (2) such Protesting Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the relevant Borrower (in the case of all other amounts), or (II) cancel its request to designate such Subsidiary as a "Subsidiary Borrower" hereunder.

(b) A Subsidiary Borrower shall be released as a Borrower hereunder upon written request by the Borrower; provided that (i) any Loans to and/or other obligations of such Subsidiary Borrower proposed to be released shall have been either (A) repaid (and any outstanding Letters of Credit issued for its account shall have been fully cash collateralized unless the Borrower is a co-applicant thereof) or (B) assumed (pursuant to a written agreement reasonably satisfactory in form and substance to the Administrative Agent), concurrently with or prior to such release, by the Borrower or by another Subsidiary Borrower (which other Subsidiary Borrower satisfies the Baseline Conditions at the time of such assumption), (ii) there is no Event of Default after giving effect to such release, (iii) the Borrower is in compliance with each of the financial covenants set forth in Section 7.1 if the ratio or amount referred to therein were to be calculated as of such date, but after giving effect to such release, and (iv) the Borrower has furnished to the Administrative Agent a certificate of its chief financial officer or other authorized officer as to the matters referred in the preceding sub-clauses (ii) and (iii).

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

MEDICAL PROPERTIES TRUST, INC.

By: /s/ R. Steven Hamner

Name: R. Steven Hamner

Title: Executive Vice President and Chief Financial Officer

MPT OPERATING PARTNERSHIP, L.P.

By: MEDICAL PROPERTIES TRUST, LLC, its general partner

By: MEDICAL PROPERTIES TRUST, INC., its sole member

By: /s/ R. Steven Hamner

Name: R. Steven Hamner

Title: Executive Vice President and Chief Financial Officer

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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

By: /s/ Jaime Gitler

Name: Jaime Gitler

Title: Vice President

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

BANK OF AMERICA, N.A., as a Lender, Issuing Lender and  
Swingline Lender

By: /s/ H. Hope Walker

Name: H. Hope Walker

Title: V.P.

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

BARCLAYS BANK PLC, as a Lender, Issuing Lender and  
Swingline Lender

By: /s/ Christopher M. Aitkin

Name: Christopher M. Aitkin

Title: Assistant Vice President

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

KEYBANK NATIONAL ASSOCIATION, as a Lender,  
Issuing Lender and Swingline Lender

By: /s/ Laura Conway  
Name: Laura Conway  
Title: SVP

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

GOLDMAN SACHS BANK USA, as a Lender, Issuing  
Lender and Swingline Lender

By: /s/ Josh Rosenthal

Name: Josh Rosenthal

Title: Authorized Signatory

By: \_\_\_\_\_

Name:

Title:

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

COMPASS BANK, as a Lender

By: /s/ Brian Tuerff

Name: Brian Tuerff

Title: Senior Vice President

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

CREDIT AGRICOLE CORPORATE AND INVESTMENT  
BANK, as a Lender

By: /s/ Karen Ramos

Name: Karen Ramos

Title: Managing Director

By: /s/ Gordon Yip

Name: Gordon Yip

Title: Director

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

ROYAL BANK OF CANADA, as a Lender

By: /s/ Rina Kansagra

Name: Rina Kansagra

Title: Authorized Signatory

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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SUNTRUST BANK, as a Lender

By: /s/ Philip VanFossan

Name: Philip VanFossan

Title: Vice President

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a  
Lender

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

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

CITIZENS BANK, NATIONAL ASSOCIATION,  
as a Lender

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

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a  
Lender

By: /s/ William O' Daly

Name: William O' Daly

Title: Authorized Signatory

By: /s/ D. Andrew Maletta

Name: D. Andrew Maletta

Title: Authorized Signatory

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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CADENCE BANK, N.A., as a Lender

By: /s/ William H. Crawford

Name: William H. Crawford

Title: EVP - Healthcare Banking

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

FIRST TENNESSEE BANK NATIONAL ASSOCIATION, as  
a Lender

By: /s/ Cathy Wind

Name: Cathy Wind

Title: SVP

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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

By: /s/ Scott O'Connell

Name: Scott O'Connell

Title: Director

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

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THE BANK OF NOVA SCOTIA, as a Lender

By: /s/ Michelle C. Phillips

Name: Michelle C. Phillips

Title: Execution Head and Director

AMENDED AND RESTATED  
REVOLVING CREDIT AND TERM LOAN AGREEMENT

**Schedule EGL**

**Eligible Ground Leased Property**

<b>Property</b>	<b>Owner/Ground Lessor/Mortgagor</b>	<b>Capacity</b>
Elkhorn Valley Rehabilitation Hospital	MPT of Casper, LLC	Owner
Rehabilitation Hospital of Northwestern Ohio	MPT of Toledo, LLC	Owner
Park Klinik	MPT RHM Park S.à r.l.	Owner
Psychotherapeutische Klinik	MPT RHM Fontana S à r l	Owner
Bad Gottleuba Klinik	MPT RHM Gottleuba S à r l	Owner
Hohenlohe Klinik	MPT RHM Hohenlohe S à r l	Owner
Berlin Kladow Klinik	MPT RHM Kladow S à r l	Owner
North Aurora Medical Center	MPT of Aurora FCER, LLC	Owner
East Riverside Medical Center	MPT of Austin Riverside FCER, LLC	Owner
Chandler Germann Medical Center	MPT of Chandler FCER, LLC	Owner
Cinco Ranch Medical Center	MPT of Cinco Ranch FCER, LLC	Owner
Creekside Forest Medical Center	MPT of Creekside FCER, LLC	Owner
Northwest Harris County Medical Center	MPT of Cypress Fry FCER, LLC	Owner

Green Valley Medical Center	MPT of Denver 48th FCER, LLC	Owner
De Zavala Medical Center	MPT of Dezavala FCER, LLC	Owner
Haslet Medical Center	MPT of Fort Worth FCER, LLC	Owner
Custer Bridges Medical Center	MPT of Frisco Custer FCER, LLC	Owner
Garland Centerville Medical Center	MPT of Garland FCER, LLC	Owner
Glendale Medical Center	MPT of Glendale FCER, LLC	Owner
Highland Village Medical Center	MPT of Highland Village FCER, LLC	Owner
Spring Green Medical Center	MPT of Katy 1463 FCER, LLC	Owner
Horizon Park Medical Center	MPT of Longmont FCER, LLC	Owner
Marrero Medical Center	MPT of Marrero FCER, LLC	Owner
McKinney El Dorado Medical Center	MPT of McKinney FCER, LLC	Owner
Plano Medical Center	MPT of Plano Preston FCER, LLC	Owner
Legacy Trails Medical Center	MPT of Potranco FCER, LLC	Owner
Rosenberg Medical Center	MPT of Rosenberg FCER, LLC	Owner
Victory Lakes Medical Center	MPT of Victory Lakes FCER, LLC	Owner
Medical West FED	MPT of Hoover-Medical West, LLC	Owner
Medical West MOB	MPT of Hoover-Medical West, LLC	Owner

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**Schedule PUP**

**Subsidiary Guarantors**

N/A

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**Schedule SG**

**Subsidiary Guarantors**

None.

Schedule 1.1A

**Loan Commitments**

<u>Lender</u>	<u>Revolving Commitment</u>
JPMorgan Chase Bank, N.A.	\$ 104,000,000
Bank of America, N.A.	\$ 104,000,000
Barclays Bank PLC	\$ 104,000,000
Goldman Sachs Bank USA	\$ 104,000,000
KeyBank National Association	\$ 104,000,000
Citizens Bank, National Association	\$ 90,000,000
Compass Bank	\$ 90,000,000
Credit Agricole Corporate and Investment Bank	\$ 90,000,000
Credit Suisse AG, Cayman Islands Branch	\$ 90,000,000
Royal Bank of Canada	\$ 90,000,000
SunTrust Bank	\$ 90,000,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$ 90,000,000
Wells Fargo Bank, National Association	\$ 90,000,000
The Bank of Nova Scotia	\$ 38,000,000
First Tennessee Bank National Association	\$ 22,000,000
	<b>\$ 1,300,000,000</b>

<u>Lender</u>	<u>Dollar Term Commitment</u>	<u>Euro Term Commitment</u>
JPMorgan Chase Bank, N.A.	\$ 15,000,000	€ 16,140,000
Bank of America, N.A.	\$ 15,000,000	€ 16,140,000
Barclays Bank PLC	\$ 15,000,000	€ 16,140,000
Goldman Sachs Bank USA	\$ 15,000,000	€ 16,140,000
KeyBank National Association	\$ 15,000,000	€ 16,140,000
Citizens Bank, National Association	\$ 12,000,000	€ 14,200,000
Compass Bank	\$ 12,000,000	€ 14,200,000
Credit Agricole Corporate and Investment Bank	\$ 12,000,000	€ 14,200,000
Credit Suisse AG, Cayman Islands Branch	\$ 12,000,000	€ 14,200,000
Royal Bank of Canada	\$ 12,000,000	€ 14,200,000
SunTrust Bank	\$ 12,000,000	€ 14,200,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	\$ 12,000,000	€ 14,200,000
Wells Fargo Bank, National Association	\$ 12,000,000	€ 14,200,000
The Bank of Nova Scotia	\$ 6,000,000	€ 5,700,000
Cadence Bank, N.A.	\$ 20,000,000	€ 0
First Tennessee Bank National Association	\$ 3,000,000	€ 0
	<b>\$ 200,000,000</b>	<b>€ 200,000,000</b>

Schedule 1.1C

**Issuing Lender Commitments**

<u>Issuing Lender</u>	<u>Issuing Lender Commitment</u>
JPMorgan Chase Bank, N.A.	\$ 26,000,000
Bank of America, N.A.	\$ 26,000,000
Barclays Bank PLC	\$ 26,000,000
KeyBank National Association	\$ 26,000,000
Goldman Sachs Bank USA	\$ 26,000,000

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**Schedule 3.1(a)**

**Existing Letters of Credit**

- Letter of Credit issued to the order of Tishman Speyer Properties, L.P. in an amount of \$199,447.50.

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**Schedule 4.4**

**Consents, Authorizations, Filings and Notices**

None.

**Schedule 4.15****Subsidiaries**

<b><u>Name</u></b>	<b><u>Jurisdiction of Organization</u></b>	<b><u>Percentage of Capital Stock Owned by any Loan Party</u></b>
Medical Properties Trust, LLC	DE	100% of limited liability company interests owned by Medical Properties Trust, Inc.
Capella Health Holdings, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
GL6010, LLC	DE	100% of limited liability company interests owned by GL6010P, LLC
GL6010P, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
		100% of limited liability company interests owned by MPT of Mountain View, LLC*
Mountain View-MPT Hospital, LLC	DE	(* 20% interest in distributions from Mountain View- MPT Hospital, LLC is owned by Mountain View Hospital, LLC and such interest will increase by 2% annually to a maximum of 40% in 2021)
MPT Aztec Opco, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT Corinth Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT Covington TRS, Inc.	DE	100% of outstanding stock owned by MPT Operating Partnership, L.P.
MPT Development Services, Inc.	DE	100% of outstanding stock owned by MPT Operating Partnership, L.P.
MPT DS Equipment Holding, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT Finance Corporation	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT Legacy of Montclair, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of 69th Street, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, LLC

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Allen FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Altoona, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Alvarado, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Alvarado, LLC
MPT of Alvarado, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Alvin FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Aurora FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Austin Riverside FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Ayer-Steward, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Bayonne, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Bennettsville, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Billings Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Billings, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Bloomington, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Blue Springs, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Boise Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Boise, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Bossier City, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Brighton-Steward, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Brockton-Steward, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Brodie FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Broomfield FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Brownsville Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Brownsville, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Camaro Opco, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Carrollton AD, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Casper Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Casper, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Cedar Hill FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Champion Forest FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Chandler FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Chandler-Ray FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Cheraw, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Chino, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, LP and 0.1% of partnership interests owned by MPT of Chino, LLC

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Cinco Ranch FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Clear Lake, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Clear Lake, LLC
MPT of Clear Lake, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Comal County Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Comal County, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Commerce City FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Conroe FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Converse FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Corinth, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Corinth, LLC
MPT of Corinth, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Corpus Christi Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Corpus Christi, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Creekside FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Cypress Fry FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Dallas LTACH, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Dallas LTACH, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Dallas LTACH, LLC
MPT of Dallas, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Denver 48th FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT Desoto Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Desoto, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Desoto, LLC
MPT of Desoto, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of DeSoto FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Detroit, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of DeZavala FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Dorchester-Steward, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Enfield, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT Europe Opportunities, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Fairmount-Alecto, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Fairmount-Alecto Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of Fall River-Steward, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Firestone FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Flagstaff, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Flagstaff Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of Florence, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Fort Worth FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Fountain FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Foxborough-Steward, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Frisco-Eldorado FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Frisco FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Frisco-Custer FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Ft. Lauderdale, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Garden Grove Hospital, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Garden Grove Hospital, LLC
MPT of Garden Grove Hospital, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Garden Grove MOB, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Garden Grove MOB, LLC
MPT of Garden Grove MOB, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Garland FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Gilbert, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Gilbert FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Glendale FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Glendale Camelback FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Goodyear FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Greenwood Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Greenwood, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Hartsville-Capella, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Hartsville-Capella Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of Hausman, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Haverhill-Steward, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Helotes FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Highland Village FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Highlands Ranch FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Hillsboro, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Hillsboro, LLC
MPT of Hillsboro, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Hoboken Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of Hoboken Real Estate, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Hoboken TRS, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Hoover-Medical West, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Hot Springs-Capella, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Hot Springs-Capella Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Houston Antoine FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Houston-Eldridge FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Houston Vintage AD, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Idaho Falls, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Inglewood, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Inglewood, LLC
MPT of Inglewood, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Johnstown Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Johnstown, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Kansas City, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Katy 1463 FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Kershaw-Capella, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Kershaw-Capella Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of Lafayette Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Lafayette, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Laredo Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Laredo, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Las Cruces Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Las Cruces, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Lawton-Capella, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Lawton-Capella Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of Leavenworth, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Lewistin-RCCH, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Little Elm FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Longmont FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Los Angeles, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Los Angeles, LLC
MPT of Los Angeles, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Lubbock, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Lubbock Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of Mandeville FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Marrero FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of McKinney FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of McMinnville-Capella, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of McMinnville-Capella Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of Mesa, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Mesa-Ellsworth AD, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Mesquite Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Mesquite, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Methuen-Steward, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Missouri, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Missouri City FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Missouri City-Dulles FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Morris, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Mountain View, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, LP
MPT of Muskogee-Capella, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Muskogee-Capella Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of Nacogdoches FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Newark, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of New Orleans Canal FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of North Cypress, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of North Cypress, LLC
MPT of North Cypress, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of North Gate FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Norwood-Steward, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Ogden Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Ogden, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Olympia, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Olympia-Capella, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Olympia-Capella Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of Overlook Parkway, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Paradise Valley, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Paradise Valley, LLC
MPT of Paradise Valley, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Parker FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Pasco-RCCH, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Pearland FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Petersburg, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Plano Preston FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Poplar Bluff, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Port Arthur, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Port Huron, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Portland, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Post Falls Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Post Falls, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Potranco FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Prescott Valley Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Prescott Valley, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Provo Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.
MPT of Provo, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Redding, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Reno, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Richardson, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Richardson, LLC

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Richardson, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Rosenberg FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Round Rock, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Round Rock, LLC
MPT of Round Rock, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Roxborough, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Roxborough, LLC
MPT of Roxborough, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Rowlett FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Russellville-Capella, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Russellville-Capella Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of San Dimas Hospital, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of San Dimas Hospital, LLC
MPT of San Dimas Hospital, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of San Dimas MOB, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of San Dimas MOB, LLC
MPT of San Dimas MOB, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of San Tan Valley FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Shasta, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Shasta, LLC

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Shasta, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Shenandoah, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Shenandoah, LLC
MPT of Shenandoah, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Sherman-Alecto, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Sherman-Alecto Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of Southern California, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Southern California, LLC
MPT of Southern California, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Spartanburg Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Spartanburg, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Summerwood FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Taunton-Steward, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Tempe FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Thornton FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Toledo, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Toledo Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Tomball, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Tomball, LLC
MPT of Tomball, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Twelve Oaks, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of Twelve Oaks, LLC
MPT of Twelve Oaks, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Victory Lakes FCER, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Victorville, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P. and 0.1% of partnership interests owned by MPT of Victorville, LLC
MPT of Weslaco, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT of Weslaco Hospital, LLC	DE	100% of limited liability company interests owned by MPT Development Services, Inc
MPT of West Anaheim, L.P.	DE	99.9% of partnership interests owned by MPT Operating Partnership, L.P.; 0.1% of partnership interests owned by MPT of West Anaheim, LLC
MPT of West Anaheim, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of West Monroe, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of West Valley City, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Westover Hills, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Wichita, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT of Wyandotte County, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
MPT RHM Holdco S.à r.l.	Luxembourg	100% of limited liability company interests owned by MPT Operating Partnership, L.P.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT RHM Sonnenwende S.à r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Klaus S.à r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Vesalius S.à r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Park S.à r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Fontana S.à r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Christiaan S.à r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Hillersbach S.à r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Achertal Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Adelsberg Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Aukammtal Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Bad Lausick Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT RHM Bad Sulze Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Berggiesshubel Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Hannover Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Braunfels Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Buchberg Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Burg Landshut Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT AHG Odenwald Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT AHG Richelsdorf Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Flechtingen Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Flechtingen II Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Franz-Alexander Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT RHM Gottleuba Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Grunheide Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Gunzenbach Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Gyhum Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Heidelberg Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Heiligendamm Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Heinrich Mann Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Hohenfeld Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Hohenlohe Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Hoppegarten Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT AHG Wigbertshohe Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT RHM Kaiserberg Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Kalbe Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Kinzigtal Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Kladow Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Lobenstein Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Magdeburg Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT AHG Lubeck Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Moselschleife Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT AHG Mecklenburg Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT AHG Ravensrush Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Schlangenbad Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT RHM St. George Bad Durrheim Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM St. George Bad Krotzingen Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT AHG Romhild Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Sudpark Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Tennstedt Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Weserlinik Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM Wismar Sarl	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT RHM TRS Sarl	Luxembourg	100% owned by MPT Development Services, Inc
MPT JV Holdco Sarl	Luxembourg	100% owned by MPT Operating Partnership, L.P.
MPT UK Holdco S.a r.l.	Luxembourg	100% owned by MPT Operating Partnership, L.P.
MPT Bath S.a r.l.	Luxembourg	100% owned by MPT UK Holdco S.a.r.l.

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
Med Valencia S.a r.l.	Luxembourg	50% owned by MPT RHM Holdco S.à r.l
Bacoreta Investments S.L.	Spain	100% owned by Med Valencia S.à r.l
Healthcare Properties Fund Italy	Italy	50% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Münchwies S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Schweriner See S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Bad Pyrmont S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Bad Pyrmont II S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Psychosomatik S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Wilhelmsheim S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Daun - Thommener Höhe S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Daun - Am Rosenberg S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT MEDIAN Tönisstein S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Haus Dondert S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Germersheim S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN am Waldsee S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Haus Willich S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Daun - Altburg S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Salze S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Saale S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Saale II S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Children's Rehab S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT MEDIAN Meduna S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l

<u>Name</u>	<u>Jurisdiction of Organization</u>	<u>Percentage of Capital Stock Owned by any Loan Party</u>
MPT MEDIAN Meduna Park S.a r.l.	Luxembourg	100% owned by MPT RHM Holdco S.à r.l
MPT Acute JV Holdco S.a r.l.	Luxembourg	100% owned by MPT Operating Partnership, L.P.
MPT ATOS Cologne S.a r.l.	Luxembourg	100% owned by MPT Acute JV Holdco S.a.r.l.
MPT Circle-Birmingham S.a r.l.	Luxembourg	100% owned by MPT UK Holdco S.a.r.l.
MPT Sycamore Opco, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
N650MP, LLC	DE	100% of limited liability company interests owned by MPT Operating Partnership, L.P.
Wichita Health Associates, Limited Partnership	DE	100% of partnership interests owned by MPT of Wichita, LLC

**Schedule 4.23(a)****Properties**

	<b><u>Property</u></b>	<b><u>Owner/Ground Lessor/Mortgagor</u></b>	<b><u>Capacity</u></b>
1	Desert Valley Hospital	MPT of Victorville, L.P.	Mortgagee
2	Northern California Rehabilitation Hospital	MPT of Redding, LLC	Owner
3	Chino Valley Medical Center	MPT of Chino, L.P.	Mortgagee
4	LifeCare Hospital of Dallas	MPT of Dallas LTACH, L.P.	Owner
5	Vibra Specialty Hospital of Portland	MPT of Portland, LLC	Owner
6	West Anaheim Medical Center	MPT of West Anaheim, L.P.	Owner
7	Paradise Valley Hospital	MPT of Paradise Valley, L.P.	Owner
8	Paradise Valley Hospital	MPT of Southern California, L.P.	Mortgagee
9	Shasta Regional Medical Center	MPT of Shasta, L.P.	Owner
10	Vibra Hospital of Southeastern Michigan	MPT of Detroit, LLC	Owner
11	Garden Grove Medical Center	MPT of Garden Grove Hospital, LPLPL.P.	Owner
12	Garden Grove MOB	MPT of Garden Grove MOB, L.P.	Owner
13	Cornerstone Hospital of Bossier City	MPT of Bossier City, LLC	Owner
14	Mountain View Hospital	Mountain View-MPT Hospital, LLC	Owner
15	Jordan Valley Medical Center – West Valley	MPT of West Valley City, LLC	Owner
16	Poplar Bluff Regional Medical Center-North	MPT of Poplar Bluff, LLC	Owner
17	Sunrise Rehabilitation Hospital	MPT of Ft. Lauderdale, LLC	Owner
18	Healthsouth Rehabilitation Hospital of Petersburg	MPT of Petersburg, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
19	North Cypress Medical Center	MPT of North Cypress, L.P.	Owner
20	Wesley Rehabilitation Hospital	MPT of Wichita, LLC	Owner
21	Westside Surgical Hospital	MPT of Twelve Oaks, L.P.	Owner
22	Monroe Hospital	MPT of Bloomington, LLC	Owner
23	San Dimas Community Hospital	MPT of San Dimas Hospital, L.P.	Owner
24	San Dimas Medical Office Buildings	MPT of San Dimas MOB, L.P.	Owner
25	Marlboro Park Hospital	MPT of Bennettsville, LLC	Owner
26	Chesterfield General Hospital	MPT of Cheraw, LLC	Owner
27	Hill Regional Hospital	MPT of Hillsboro, L.P.	Owner
28	Florence Hospital at Anthem	MPT of Florence, LLC	Owner
29	Gilbert Hospital	MPT of Gilbert, LLC	Owner
30	Kindred Hospital Clear Lake	MPT of Clear Lake, L.P.	Owner
31	Kindred Hospital Tomball	MPT of Tomball, L.P.	Owner
32	Bayonne Medical Center	MPT of Bayonne, LLC	Owner
33	Alvarado Hospital Medical Center	MPT of Alvarado, L.P.	Owner
34	Kindred Northland Hospital	MPT of Kansas City, LLC	Owner
35	Vibra Specialty Hospital of Desoto	MPT of Desoto, LLC	Owner
36	Baptist Health System – Hausman	MPT of Hausman, LLC	Owner
37	Baptist Health System – Overlook Parkway	MPT of Overlook Parkway, LLC	Owner
38	Baptist Health System – Westover Hills	MPT of Westover Hills, LLC	Owner
39	Hoboken University Medical Center	MPT of Hoboken Real Estate, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
40	Advanced Care Hospital of Northern Colorado	MPT of Johnstown, LLC	Owner
41	Northern Colorado Rehabilitation Hospital	MPT of Johnstown, LLC	Owner
42	Southwest Idaho Advanced Care Hospital	MPT of Boise, LLC	Owner
43	Advanced Care Hospital of Montana	MPT of Billings, LLC	Owner
44	Greenwood Regional Rehabilitation Hospital	MPT of Greenwood, LLC	Owner
45	Mesquite Specialty Hospital	MPT of Mesquite, LLC	Owner
46	Mesquite Rehabilitation Institute	MPT of Mesquite, LLC	Owner
47	Laredo Specialty Hospital	MPT of Laredo, LLC	Owner
48	Utah Valley Specialty Hospital	MPT of Provo, LLC	Owner
49	Elkhorn Valley Rehabilitation Hospital	MPT of Casper, LLC	Owner*
50	Mountain Valley Regional Rehabilitation Hospital	MPT of Prescott Valley, LLC	Mortgagee
51	South Texas Rehabilitation Hospital	MPT of Brownsville, LLC	Mortgagee
52	Advanced Care Hospital of Southern New Mexico	MPT of Las Cruces, LLC	Mortgagee
53	Rehabilitation Hospital of Southern New Mexico	MPT of Las Cruces, LLC	Mortgagee
54	Northern Idaho Advanced Care Hospital	MPT of Post Falls, LLC	Owner
55	New Braunfels Regional Rehabilitation Hospital	MPT of Comal County, LLC	Owner
56	Lafayette Regional Rehabilitation Hospital	MPT of Lafayette, LLC	Owner
57	Centinela Hospital Medical Center	MPT of Inglewood, L.P.	Mortgagee
58	St. Mary's Regional Medical Center	MPT of Reno, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
59	Roxborough Memorial Hospital	MPT of Roxborough, L.P.	Owner
60	Oak Leaf Surgical Hospital	MPT of Altoona, LLC	Owner
61	Spartanburg Rehabilitation Institute	MPT of Spartanburg, LLC	Owner
62	Northern Utah Rehabilitation Hospital	MPT of Ogden, LLC	Owner
63	Corpus Christi Rehabilitation Hospital	MPT of Corpus Christi, LLC	Owner
64	Providence Medical Center	MPT of Wyandotte County, LLC	Owner
65	St. John Hospital	MPT of Leavenworth, LLC	Owner
66	First Choice Little Elm	MPT of Little Elm FCER, LLC	Owner
67	First Choice Austin Brodie	MPT of Brodie FCER, LLC	Owner
68	Mountain Vista Medical Center	MPT of Mesa, LLC	Owner
69	The Medical Center of Southeast Texas	MPT of Port Arthur, LLC	Owner
70	Glenwood Regional Medical Center	MPT of West Monroe, LLC	Owner
71	First Choice Nacogdoches	MPT of Nacogdoches FCER, LLC	Owner
72	Dallas Medical Center	MPT of Dallas, LLC	Owner
73	Klinik Sonnenwende	MPT RHM Sonnenwende S.à.r.l.	Owner
74	Klaus Miehle Klinik	MPT RHM Klaus S.à.r.l.	Owner
75	Vesalius Klinik	MPT RHM Vesalius S.à.r.l.	Owner
76	Park Klinik	MPT RHM Park S.à.r.l.	Owner*
77	Fontana Klinik	MPT RHM Fontana S.à.r.l.	Owner
78	Christiaan Barnard Klinik	MPT RHM Christiaan S.à.r.l.	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
79	Wohnheim Hillersbach	MPT RHM Hillersbach S.à.r.l.	Owner
80	Antoniusstift	MPT RHM Vesalius S.à.r.l.	Owner
81	Dürkheimer Höhe	MPT RHM Sonnenwende S.à.r.l.	Owner
82	Psychotherapeutische Klinik	MPT RHM Fontana S.à.r.l.	Owner
83	Olympia Medical Center	MPT of Los Angeles, L.P.	Mortgagee
84	Mountainside Hospital	MPT Legacy of Montclair, LLC	Owner
85	First Choice Alvin	MPT of Alvin FCER, LLC	Owner
86	First Choice Firestone	MPT of Firestone FCER, LLC	Owner
87	First Choice Eldridge	MPT of Houston-Eldridge FCER, LLC	Owner
88	First Choice Cedar Hill	MPT of Cedar Hill FCER, LLC	Owner
89	First Choice Allen	MPT of Allen FCER, LLC	Owner
90	First Choice Frisco	MPT of Frisco FCER, LLC	Owner
91	First Choice Broomfield	MPT of Broomfield FCER, LLC	Owner
92	First Choice Champion Forest	MPT of Champion Forest FCER, LLC	Owner
93	First Choice North Gate	MPT of North Gate FCER, LLC	Owner
94	First Choice Thornton	MPT of Thornton FCER, LLC	Owner
95	First Choice Fountain	MPT of Fountain FCER, LLC	Owner
96	First Choice Missouri City Sienna	MPT of Missouri City FCER, LLC	Owner
97	First Choice Pearland	MPT of Pearland FCER, LLC	Owner
98	First Choice Missouri City Dulles	MPT of Missouri City-Dulles FCER, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
99	Fairmont Regional Medical Center	MPT of Fairmont – Alecto Hospital, LLC	Owner
100	Wilson N. Jones Medical Center	MPT of Sherman- Alecto Hospital, LLC	Owner
101	Capital Medical Center	MPT of Olympia – Capella, LLC	Owner
102	Carolina Pines Regional Medical Center	MPT of Hartsville – Capella, LLC	Owner
103	EASTAR Health System	MPT of Muskogee-Capella, LLC	Owner
104	National Park Medical Center	MPT of Hot Springs – Capella, LLC	Owner
105	Willamette Valley Medical Center	MPT of McMinnville-Capella, LLC	Owner
106	KershawHealth	MPT of Kershaw-Capella, LLC	Owner
107	CircleBath	Health Properties (Bath) Limited	Owner
108	Laredo Rehabilitation Hospital	MPT of Laredo, LLC	Owner
109	Mesquite Rehabilitation Hospital	MPT of Mesquite, LLC	Owner
110	Rehabilitation Hospital of the Northwest	MPT of Post Falls, LLC	Owner
111	Weslaco Regional Rehabilitation Hospital	MPT of Weslaco, LLC	Owner
112	University Rehabilitation Institute at the University of Toledo Medical Center	MPT of Toledo, LLC	Owner
113	Trustpoint Rehabilitation Hospital of Lubbock	MPT of Lubbock, LLC	Owner
114	Rehabilitation Hospital of Northern Arizona	MPT of Flagstaff, LLC	Owner
115	First Choice Commerce City	MPT of Commerce City FCER, LLC	Owner
116	First Choice Summerwood	MPT of Summerwood FCER, LLC	Owner
117	First Choice Avondale Haslet	MPT of Fort Worth FCER, LLC	Owner
118	Texas Regional Hospital	MPT of Carrollton AD, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
119	First Choice Chandler	MPT of Chandler FCER, LLC	Owner
120	First Choice Converse	MPT of Converse FCER, LLC	Owner
121	First Choice Denver 48 <sup>th</sup>	MPT of Denver 48 <sup>th</sup> FCER, LLC	Owner
122	First Choice McKinney	MPT of McKinney FCER, LLC	Owner
123	First Choice Victory Lakes	MPT of Victory Lakes FCER, LLC	Owner
124	First Choice Glendale	MPT of Glendale FCER, LLC	Owner
125	First Choice Gilbert	MPT of Gilbert FCER, LLC	Owner
126	First Choice Conroe	MPT of Conroe FCER, LLC	Owner
127	Vintage Preserve Hospital	MPT of Houston Vintage AD, LLC	Owner
128	First Choice Denver Mississippi	MPT of Aurora FCER, LLC	Owner
129	First Choice Chandler Ray	MPT of Chandler Ray FCER, LLC	Owner
130	First Choice Helotes	MPT of Helotes FCER, LLC	Owner
131	First Choice Highland Village	MPT of Highland Village FCER, LLC	Owner
132	First Choice Parker Lincoln Jordan	MPT of Parker FCER, LLC	Owner
133	First Choice Cinco Ranch	MPT of Cinco Ranch FCER, LLC	Owner
134	First Choice Frisco Eldorado	MPT of Frisco Eldorado FCER, LLC	Owner
135	First Choice Rosenberg	MPT of Rosenberg FCER, LLC	Owner
136	First Choice Goodyear	MPT of Goodyear FCER, LLC	Owner
137	First Choice Longmont	MPT of Longmont FCER, LLC	Owner
138	First Choice Creekside	MPT of Creekside FCER, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
139	First Choice Frisco Custer	MPT of Frisco Custer, LLC	Owner
140	First Choice DeSoto	MPT of DeSoto FCER, LLC	Owner
141	First Choice Marrero	MPT of Marreo FCER, LLC	Owner
142	First Choice Highlands Ranch	MPT of Highlands Ranch FCER, LLC	Owner
143	Adeptus Mesa Eastmark	MPT of Mesa Eastmark AD, LLC	Owner
144	First Choice San Tan Valley	MPT of San Tan Valley FCER, LLC	Owner
145	First Choice Canal	MPT of New Orleans Canal FCER, LLC	Owner
146	First Choice Plano Preston	MPT of Plano Preston FCER, LLC	Owner
147	First Choice Houston Antoine 249	MPT of Houston Antoine FCER, LLC	Owner
148	First Choice Katy 1463	MPT of Katy 1463 FCER, LLC	Owner
149	First Choice Potranco	MPT of Potranco FCER, LLC	Owner
150	First Choice Mandeville	MPT of Mandeville FCER, LLC	Owner
151	First Choice Garland	MPT of Garland FCER, LLC	Owner
152	First Choice Glendale Camelback	MPT of Glendale Camelback FCER, LLC	Owner
153	First Choice De Zavala	MPT of De Zavala FCER, LLC	Owner
154	First Choice Riverside	MPT of Austin Riverside FCER, LLC	Owner
155	First Choice Salem	MPT of Columbus Salem FCER, LLC	Owner
156	First Choice Cypress Fry	MPT of Cypress Fry FCER, LLC	Owner
157	Medical West Freestanding ER	MPT of Hoover-Medical West, LLC	Owner
158	Medical West MOB	MPT of Hoover-Medical West, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
159	Lake Huron Medical Center	MPT of Port Huron, LLC	Owner
160	Lake Huron Medical Center	MPT of Port Huron, LLC	Mortgagee
161	St. Clare's Hospital – Denville	MPT of Morris, LLC	Owner
162	St. Clare's Hospital – Boonton	MPT of Morris, LLC	Owner
163	St. Clare's Hospital – Dover	MPT of Morris, LLC	Owner
164	St. Clare's Health Center at Sussex	MPT of Morris, LLC	Owner
165	St. Joseph Medical Center	MPT of Missouri, LLC	Owner
166	St. Joseph's Medical Center	MPT of Kansas City, LLC	Mortgagee
167	St. Michael's Medical Center	MPT of Newark, LLC	Owner
168	St. Mary's Medical Center	MPT of Blue Springs, LLC	Owner
169	St. Mary's Medical Center	MPT of Blue Springs, LLC	Mortgagee
170	ATOS Heidelberg Klinik	MPT RHM Heidelberg S.à.r.l.	Owner
171	Orthopadische Klinik Braunfels	MPT RHM Braunfels S.à.r.l.	Owner
172	Rhein-Haardt-Klinik	MPT RHM Sonnenwende S.à.r.l.	Owner
173	Heinrich Mann Klinik	MPT RHM Heinrich Mann S.à.r.l.	Owner
174	Buchberg Klinik	MPT RHM Buchberg S.à.r.l.	Owner
175	Klinik Hohenlohe	MPT RHM Hohenlohe S.à.r.l.	Owner
176	Gesundheitszentrum Hannover	MPT RHM Hannover S.à.r.l.	Owner
177	Klinik Bad Lausick	MPT RHM Bad Lausick S.à.r.l.	Owner
178	Klinik Bad Sulze	MPT RHM Bad Bulze S.À.R.L.	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
179	Klinik Bad Tennstedt	MPT RHM Bad Tennstedt S.À.R.L.	Owner
180	Klinikum Flechtingen	MPT RHM Flechtingen S.À.R.L.	Owner
181	Klinik Helligendamm	MPT RHM Helligendamm S.À.R.L.	Owner
182	Klinik Bad Lobenstein	MPT RHM Lobenstein S.À.R.L.	Owner
183	Klinik Wismar	MPT RHM Wismar S.À.R.L.	Owner
184	Klinik Gunzenbachof Baden-Baden	MPT RHM Gunzenbachof S.À.R.L.	Owner
185	Kinzigtal Klinik	MPT RHM Kinzigtal S.À.R.L.	Owner
186	Hohenfeld Klinik	MPT RHM Hohenfeld S.À.R.L.	Owner
187	Kaiserberg Klinik	MPT RHM Kaiserberg S.À.R.L.	Owner
188	Klinik am Sudpark	MPT RHM Sudpark S.À.R.L.	Owner
189	Rehaklinik Aukammtal	MPT RHM Aukammtal S.À.R.L.	Owner
190	Reha-Zentrum Schlangenbad	MPT RHM Schlangenbad S.À.R.L.	Owner
191	Reha-Zentrum Gyhum	MPT RHM Gyhum S.À.R.L.	Owner
192	Klinik NRZ Magdeburg	NRZ Gruppe S.À.R.L.	Owner
193	Klinik Grunheide	MPT RHM Grunheide S.À.R.L.	Owner
194	Klinik Hoppegarten	MPT RHM Hoppegarten S.À.R.L.	Owner
195	Klinik Kalbe	MPT RHM Kalbe S.À.R.L.	Owner
196	Klinik Berlin-Kladow	MPT RHM Kladow S.À.R.L.	Owner
197	Gesundheitspark Bad Gottleuba	MPT RHM Gottleuba S.À.R.L.	Owner
198	Adelsberg Klinik Bad Berka	MPT RHM Adelsberg S.À.R.L.	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
199	Berggisshubel	MPT RHM Berggisshubel S.À.R.L.	Owner
200	Klinik Burg Landshut	MPT RHM Burg Landshut S.À.R.L.	Owner
201	Achertal Klinik	MPT RHM Achertal S.À.R.L.	Owner
202	Klinik St. Georg Bad Durrheim	MPT RHM St. Georg Bad Durrheim S.À.R.L.	Owner
203	Klinik St. Georg Bad Krozingen	MPT RHM St. Georg Bad Krozingen S.À.R.L.	Owner
204	Klinik Moselschiefe	MPT RHM Moselschiefe S.À.R.L.	Owner
205	Franz Alexander Klinik	MPT RHM Franz Alexander S.À.R.L.	Owner
206	Klinikum Flechtingen II	MPT RHM Flechtingen II S.À.R.L.	Owner
207	Klinik am Park	MPT MEDIAN Meduna S.À.R.L.	Owner
208	MEDIAN Haus Fortuna	MPT MEDIAN Meduna Park S.À.R.L.	Owner
209	MEDIAN Haus Meduna	MPT MEDIAN Meduna S.À.R.L.	Owner
210	MEDIAN Haus Diana	MPT MEDIAN Meduna Park S.À.R.L.	Owner
211	MEDIAN Salze Klinik	MPT MEDIAN Salze S.À.R.L.	Owner
212	MEDIAN Saale I	MPT MEDIAN Saale S.À.R.L.	Owner
213	MEDIAN Saale II	MPT MEDIAN Salle II S.À.R.L.	Owner
214	MEDIAN Children's Rehab	MPT MEDIAN Children's Rehab S.À.R.L.	Owner
215	MEDIAN Klinik im Odenwald and im Odenwal Akut	MPT AHG Odenwald S.À.R.L.	Owner
216	MEDIAN Klinik Romhild	MPT AHG Romhild S.À.R.L.	Owner
217	MEDIAN Ravensruh	MPT AHG Ravensruh S.À.R.L.	Owner
218	MEDIAN Klinik Lubeck and Klinik Lubeck Akut	MPT AHG Lubeck S.À.R.L.	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
219	MEDIAN Klinik Richelsdorf	MPT AHG Richelsdorf S.À.R.L.	Owner
220	MEDIAN Klinik Wigbertshohe	MPT AHG Wigbertshohe S.À.R.L.	Owner
221	MEDIAN Klink Mecklenberg	MPT AHG Mecklenburg S.À.R.L.	Owner
222	Nashoba Valley Medical Center	MPT of Ayer – Steward, LLC	Mortgagee
223	St. Elizabeth’s Medical Center	MPT of Brighton – Steward, LLC	Owner
224	Good Samaritan Medical Center	MPT of Brockton – Steward, LLC	Owner
225	Carney Hospital	MPT of Dorchester – Steward, LLC	Mortgagee
226	Saint Anne’s Hospital	MPT of Fall River – Steward, LLC	Owner
227	Holy Family Hospital	MPT of Methuen – Steward, LLC	Owner
228	Holy Family Methuen Hospital - Haverhall	MPT of Methuen – Steward, LLC	Mortgagee
229	Norwood Hospital	MPT of Norwood – Steward, LLC	Mortgagee
230	Morton Hospital	MPT of Taunton – Steward, LLC	Owner
231	IMED Valencia	MPT RHM Holdco S.À.R.L.	Owner**
232	Policlinico di Monza	MPT RHM Holdco S.À.R.L.	Owner**
233	Istituto Clinico Universitario	MPT RHM Holdco S.À.R.L.	Owner**
234	Casa di Cura Citta di Alessandria	MPT RHM Holdco S.À.R.L.	Owner**
235	Clinica Salus	MPT RHM Holdco S.À.R.L.	Owner**
236	Clinica Santa Rita	MPT RHM Holdco S.À.R.L.	Owner**
237	Clinica Eporediese	MPT RHM Holdco S.À.R.L.	Owner**
238	Clinica La Vialarda	MPT RHM Holdco S.À.R.L.	Owner**
239	Clinica San Gaudenzio	MPT RHM Holdco S.À.R.L.	Owner**

Schedule 4.23(b)

**Unencumbered Properties**

	<b><u>Property</u></b>	<b><u>Owner/Ground Lessor/Mortgagor</u></b>	<b><u>Capacity</u></b>
1	Desert Valley Hospital	MPT of Victorville, L.P.	Mortgagee
2	Northern California Rehabilitation Hospital	MPT of Redding, LLC	Owner
3	Chino Valley Medical Center	MPT of Chino, L.P.	Mortgagee
4	LifeCare Hospital of Dallas	MPT of Dallas LTACH, L.P.	Owner
5	Vibra Specialty Hospital of Portland	MPT of Portland, LLC	Owner
6	West Anaheim Medical Center	MPT of West Anaheim, L.P.	Owner
7	Paradise Valley Hospital	MPT of Paradise Valley, L.P.	Owner
8	Paradise Valley Hospital	MPT of Southern California, L.P.	Mortgagee
9	Shasta Regional Medical Center	MPT of Shasta, L.P.	Owner
10	Vibra Hospital of Southeastern Michigan	MPT of Detroit, LLC	Owner
11	Garden Grove Medical Center	MPT of Garden Grove Hospital, LPLPL.P.	Owner
12	Garden Grove MOB	MPT of Garden Grove MOB, L.P.	Owner
13	Cornerstone Hospital of Bossier City	MPT of Bossier City, LLC	Owner
14	Mountain View Hospital	Mountain View-MPT Hospital, LLC	Owner
15	Jordan Valley Medical Center – West Valley	MPT of West Valley City, LLC	Owner
16	Poplar Bluff Regional Medical Center-North	MPT of Poplar Bluff, LLC	Owner
17	Sunrise Rehabilitation Hospital	MPT of Ft. Lauderdale, LLC	Owner
18	Healthsouth Rehabilitation Hospital of Petersburg	MPT of Petersburg, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
19	North Cypress Medical Center	MPT of North Cypress, L.P.	Owner
20	Wesley Rehabilitation Hospital	MPT of Wichita, LLC	Owner
21	Westside Surgical Hospital	MPT of Twelve Oaks, L.P.	Owner
22	Monroe Hospital	MPT of Bloomington, LLC	Owner
23	San Dimas Community Hospital	MPT of San Dimas Hospital, L.P.	Owner
24	San Dimas Medical Office Buildings	MPT of San Dimas MOB, L.P.	Owner
25	Marlboro Park Hospital	MPT of Bennettsville, LLC	Owner
26	Chesterfield General Hospital	MPT of Cheraw, LLC	Owner
27	Hill Regional Hospital	MPT of Hillsboro, L.P.	Owner
28	Florence Hospital at Anthem	MPT of Florence, LLC	Owner
29	Gilbert Hospital	MPT of Gilbert, LLC	Owner
30	Kindred Hospital Clear Lake	MPT of Clear Lake, L.P.	Owner
31	Kindred Hospital Tomball	MPT of Tomball, L.P.	Owner
32	Bayonne Medical Center	MPT of Bayonne, LLC	Owner
33	Alvarado Hospital Medical Center	MPT of Alvarado, L.P.	Owner
34	Vibra Specialty Hospital of Desoto	MPT of Desoto, LLC	Owner
35	Baptist Health System – Hausman	MPT of Hausman, LLC	Owner
36	Baptist Health System – Overlook Parkway	MPT of Overlook Parkway, LLC	Owner
37	Baptist Health System – Westover Hills	MPT of Westover Hills, LLC	Owner
38	Hoboken University Medical Center	MPT of Hoboken Real Estate, LLC	Owner
39	Advanced Care Hospital of Northern Colorado	MPT of Johnstown, LLC	Owner
40	Northern Colorado Rehabilitation Hospital	MPT of Johnstown, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
41	Southwest Idaho Advanced Care Hospital	MPT of Boise, LLC	Owner
42	Advanced Care Hospital of Montana	MPT of Billings, LLC	Owner
43	Greenwood Regional Rehabilitation Hospital	MPT of Greenwood, LLC	Owner
44	Mesquite Specialty Hospital	MPT of Mesquite, LLC	Owner
45	Mesquite Rehabilitation Institute	MPT of Mesquite, LLC	Owner
46	Laredo Specialty Hospital	MPT of Laredo, LLC	Owner
47	Utah Valley Specialty Hospital	MPT of Provo, LLC	Owner
48	Elkhorn Valley Rehabilitation Hospital	MPT of Casper, LLC	Owner*
49	Mountain Valley Regional Rehabilitation Hospital	MPT of Prescott Valley, LLC	Mortgagee
50	South Texas Rehabilitation Hospital	MPT of Brownsville, LLC	Mortgagee
51	Advanced Care Hospital of Southern New Mexico	MPT of Las Cruces, LLC	Mortgagee
52	Rehabilitation Hospital of Southern New Mexico	MPT of Las Cruces, LLC	Mortgagee
53	Northern Idaho Advanced Care Hospital	MPT of Post Falls, LLC	Owner
54	New Braunfels Regional Rehabilitation Hospital	MPT of Comal County, LLC	Owner
55	Lafayette Regional Rehabilitation Hospital	MPT of Lafayette, LLC	Owner
56	Centinela Hospital Medical Center	MPT of Inglewood, L.P.	Mortgagee
57	St. Mary's Regional Medical Center	MPT of Reno, LLC	Owner
58	Roxborough Memorial Hospital	MPT of Roxborough, L.P.	Owner
59	Oak Leaf Surgical Hospital	MPT of Altoona, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
60	Spartanburg Rehabilitation Institute	MPT of Spartanburg, LLC	Owner
61	Northern Utah Rehabilitation Hospital	MPT of Ogden, LLC	Owner
62	Corpus Christi Rehabilitation Hospital	MPT of Corpus Christi, LLC	Owner
63	Providence Medical Center	MPT of Wyandotte County, LLC	Owner
64	St. John Hospital	MPT of Leavenworth, LLC	Owner
65	First Choice Little Elm	MPT of Little Elm FCER, LLC	Owner
66	First Choice Austin Brodie	MPT of Brodie FCER, LLC	Owner
67	Mountain Vista Medical Center	MPT of Mesa, LLC	Owner
68	The Medical Center of Southeast Texas	MPT of Port Arthur, LLC	Owner
69	Glenwood Regional Medical Center	MPT of West Monroe, LLC	Owner
70	First Choice Nacogdoches	MPT of Nacogdoches FCER, LLC	Owner
71	Dallas Medical Center	MPT of Dallas, LLC	Owner
72	Klinik Sonnenwende	MPT RHM Sonnenwende S.à.r.l.	Owner
73	Klaus Miehlke Klinik	MPT RHM Klaus S.à.r.l.	Owner
74	Vesalius Klinik	MPT RHM Vesalius S.à.r.l.	Owner
75	Park Klinik	MPT RHM Park S.à.r.l.	Owner*
76	Fontana Klinik	MPT RHM Fontana S.à.r.l.	Owner
77	Christiaan Barnard Klinik	MPT RHM Christiaan S.à.r.l.	Owner
78	Wohnheim Hillersbach	MPT RHM Hillersbach S.à.r.l.	Owner
79	Antoniusstift	MPT RHM Vesalius S.à.r.l.	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
80	Dürkheimer Höhe	MPT RHM Sonnenwende S.à.r.l.	Owner
81	Psychotherapeutische Klinik	MPT RHM Fontana S.à.r.l.	Owner
82	Olympia Medical Center	MPT of Los Angeles, L.P.	Mortgagee
83	Mountainside Hospital	MPT Legacy of Montclair, LLC	Owner
84	First Choice Alvin	MPT of Alvin FCER, LLC	Owner
85	First Choice Firestone	MPT of Firestone FCER, LLC	Owner
86	First Choice Eldridge	MPT of Houston-Eldridge FCER, LLC	Owner
87	First Choice Cedar Hill	MPT of Cedar Hill FCER, LLC	Owner
88	First Choice Allen	MPT of Allen FCER, LLC	Owner
89	First Choice Frisco	MPT of Frisco FCER, LLC	Owner
90	First Choice Broomfield	MPT of Broomfield FCER, LLC	Owner
91	First Choice Champion Forest	MPT of Champion Forest FCER, LLC	Owner
92	First Choice North Gate	MPT of North Gate FCER, LLC	Owner
93	First Choice Thornton	MPT of Thornton FCER, LLC	Owner
94	First Choice Fountain	MPT of Fountain FCER, LLC	Owner
95	First Choice Missouri City Sienna	MPT of Missouri City FCER, LLC	Owner
96	First Choice Pearland	MPT of Pearland FCER, LLC	Owner
97	First Choice Missouri City Dulles	MPT of Missouri City-Dulles FCER, LLC	Owner
98	Fairmont Regional Medical Center	MPT of Fairmont – Alecto Hospital, LLC	Owner
99	Wilson N. Jones Medical Center	MPT of Sherman- Alecto Hospital, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
100	Capital Medical Center	MPT of Olympia – Capella, LLC	Owner
101	Carolina Pines Regional Medical Center	MPT of Hartsville – Capella, LLC	Owner
102	EASTAR Health System	MPT of Muskogee-Capella, LLC	Owner
103	National Park Medical Center	MPT of Hot Springs – Capella, LLC	Owner
104	Willamette Valley Medical Center	MPT of McMinnville-Capella, LLC	Owner
105	KershawHealth	MPT of Kershaw-Capella, LLC	Owner
106	CircleBath	Health Properties (Bath) Limited	Owner
107	Laredo Rehabilitation Hospital	MPT of Laredo, LLC	Owner
108	Mesquite Rehabilitation Hospital	MPT of Mesquite, LLC	Owner
109	Rehabilitation Hospital of the Northwest	MPT of Post Falls, LLC	Owner
110	Weslaco Regional Rehabilitation Hospital	MPT of Weslaco, LLC	Owner
111	University Rehabilitation Institute at the University of Toledo Medical Center	MPT of Toledo, LLC	Owner
112	Trustpoint Rehabilitation Hospital of Lubbock	MPT of Lubbock, LLC	Owner
113	Rehabilitation Hospital of Northern Arizona	MPT of Flagstaff, LLC	Owner
114	First Choice Commerce City	MPT of Commerce City FCER, LLC	Owner
115	First Choice Summerwood	MPT of Summerwood FCER, LLC	Owner
116	First Choice Avondale Haslet	MPT of Fort Worth FCER, LLC	Owner
117	Texas Regional Hospital	MPT of Carrollton AD, LLC	Owner
118	First Choice Chandler	MPT of Chandler FCER, LLC	Owner
119	First Choice Converse	MPT of Converse FCER, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
120	First Choice Denver 48 <sup>th</sup>	MPT of Denver 48 <sup>th</sup> FCER, LLC	Owner
121	First Choice McKinney	MPT of McKinney FCER, LLC	Owner
122	First Choice Victory Lakes	MPT of Victory Lakes FCER, LLC	Owner
123	First Choice Glendale	MPT of Glendale FCER, LLC	Owner
124	First Choice Gilbert	MPT of Gilbert FCER, LLC	Owner
125	First Choice Conroe	MPT of Conroe FCER, LLC	Owner
126	Vintage Preserve Hospital	MPT of Houston Vintage AD, LLC	Owner
127	First Choice Denver Mississippi	MPT of Aurora FCER, LLC	Owner
128	First Choice Chandler Ray	MPT of Chandler Ray FCER, LLC	Owner
129	First Choice Helotes	MPT of Helotes FCER, LLC	Owner
130	First Choice Highland Village	MPT of Highland Village FCER, LLC	Owner
131	First Choice Parker Lincoln Jordan	MPT of Parker FCER, LLC	Owner
132	First Choice Cinco Ranch	MPT of Cinco Ranch FCER, LLC	Owner
133	First Choice Frisco Eldorado	MPT of Frisco Eldorado FCER, LLC	Owner
134	First Choice Rosenberg	MPT of Rosenberg FCER, LLC	Owner
135	First Choice Goodyear	MPT of Goodyear FCER, LLC	Owner
136	First Choice Longmont	MPT of Longmont FCER, LLC	Owner
137	First Choice Creekside	MPT of Creekside FCER, LLC	Owner
138	First Choice Frisco Custer	MPT of Frisco Custer, LLC	Owner
139	First Choice DeSoto	MPT of DeSoto FCER, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
140	First Choice Marrero	MPT of Marreo FCER, LLC	Owner
141	First Choice Highlands Ranch	MPT of Highlands Ranch FCER, LLC	Owner
142	Adeptus Mesa Eastmark	MPT of Mesa Eastmark AD, LLC	Owner
143	First Choice San Tan Valley	MPT of San Tan Valley FCER, LLC	Owner
144	First Choice Canal	MPT of New Orleans Canal FCER, LLC	Owner
145	First Choice Plano Preston	MPT of Plano Preston FCER, LLC	Owner
146	First Choice Houston Antoine 249	MPT of Houston Antoine FCER, LLC	Owner
147	First Choice Katy 1463	MPT of Katy 1463 FCER, LLC	Owner
148	First Choice Potranco	MPT of Potranco FCER, LLC	Owner
149	First Choice Mandeville	MPT of Mandeville FCER, LLC	Owner
150	First Choice Garland	MPT of Garland FCER, LLC	Owner
151	First Choice Glendale Camelback	MPT of Glendale Camelback FCER, LLC	Owner
152	First Choice De Zavala	MPT of De Zavala FCER, LLC	Owner
153	First Choice Riverside	MPT of Austin Riverside FCER, LLC	Owner
154	First Choice Salem	MPT of Columbus Salem FCER, LLC	Owner
155	First Choice Cypress Fry	MPT of Cypress Fry FCER, LLC	Owner
156	Medical West Freestanding ER	MPT of Hoover-Medical West, LLC	Owner
157	Medical West MOB	MPT of Hoover-Medical West, LLC	Owner
158	Lake Huron Medical Center	MPT of Port Huron, LLC	Owner
159	St. Clare's Hospital – Denville	MPT of Morris, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
160	St. Clare's Hospital – Boonton	MPT of Morris, LLC	Owner
161	St. Clare's Hospital – Dover	MPT of Morris, LLC	Owner
162	St. Clare's Health Center at Sussex	MPT of Morris, LLC	Owner
163	St. Joseph Medical Center	MPT of Missouri, LLC	Owner
164	St. Michael's Medical Center	MPT of Newark, LLC	Owner
165	St. Mary's Medical Center	MPT of Blue Springs, LLC	Owner
166	ATOS Heidelberg Klinik	MPT RHM Heidelberg S.à.r.l.	Owner
167	Orthopadische Klinik Braunfels	MPT RHM Braunfels S.à.r.l.	Owner
168	Rhein-Haardt-Klinik	MPT RHM Sonnenwende S.à.r.l.	Owner
169	Heinrich Mann Klinik	MPT RHM Heinrich Mann S.à.r.l.	Owner
170	Buchberg Klinik	MPT RHM Buchberg S.à.r.l.	Owner
171	Klinik Hohenlohe	MPT RHM Hohenlohe S.à.r.l.	Owner
172	Gesundheitszentrum Hannover	MPT RHM Hannover S.à.r.l.	Owner
173	Klinik Bad Lausick	MPT RHM Bad Lausick S.à.r.l.	Owner
174	Klinik Bad Sulze	MPT RHM Bad Bulze S.À.R.L.	Owner
175	Klinik Bad Tennstedt	MPT RHM Bad Tennstedt S.À.R.L.	Owner
176	Klinikum Flechtingen	MPT RHM Flechtingen S.À.R.L.	Owner
177	Klinik Helligendamm	MPT RHM Helligendamm S.À.R.L.	Owner
178	Klinik Bad Lobenstein	MPT RHM Lobenstein S.À.R.L.	Owner
179	Klinik Wismar	MPT RHM Wismar S.À.R.L.	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
180	Klinik Gunzenbachof Baden-Baden	MPT RHM Gunzenbachof S.À.R.L.	Owner
181	Kinzigtal Klinik	MPT RHM Kinzigtal S.À.R.L.	Owner
182	Hohenfeld Klinik	MPT RHM Hohenfeld S.À.R.L.	Owner
183	Kaiserberg Klinik	MPT RHM Kaiserberg S.À.R.L.	Owner
184	Klinik am Sudpark	MPT RHM Sudpark S.À.R.L.	Owner
185	Rehaklinkik Aukammtal	MPT RHM Aukammtal S.À.R.L.	Owner
186	Reha-Zentrum Schlangenbad	MPT RHM Schlangenbad S.À.R.L.	Owner
187	Reha-Zentrum Gyhum	MPT RHM Gyhum S.À.R.L.	Owner
188	Klinik NRZ Magdeburg	NRZ Gruppe S.À.R.L.	Owner
189	Klink Grunheide	MPT RHM Grunheide S.À.R.L.	Owner
190	Klinik Hoppegarten	MPT RHM Hoppegarten S.À.R.L.	Owner
191	Klinik Kalbe	MPT RHM Kalbe S.À.R.L.	Owner
192	Klinik Berlin-Kladow	MPT RHM Kladow S.À.R.L.	Owner
193	Gesundheitspark Bad Gottleuba	MPT RHM Gottleuba S.À.R.L.	Owner
194	Adelsberg Klinik Bad Berka	MPT RHM Adelsberg S.À.R.L.	Owner
195	Berggisshubel	MPT RHM Berggisshubel S.À.R.L.	Owner
196	Klinik Burg Landshut	MPT RHM Burg Landshut S.À.R.L.	Owner
197	Achertal Klinik	MPT RHM Achertal S.À.R.L.	Owner
198	Klinik St. Georg Bad Durrheim	MPT RHM St. Georg Bad Durrheim S.À.R.L.	Owner
199	Klinik St. Georg Bad Krozingen	MPT RHM St. Georg Bad Krozingen S.À.R.L.	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
200	Klinik Moselschiefe	MPT RHM Moselschiefe S.À.R.L.	Owner
201	Franz Alexander Klinik	MPT RHM Franz Alexander S.À.R.L.	Owner
202	Klinikum Flechtingen II	MPT RHM Flechtingen II S.À.R.L.	Owner
203	Klinik am Park	MPT MEDIAN Meduna S.À.R.L.	Owner
204	MEDIAN Haus Fortuna	MPT MEDIAN Meduna Park S.À.R.L.	Owner
205	MEDIAN Haus Meduna	MPT MEDIAN Meduna S.À.R.L.	Owner
206	MEDIAN Haus Diana	MPT MEDIAN Meduna Park S.À.R.L.	Owner
207	MEDIAN Salze Klinik	MPT MEDIAN Salze S.À.R.L.	Owner
208	MEDIAN Saale I	MPT MEDIAN Saale S.À.R.L.	Owner
209	MEDIAN Saale II	MPT MEDIAN Salle II S.À.R.L.	Owner
210	MEDIAN Children's Rehab	MPT MEDIAN Children's Rehab S.À.R.L.	Owner
211	MEDIAN Klinik im Odenwald and im Odenwal Akut	MPT AHG Odenwald S.À.R.L.	Owner
212	MEDIAN Klinik Romhild	MPT AHG Romhild S.À.R.L.	Owner
213	MEDIAN Ravensruh	MPT AHG Ravensruh S.À.R.L.	Owner
214	MEDIAN Klinik Lubeck and Klinik Lubeck Akut	MPT AHG Lubeck S.À.R.L.	Owner
215	MEDIAN Klinik Richelsdorf	MPT AHG Richelsdorf S.À.R.L.	Owner
216	MEDIAN Klinik Wigbertshohe	MPT AHG Wigbertshohe S.À.R.L.	Owner
217	MEDIAN Klink Mecklenberg	MPT AHG Mecklenburg S.À.R.L.	Owner
218	Nashoba Valley Medical Center	MPT of Ayer – Steward, LLC	Mortgagee
219	St. Elizabeth's Medical Center	MPT of Brighton – Steward, LLC	Owner

	<u>Property</u>	<u>Owner/Ground Lessor/Mortgagor</u>	<u>Capacity</u>
220	Good Samaritan Medical Center	MPT of Brockton – Steward, LLC	Owner
221	Carney Hospital	MPT of Dorchester – Steward, LLC	Mortgagee
222	Saint Anne’s Hospital	MPT of Fall River – Steward, LLC	Owner
223	Holy Family Hospital	MPT of Methuen – Steward, LLC	Owner
224	Norwood Hospital	MPT of Norwood – Steward, LLC	Mortgagee
225	Morton Hospital	MPT of Taunton – Steward, LLC	Owner

Schedule 7.2(d)

Existing Indebtedness

<u>MPT Entity</u>	<u>Indebtedness</u>	<u>Amount</u>
MPT of Kansas City, LLC	40/86 Mortgage Capital, Inc.	\$13,101,296
MPT Operating Partnership, L.P.	Tetra Financial Group Guarantee of Ernest Equipment Financing	\$ 1,466,753
MPT Operating Partnership L.P.	Celtic Commercial Finance Guarantee of Ernest Equipment Financing	\$ 1,362,825
MPT Operating Partnership, L.P.	IBM Credit LLC	\$ 1,465,629
MPT Operating Partnership, L.P.	Lease Agreement from EverBank Commercial Finance, Inc.	

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**Schedule 7.3(f)**

**Existing Liens**

EverBank Commercial Finance, Inc.

Lease Agreement dated March 6, 2015

FORM OF GUARANTEE AGREEMENT

## GUARANTEE AGREEMENT

GUARANTEE AGREEMENT, dated as of February 1, 2017, among MEDICAL PROPERTIES TRUST, INC., a Maryland corporation (“Holdings”), and each other entity that may become a party hereto as provided herein (the “Subsidiary Guarantors,” and together with Holdings, the “Guarantors”), in favor of JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the “Administrative Agent”) for the banks, financial institutions and other entities (the “Lenders”) from time to time party as Lenders to the Amended and Restated Revolving Credit and Term Loan Agreement, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), by and among MPT OPERATING PARTNERSHIP, L.P., a Delaware limited partnership (the “Borrower”), Holdings, the Lenders, and the Administrative Agent.

### RECITALS

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make Loans to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower is a member of an affiliated group of companies that includes each Guarantor;

WHEREAS, the proceeds of the Loans under the Credit Agreement, will be used in part to finance the working capital needs and for other general corporate purposes of the Borrower and its Subsidiaries (including the Subsidiary Guarantors), including to repay Indebtedness and finance acquisitions and Investments;

WHEREAS, the Borrower and the Guarantors are engaged in related businesses, and each Guarantor will derive substantial direct and indirect benefit from the making of the Loans under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective Loans to the Borrower under the Credit Agreement that the Guarantors shall have executed and delivered this Agreement to the Administrative Agent for the benefit of the Credit Parties.

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained and to induce the Agents and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective Loans to the Borrower thereunder, each Guarantor hereby agrees with the Administrative Agent, for the benefit of the Credit Parties, as follows:

## SECTION 1. DEFINED TERMS

### 1.1 Definitions.

(a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

(b) The following terms shall have the following meanings:

“Agreement”: this Guarantee Agreement, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

“Borrower Obligations”: the collective reference to the unpaid principal of and interest on the Loans and all other obligations (and specifically including the Reimbursement Obligations) and liabilities of the Borrower (including any Subsidiary Borrowers) to any Agent, Lender or Indemnitee, whether direct or indirect, absolute or contingent, due or to become due or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, this Agreement, the other Loan Documents or any other document made, delivered or given in connection therewith or pursuant thereto, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, attorney’s fees and legal expenses) or otherwise (including interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans and interest accruing at the then applicable rate provided in the Credit Agreement after the commencement of any bankruptcy case or insolvency, reorganization, liquidation or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding and all expense reimbursement and indemnity obligations arising or incurred as provided in the Loan Documents after the commencement of any such case or proceeding, whether or not a claim for such obligations is allowed in such case or proceeding).

“Guaranteed Obligations”: collectively, (a) the Borrower Obligations and (b) the Guarantor Obligations.

“Guarantor Obligations”: with respect to any Guarantor, all obligations and liabilities of such Guarantor with respect to the Credit Agreement which may arise under or in connection with this Agreement (including Section 2) or any other Loan Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, attorney’s fees and legal expenses) or otherwise (including all expense reimbursement and indemnity obligations arising or incurred as provided in the Loan Documents after the commencement of any bankruptcy case or insolvency, reorganization, liquidation or like proceeding, whether or not a claim for such obligations is allowed in such case or proceeding).

“Indemnitee”: as defined in Section 10.5 of the Credit Agreement.

“Luxembourg Commercial Register Law”: the Luxembourg law of December 19, 2002 on the Trade and Companies’ Register, on accounting and on annual accounts of the companies, as amended.

“Luxembourg Guarantor”: any Guarantor incorporated or established (as applicable) in Luxembourg.

“Luxembourg Guarantor’s Group”: with respect to any Luxembourg Guarantor, such Luxembourg Guarantor and each subsidiary undertaking or parent undertaking of such Luxembourg Guarantor and each subsidiary undertaking of such parent undertaking from time to time.

“Organizational Documents”: as to any Person, its certificate or articles of incorporation and by-laws if a corporation, or its certificate of formation and its partnership agreement if a partnership, its limited liability company agreement if a limited liability company, or other organizational or governing documents of such person.

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant guarantee or grant of the relevant security interest becomes or would become effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Unasserted Obligations”: shall mean, at any time, Guaranteed Obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities (except for (i) the principal of interest on, and fees relating to, any Guaranteed Obligations and (ii) contingent reimbursement obligations in respect of any amounts that may be drawn under Letters of Credit) in respect of which no claim or demand for payment has been made (or, in the case of Guaranteed Obligations for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

## 1.2 Other Definitional Provisions.

(a) As used herein and in any certificate or other document made or delivered pursuant hereto, (i) accounting terms relating to any Guarantor not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation,” (iii) the word “incur” shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words “incurred” and “incurrence” shall have correlative meanings), and (iv) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties of every type and nature, and (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time (subject to any applicable restrictions hereunder).

(b) The words “hereof,” “herein,” “hereto” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) The expressions “payment in full,” “paid in full” and any other similar terms or phrases when used herein with respect to any Obligation shall mean the payment in full of such Obligation in cash in immediately available funds.

## SECTION 2. GUARANTEE

### 2.1 Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the benefit of the Credit Parties, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of each and all of the Borrower Obligations. The Guarantors agree that this guarantee is a guarantee of payment and performance and not of collection.

(b) Each Guarantor shall be liable under its guarantee set forth in Section 2.1(a), without any limitation as to amount, for all present and future Borrower Obligations, including specifically all future increases in the outstanding amount of the Loans under the Credit Agreement and other future increases in the Borrower Obligations, whether or not any such increase is committed, contemplated or provided for by the Loan Documents on the date hereof; provided, that (i) enforcement of such guarantee against such Guarantor will be limited as necessary to limit the recovery under such guarantee to the maximum amount which may be recovered without causing such enforcement or recovery to constitute a fraudulent transfer or fraudulent conveyance under any applicable law, including any applicable federal or state fraudulent transfer or fraudulent conveyance law (after giving effect, to the fullest extent permitted by law, to the reimbursement and contribution rights set forth in Section 2.2) and (ii) to the fullest extent permitted by applicable law, the foregoing clause (i) shall be for the benefit solely of creditors and representatives of creditors of each Guarantor and not for the benefit of such Guarantor or the holders of any equity interest in such Guarantor. Each Guarantor shall be regarded, and shall be in the same position, as principal debtor with respect to the Guaranteed Obligations.

(c) The guarantee contained in this Section 2.1 (i) shall remain in full force and effect until all the Borrower Obligations and the obligations of each Guarantor under the guarantee contained in this Section 2.1 (other than Unasserted Obligations) have been paid in full, and all commitments to extend credit under the Credit Agreement have terminated, notwithstanding that from time to time during the term of the Credit Agreement the Borrower may be free from any Borrower Obligations, (ii) unless released as provided in clause (iii) below, shall survive the repayment of the Loans under the Credit Agreement and remain enforceable as to all Borrower Obligations that survive such repayment, termination and release and (iii) shall be released when and as set forth in Section 5.15.

(d) No payment (other than payment in full of all the Guaranteed Obligations) made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by any Credit Party from the Borrower, any of the Guarantors, any other guarantor or

any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder in respect of any other Borrower Obligations then outstanding or thereafter incurred.

2.2 Reimbursement, Contribution and Subrogation. In case any payment is made on account of the Borrower Obligations by any Guarantor or is received or collected on account of the Borrower Obligations from any Guarantor:

(a) Such Guarantor shall be entitled, subject to and upon payment in full of all outstanding Guaranteed Obligations, (i) to demand and enforce reimbursement for the full amount of such payment from the Borrower and (ii) to demand and enforce contribution in respect of such payment from each other Guarantor which has not paid its fair share of such payment, as necessary to ensure that (after giving effect to any enforcement of reimbursement rights provided hereby) each Guarantor pays its fair share of the unreimbursed portion of such payment. For this purpose, the fair share of each Guarantor as to any unreimbursed payment shall be determined based on an equitable apportionment of such unreimbursed payment among all Guarantors based on the relative value of their assets (net of their liabilities, other than Guaranteed Obligations) and any other equitable considerations deemed appropriate by the court.

(b) If and whenever any right of reimbursement or contribution becomes enforceable by any Guarantor against the Borrower or any other Guarantor under Section 2.2(a), such Guarantor shall be entitled, subject to and upon payment in full of all outstanding Guaranteed Obligations, to be subrogated (equally and ratably with all other Guarantors entitled to reimbursement from the Borrower or contribution from any other Guarantor under Section 2.2(a)) to any interest that may then be held by the Administrative Agent upon any collateral granted to it for the Guaranteed Obligations, if any. To the fullest extent permitted under applicable law, such right of subrogation shall be enforceable solely against the Borrower and the Guarantors, and not against the Credit Parties, and neither the Administrative Agent nor any Credit Party shall have any duty whatsoever to warrant, ensure or protect any such right of subrogation or to obtain, perfect, maintain, hold, enforce or retain any collateral for any purpose related to any such right of subrogation. If subrogation is demanded in writing by any Guarantor, then (subject to and upon payment in full of all outstanding Guaranteed Obligations) the Administrative Agent shall deliver to the Guarantors making such demand, or to a representative of such Guarantors or of the Guarantors generally, an instrument reasonably satisfactory to the Administrative Agent transferring, on a quitclaim basis without (to the fullest extent permitted under applicable law) any recourse, representation, warranty or obligation whatsoever, whatever interest the Administrative Agent then may hold in whatever collateral may then exist that was not previously released or disposed of by the Administrative Agent.

(c) All rights and claims arising under this Section 2.2 or based upon or relating to any other right of reimbursement, indemnification, contribution or subrogation that may at any time arise or exist in favor of any Guarantor as to any payment on account of the Guaranteed Obligations made by it or received shall be fully subordinated in all respects to the prior payment in full of all of the Guaranteed Obligations. Until payment in full of the Guaranteed Obligations, no Guarantor shall demand or receive any collateral security, payment or distribution whatsoever (whether in cash, property or securities or otherwise) on account of any such right or claim. If

any such payment or distribution is made or becomes available to any Guarantor, such payment or distribution shall be delivered by the person making such payment or distribution directly to the Administrative Agent, for application to the payment of the Guaranteed Obligations. If any such payment or distribution is received by any Guarantor, it shall be held by such Guarantor in trust, as trustee of an express trust for the benefit of the Credit Parties, and shall forthwith be transferred and delivered by such Guarantor to the Administrative Agent, in the exact form received and, if necessary, duly endorsed.

(d) The obligations of the Guarantors under the Loan Documents, including their liability for the Guaranteed Obligations are not contingent upon the validity, legality, enforceability, collectibility or sufficiency of any right of reimbursement, contribution or subrogation arising under this Section 2.2. To the fullest extent permitted under applicable law, the invalidity, insufficiency, unenforceability or uncollectibility of any such right shall not in any respect diminish, affect or impair any such obligation or any other claim, interest, right or remedy at any time held by any Credit Party against any Guarantor. The Credit Parties make no representations or warranties in respect of any such right and shall, to the fullest extent permitted under applicable law, have no duty to assure, protect, enforce or ensure any such right or otherwise relating to any such right.

(e) Each Guarantor reserves any and all other rights of reimbursement, contribution or subrogation at any time available to it as against any other Guarantor, but (i) the exercise and enforcement of such rights shall be subject to this Section 2.2 and (ii) to the fullest extent permitted by applicable law, neither the Administrative Agent nor any Credit Party shall ever have any duty or liability whatsoever in respect of any such right.

2.3 Amendments, etc. with respect to the Borrower Obligations. To the fullest extent permitted by applicable law, each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by any Credit Party may be rescinded by such Credit Party and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by any Credit Party, and the Credit Agreement and the other Loan Documents and any other documents executed and delivered in connection therewith may be amended, amended and restated, supplemented, replaced, refinanced, otherwise modified or terminated, in whole or in part, as the Administrative Agent (or the requisite Credit Parties) may deem advisable from time to time, and any cash collateral security, guarantee or right of offset at any time held by any Credit Party for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. No Credit Party shall have any obligation to protect, secure, perfect or insure any Lien on cash collateral held by it pursuant to Section 8 of the Credit Agreement, if any, except to the extent required by applicable law. Each Guarantor hereby acknowledges and agrees that the Administrative Agent and the Credit Parties may at any time or from time to time, with or without the consent of, or notice to, Guarantors or any of them:

(a) change or extend the manner, place or terms of payment of, or renew or alter all or any portion of, the Guaranteed Obligations;

(b) take any action under or in respect of the Loan Documents in the exercise of any remedy, power or privilege contained therein or available to it at law, equity or otherwise, or waive or refrain from exercising any such remedies, powers or privileges;

(c) amend or modify, in any manner whatsoever, the Loan Documents;

(d) extend or waive the time for any Loan Party's performance of, or compliance with, any term, covenant or agreement on its part to be performed or observed under the Loan Documents, or waive such performance or compliance or consent to a failure of, or departure from, such performance or compliance;

(e) take and hold collateral for the payment of the Guaranteed Obligations guaranteed hereby or sell, exchange, release, dispose of, or otherwise deal with, any property pledged, mortgaged or conveyed, or in which the Administrative Agent and the Credit Parties have been granted a Lien, to secure any Guaranteed Obligations;

(f) release anyone who may be liable in any manner for the payment of any amounts owed by Guarantors or any Loan Party to the Administrative Agent or any Credit Party;

(g) modify or terminate the terms of any intercreditor or subordination agreement pursuant to which claims of other creditors of any Guarantor or any Loan Party are subordinated to the claims of the Administrative Agent and the Credit Parties; and/or

(h) apply any sums by whomever paid or however realized to any amounts owing by any Guarantor or any Loan Party to the Administrative Agent or any Credit Party in such manner as the Administrative Agent or any Credit Party shall determine in its discretion.

The Administrative Agent and the Credit Parties shall not incur any liability to Guarantors as a result thereof, and no such action shall impair or release the Guaranteed Obligations of Guarantors or any of them under this Agreement.

2.4 Limitations on guarantees by Luxembourg Guarantors. Notwithstanding anything to the contrary contained in this Agreement (including Section 2) or in the Credit Agreement, the aggregate maximum amount payable by any Luxembourg Guarantor in respect of the aggregate amount of its Guaranteed Obligations shall be limited at any time to an amount not exceeding:

(a) the aggregate of all principal amounts (if any) borrowed directly or indirectly by or made available by whatever means to the Luxembourg Guarantor or any of its direct or indirect subsidiaries or any other members of the Luxembourg Guarantor's Group that have been financed by a borrowing under the Credit Agreement;

(b) plus the balance (if positive) between

(X) the greater of:

(i) 95 percent of the Luxembourg Guarantor's net assets (*capitaux propres*) and the subordinated debt (*dettes subordonnées*) owed by such Luxembourg Guarantor (excluding however any amounts taken into

account under (a) above) (the “Luxembourg Subordinated Debt”), as determined by article 34 of the Luxembourg Commercial Register Law at the date of this Agreement; and

(ii) 95 percent of the Luxembourg Guarantor’s net assets (*capitaux propres*) and the Luxembourg Subordinated Debt as determined by article 34 of the Luxembourg Commercial Register Law at the date the guarantee under this Section 2 is called,

(Y) less (i.e. to avoid double-counting) the aggregate of all principal amounts (if any) borrowed directly or indirectly by or made available by whatever means to the Luxembourg Guarantor or any of its direct or indirect subsidiaries from one or more other members of the Luxembourg Guarantor’s Group that have been financed by a borrowing under the Credit Agreement.

**2.5 Guarantee Absolute and Unconditional.** To the fullest extent permitted by applicable law, each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by any Credit Party upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2. The Borrower Obligations, and each of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2. All dealings between the Borrower and any of the Guarantors, on the one hand, and the Credit Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed, to the fullest extent permitted by applicable law, as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, genuineness, regularity, enforceability or any future amendment of, or change in the Credit Agreement or any other Loan Document, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Credit Party, (b) the absence of any action to enforce this Agreement or any other Loan Document or the waiver or consent by the Administrative Agent and/or the Credit Parties with respect to any of the provisions thereof, (c) the existence, value or condition of, or failure to perfect its security interest in cash collateral granted pursuant to Section 8 of the Credit Agreement, if any, or any action, or the absence of any action, by the Administrative Agent in respect thereof (including, without limitation, the release of any such security), (d) the insolvency of any Loan Party, or (e) any other action or circumstance whatsoever which might otherwise constitute a legal or equitable discharge of the Borrower for the Borrower Obligations, a defense of a surety or guarantor or a legal or equitable discharge of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, any Credit Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor or any other Person or against any cash collateral pledged pursuant to Section 8 of the Credit Agreement, if any, or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by any Credit Party to make any such demand, to pursue such other rights or

remedies or to collect any payments from the Borrower, any Guarantor or any other Person or to realize upon any such cash collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor or any other Person or any such cash collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of any Credit Party against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.6 Reinstatement. The guarantee contained in this Section 2 shall be reinstated and shall remain in all respects enforceable to the extent that, at any time, any payment of any of the Borrower Obligations is set aside, avoided or rescinded or must otherwise be restored or returned by any Credit Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, in whole or in part, and such reinstatement and enforceability shall, to the fullest extent permitted by applicable law, be effective as fully as if such payment had not been made.

2.7 Demand by Agent or Lenders. In addition to the terms of the guarantee set forth in this Section 2, and in no manner imposing any limitation on such terms, it is expressly understood and agreed that, if, at any time, the outstanding principal amount of the Guaranteed Obligations under the Credit Agreement (including all accrued interest thereon) is declared to be immediately due and payable, then Guarantors shall, without demand, pay to the holders of the Guaranteed Obligations the entire outstanding Guaranteed Obligations due and owing to such holders.

2.8 Enforcement. In no event shall the Administrative Agent have any obligation (although it is entitled, at its option) to proceed against the Borrower or any other Loan Party or any cash collateral pledged pursuant to Section 8 of the Credit Agreement before seeking satisfaction from any or all of the Guarantors, and the Administrative Agent may proceed, prior or subsequent to, or simultaneously with, the enforcement of the Administrative Agent's rights hereunder, to exercise any right or remedy which it may have against any collateral, as a result of any Lien it may have as security for all or any portion of the Guaranteed Obligations.

2.9 Waiver. In addition to the waivers contained in Section 2.4 hereof, Guarantors waive, and agree that they shall not at any time insist upon, plead or in any manner whatever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, marshaling of assets or redemption laws, or exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance by Guarantors of their Guaranteed Obligations under, or the enforcement by the Administrative Agent or the Credit Parties of, this Agreement. Guarantors hereby waive diligence, presentment and demand (whether for non-payment or protest or of acceptance, maturity, extension of time, change in nature or form of the Guaranteed Obligations, acceptance of further security, release of further security, composition or agreement arrived at as to the amount of, or the terms of, the Guaranteed Obligations, notice of adverse change in any Borrower's financial condition or any other fact which might increase the risk to Guarantors) with respect to any of the Guaranteed Obligations or all other demands whatsoever and waive the benefit of all provisions of law which are or might be in conflict with the terms of this Agreement. Guarantors represent, warrant and jointly and severally agree that, as of the date

of this Agreement, their obligations under this Agreement are not subject to any offsets or defenses against the Administrative Agent or the Credit Parties or any Loan Party of any kind. Guarantors further jointly and severally agree that their obligations under this Agreement shall not be subject to any counterclaims, offsets or defenses against the Administrative Agent or any Credit Party or against any Loan Party of any kind which may arise in the future except for those arising by operation of law.

2.10 Severability, etc. It is the intention and agreement of each Guarantor, the Administrative Agent and the Credit Parties that the obligations of each Guarantor under this Agreement shall be valid and enforceable against such Guarantors to the maximum extent permitted by applicable law. Accordingly, if any provision of this Agreement creating any obligation of the Guarantors in favor of the Administrative Agent and the Credit Parties shall be declared to be invalid or unenforceable in any respect or to any extent, it is the stated intention and agreement of each Guarantor, the Administrative Agent and the Credit Parties that any balance of the obligation created by such provision and all other obligations of the Guarantors to the Administrative Agent and the Credit Parties created by other provisions of this Agreement shall remain valid and enforceable. Likewise, if by final order a court of competent jurisdiction shall declare any sums which the Administrative Agent and the Credit Parties may be otherwise entitled to collect from the Guarantors under this Agreement to be in excess of those permitted under any law (including any federal or state fraudulent conveyance or like statute or rule of law) applicable to the obligations of the Guarantors under this Agreement, it is the stated intention and agreement of each Guarantor and the Administrative Agent and the Credit Parties that all sums not in excess of those permitted under such applicable law shall remain fully collectible by the Administrative Agent and the Credit Parties from the Guarantors.

2.11 Payments. Each Guarantor hereby agrees to pay all amounts payable by it under this Section 2 to the Administrative Agent without set-off or counterclaim in Dollars in immediately available funds as specified in the Credit Agreement.

2.12 Assurances. Each Guarantor hereby agrees, upon the written request of the Administrative Agent or any Credit Party, to execute and deliver to the Administrative Agent or such Credit Party, from time to time, any additional instruments or documents reasonably considered necessary by the Administrative Agent or such Credit Party to cause this guarantee set forth in this Section 2 to be, become or remain valid and effective in accordance with its terms.

### SECTION 3. REPRESENTATIONS AND WARRANTIES

Each Guarantor hereby represents and warrants to each Credit Party that:

3.1 Representations in Credit Agreement. In the case of each Guarantor, the representations and warranties set forth in Section 4 of the Credit Agreement as they relate to such Guarantor or to the Loan Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct, and each Credit Party shall be entitled to rely on each of them as if they were fully set forth herein; provided that each reference in each such representation and warranty to the Borrower's knowledge shall, for the purposes of this Section 3.1, be deemed to be a reference to such Guarantor's knowledge.

3.2 Jurisdiction of Organization; Chief Executive Office. On the date hereof, such Guarantor's full and exact legal name, jurisdiction of organization, organizational identification number from the jurisdiction of organization (if any), and the location of such Guarantor's chief executive office or principal residence, as the case may be, are specified on Schedule 2. On the date hereof, such Guarantor is organized solely under the law of the jurisdiction so specified and has not filed any certificates of domestication, transfer or continuance in any other jurisdiction. Except as otherwise indicated on Schedule 2, the jurisdiction of such Guarantor's organization or formation is required to maintain a public record showing the Guarantor to have been organized or formed. On the date hereof, except as specified on Schedule 2, such Guarantor has not changed its name, jurisdiction of organization, chief executive office or its corporate or organizational structure in any way (e.g. by merger, consolidation, change in corporate form or otherwise) within the past five years. Such Guarantor has furnished to the Administrative Agent its Organizational Documents as in effect as of a date which is recent to the date hereof and long-form good standing certificate, or an equivalent certificate issued by its jurisdiction of organization, as of a date which is recent to the date hereof.

3.3 Corporate Power; Authorization; Enforceable Guaranteed Obligations. The execution, delivery and performance of the guarantee set forth in Section 2, and all other Loan Documents and all instruments and documents to be delivered by each Guarantor hereunder and under the Credit Agreement are within such Guarantor's organizational power, have been duly authorized by all necessary or proper organizational action, including the consent of stockholders where required, are not in contravention of any provision of such Guarantor's Organizational Documents, do not violate any law or regulation, or any order or decree of any Governmental Authority, do not conflict with or result in the breach of, or constitute a default under, or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which any Guarantor is a party or by which any Guarantor or any of its property is bound, do not result in the creation or imposition of any Lien upon any of the property of any Guarantor, all of which have been duly obtained, made or complied with prior to the Closing Date. On or prior to the Closing Date, this Agreement and each of the Loan Documents to which any Guarantor is a party shall have been duly executed and delivered for the benefit of or on behalf of such Guarantor, and each shall then constitute a legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms.

3.4 Survival. The representations and warranties set forth in this Section 3 shall survive the execution and delivery of this Agreement.

#### SECTION 4. COVENANTS

4.1 Covenants in Credit Agreement. Each Guarantor covenants and agrees with the Credit Parties that, from and after the date of this Agreement until this Agreement is terminated pursuant to Section 5.15, that such Guarantor shall take, or refrain from taking, as the case may be, each action that is necessary to be taken or not taken, so that no breach of the covenants in the Credit Agreement pertaining to actions to be taken, or not taken, by such Guarantor will result.

SECTION 5. MISCELLANEOUS

5.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 10.1 of the Credit Agreement.

5.2 Notices. All notices, requests and demands to or upon the Administrative Agent or any Guarantor hereunder shall be effected in the manner provided for in Section 10.2 of the Credit Agreement; *provided* that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 1 or to such other address as such Guarantor may notify the Administrative Agent in writing; *provided further* that notices to the Administrative Agent shall be addressed as follows, or to such other address as may be hereafter notified by the Administrative Agent:

Administrative Agent: JPMorgan Chase Bank, N.A.  
383 Madison Avenue, 24th Floor  
New York, NY 10179  
Attention: Jaime Gitler  
Telecopy: (212) 270-2157  
Telephone: (212) 270-1311

5.3 No Waiver by Course of Conduct; Cumulative Remedies. No Credit Party shall by any act (except by a written instrument pursuant to Section 5.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of any Credit Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by any Credit Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which such Credit Party would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

5.4 Enforcement Expenses; Indemnification.

(a) Each Guarantor agrees to pay, or reimburse the Administrative Agent for, all its reasonable documented out-of-pocket costs and expenses incurred in collecting against such Guarantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Guarantor is a party, including the reasonable documented out-of-pocket fees and disbursements of counsel to the Administrative Agent.

(b) Each Guarantor agrees to pay, and to save the Credit Parties harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable in connection with any of the transactions contemplated by this Agreement.

(c) Each Guarantor agrees to pay, and to save the Credit Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement on the terms set forth in Section 10.5 of the Credit Agreement.

(d) The agreements in this Section shall survive repayment of the Guaranteed Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

5.5 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Guarantor and shall inure to the benefit of the Credit Parties and their successors and assigns; provided that no Guarantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent and, unless so consented to, each such assignment, transfer or delegation by any Guarantor shall be void.

5.6 Set-Off. Each Guarantor hereby irrevocably authorizes each Credit Party at any time and from time to time while an Event of Default shall have occurred and be continuing, without notice to such Guarantor or any other Guarantor, any such notice being expressly waived by each Guarantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Credit Party to or for the credit or the account of such Guarantor, or any part thereof in such amounts as such Credit Party may elect, against and on account of the obligations and liabilities of such Guarantor to such Credit Party hereunder and claims of every nature and description of such Credit Party against such Guarantor, in any currency, whether arising hereunder, under the Credit Agreement, any other Loan Document or otherwise, as such Credit Party may elect, whether or not any Credit Party has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. Each Credit Party shall notify such Guarantor promptly of any such set-off and the application made by such Credit Party of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Credit Party under this Section are in addition to other rights and remedies (including other rights of set-off) which such Credit Party may have.

5.7 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

5.8 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

5.9 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

5.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Guarantors and the Credit Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Credit Party relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

5.11 **GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

5.12 Submission To Jurisdiction; Waivers. Each Guarantor hereby irrevocably and unconditionally:

(a) submits for itself in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Guarantor at its address referred to in Section 5.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

5.13 Acknowledgements. Each Guarantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) no Credit Party has any fiduciary relationship with or duty to any Guarantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Guarantors, on the one hand, and the Credit Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Credit Parties or among the Guarantors and the Credit Parties.

5.14 Additional Guarantors; Supplements to Schedules.

(a) Each Subsidiary of the Borrower that is required to become a party to this Agreement pursuant to Section 6.10 of the Credit Agreement shall become a Guarantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex I hereto.

(b) The Guarantors shall deliver to the Administrative Agent supplements to the Schedules to this Agreement as necessary to reflect changes thereto arising after the date hereof promptly after the occurrence of any such changes, unless otherwise specified herein. Such Supplements shall become part of this Agreement as of the date of delivery to the Administrative Agent.

5.15 Termination.

(a) At such time as the Loans and all other Guaranteed Obligations (other than Unasserted Obligations) have been paid in full, this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Guarantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party.

(b) Any obligations of a Subsidiary Guarantor hereunder shall be released (i) at the time such Subsidiary Guarantor is dissolved, consolidated or merged to the extent permitted under the Credit Agreement, (ii) at the time of any Disposition permitted under the Credit Agreement, or (iii) becomes an Excluded Foreign Subsidiary as a result of a transaction or designation permitted hereunder; provided that any property of such Subsidiary Guarantor has been disposed of in a transaction permitted by the Credit Agreement.

(c) In connection with any termination or release pursuant to clauses (a) or (b) above, the Administrative Agent and the Collateral Agent shall promptly execute and deliver to any Guarantor, at such Guarantor's expense, all documents that such Guarantor shall reasonably request to evidence such termination or release.

5.16 **WAIVER OF JURY TRIAL. EACH GUARANTOR AND, BY ACCEPTANCE OF THE BENEFITS HEREOF, THE ADMINISTRATIVE AGENT AND EACH OTHER CREDIT PARTY, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

5.17 Credit Parties. By entering into this Agreement, each of the Credit Parties agrees to be bound by the terms of the Loan Documents, including, without limitation, Section 10 of the Credit Agreement.

5.18 ECP Rules; Keepwell. (a) No Guarantor hereunder shall be deemed to be a guarantor of any Swap Obligations if such Guarantor is not an “Eligible Contract Participant” as defined in § 1(a)(18) of the Commodity Exchange Act and the applicable rules issued by the Commodity Futures Trading Commission and/or the Securities and Exchange Commission (collectively, and as now or hereafter in effect, “the ECP Rules”) to the extent that the providing of such guaranty by such Guarantor would violate the ECP Rules or any other applicable law or regulation. This paragraph shall not affect any Guaranteed Obligations of a Guarantor other than Swap Obligations, nor shall it affect the Obligations of any Guarantor who qualifies as an “Eligible Contract Participant

(b) Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Agreement in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 5.18 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 5.18 or otherwise under this Agreement voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 5.18 shall remain in full force and effect until terminated in accordance with Section 5.15 hereof. Each Qualified ECP Guarantor intends that this Section 5.18 constitute, and this Section 5.18 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

**MEDICAL PROPERTIES TRUST, INC.**

By: \_\_\_\_\_

Name: R. Steven Hamner

Title: Executive Vice President and  
Chief Financial Officer

*[Signature Page to Guarantee Agreement]*

**JPMORGAN CHASE BANK, N.A.**

as Administrative Agent

By: \_\_\_\_\_

Name:

Title:

*[Signature Page to Guarantee Agreement]*

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**Annex I - Assumption Agreement**

**Schedule 1 - Notices**

**Schedule 2 - Guarantor Identification Information**

ASSUMPTION AGREEMENT, dated as of \_\_\_\_\_, 200\_\_\_\_, made \_\_\_\_\_ (the "Additional Guarantor"), in favor of JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the "Administrative Agent") for the banks and other financial institutions (the "Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit Agreement.

WITNESSETH:

WHEREAS, Medical Properties Trust, Inc. ("Holdings"), MPT Operating Partnership, L.P. (the "Borrower"), the Lenders and the Administrative Agent have entered into an Amended and Restated Revolving Credit and Term Loan Agreement, dated as of February 1, 2017 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, the Borrower and certain of its Affiliates (other than the Additional Guarantor), have entered into the Guarantee Agreement, dated as of February 1, 2017 (as amended, supplemented or otherwise modified from time to time, the "Guarantee Agreement") in favor of the Administrative Agent for the benefit of the Credit Parties;

WHEREAS, the Credit Agreement requires the Additional Guarantor to become a party to the Guarantee Agreement, and the Additional Guarantor's failure to do so shall constitute a breach of the Credit Agreement; and

WHEREAS, the Additional Guarantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee Agreement. By executing and delivering this Assumption Agreement, the Additional Guarantor, as provided in Section 5.14 of the Guarantee Agreement, hereby becomes a party to the Guarantee Agreement as a Guarantor thereunder with the same force and effect as if originally named therein as a Guarantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Guarantor thereunder and shall jointly and severally guaranty the payment and performance of the Borrower Obligations as set forth therein. The information set forth in Annex I-A hereto is hereby added to the information set forth in Schedules to the Guarantee Agreement. The Additional Guarantor hereby represents and warrants that each of the representations and warranties contained in Section 3 of the Guarantee Agreement is true and correct on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

**2. Governing Law. THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GUARANTOR]

By: \_\_\_\_\_  
Name:  
Title:

Supplements to Schedules

Supplement to Schedule 1

Supplement to Schedule 2

Notices

Notices may be delivered to any of the Guarantors at the following address:

[Guarantor]  
c/o Medical Properties Trust, Inc.  
1000 Urban Center Drive, Suite 501  
Birmingham, AL 35242  
Attention: R. Steven Hamner  
Telecopy: (205) 969-3756  
Telephone: (205) 969-3755

Guarantor Identification Information

<u>Legal Name</u>	<u>Jurisdiction of Organization</u>	<u>Employer Identification Number</u>	<u>Chief Executive Office</u>
Medical Properties Trust, Inc.	MD	20-0191742	1000 Urban Center Drive, Suite 501 Birmingham, AL 35242

## FORM OF COMPLIANCE CERTIFICATE

[Date]

MPT Operating Partnership, L.P. (the "Borrower"), hereby certifies as of the date hereof the following:

1. Responsible Officer. The Responsible Officer signing this Compliance Certificate on behalf of the Borrower has read a copy of the Amended and Restated Revolving Credit and Term Loan Agreement dated as of February 1, 2017 (as amended, restated, replaced, supplemented or modified from time to time, the "Credit Agreement"), among the Borrower, MEDICAL PROPERTIES TRUST, INC., a Maryland corporation, the several banks and other financial institutions or entities from time to time parties to the Credit Agreement and JPMORGAN CHASE BANK, N.A., as Administrative Agent. Terms used herein and not otherwise defined herein shall have the meanings set forth in the Credit Agreement. The Responsible Officer further certifies that, to the best of such Responsible Officer's knowledge, each Loan Party during the period covered by the financial statements identified below has observed or performed all of its covenants and other agreements, and satisfied every condition contained in the Credit Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default [except as specified herein].
2. Total Leverage Ratio. The ratio of (i) (A) Total Indebtedness minus (B) 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 to (ii) Total Asset Value (the "Total Leverage Ratio") at the last day of the four consecutive fiscal quarters of the Borrower prior to the execution of this certificate does not exceed 60% [or 65% in order to permit the Borrower to consummate a Significant Acquisition so long as such ratio does not exceed 60% as of the end of more than four (4) consecutive fiscal quarters in any fiscal year].
3. Fixed Charge Coverage Ratio. The ratio of Total EBITDA to Total Fixed Charges for the four consecutive fiscal quarters of the Borrower prior to execution of this certificate is not less than 1.50 to 1.0.
4. Secured Leverage Ratio. The ratio of (A) (i) the aggregate amount of all Secured Indebtedness minus (ii) as of such date of determination, unrestricted cash and Cash Equivalents of the Group Members in excess of \$10,000,000 that is being held to repay that portion of Secured Indebtedness that matures within twenty-four (24) months of such date of determination (the "Secured Debt Reserve"), and without duplication of the Unsecured Debt Reserve in paragraph 6 below to (B) Total Asset Value at the last day of the four consecutive fiscal quarters prior to the execution of this certificate does not exceed 40%.

5. Consolidated Adjusted Net Worth. The Consolidated Tangible Net Worth is not less than the sum of (i) \$2,650,000,000 plus (ii) 75% of Net Cash Proceeds from issuances of Capital Stock by the Borrower or Holdings after September 30, 2016.
6. Unsecured Leverage Ratio. 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 ("Unsecured Debt Reserve"), and without duplication of the Secured Debt Reserve in paragraph 4 above to (ii) to Unencumbered Asset Value at the last day of the four consecutive fiscal quarters of the Borrower prior to the execution of this certificate does not exceed 65%.
7. Unsecured Interest Coverage Ratio. The ratio of Unencumbered NOI for any period of four consecutive fiscal quarters of the Borrower to Unsecured Interest Expense for such period is greater than 1.75 to 1.0 at the last day of the four consecutive fiscal quarters of the Borrower prior to the execution of this certificate.
8. Supporting Calculations. Attached hereto as Appendix I are all relevant calculations needed to determine the foregoing, including as to the calculation of Unencumbered Asset Value.

MPT OPERATING PARTNERSHIP, L.P.

By: \_\_\_\_\_  
Name:  
Title:

[Insert relevant calculations.]

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## FORM OF CLOSING CERTIFICATE

THE UNDERSIGNED HEREBY CERTIFIES SOLELY IN HIS CAPACITY AS AN OFFICER OF [LOAN PARTY NAMED HEREIN] AND ON BEHALF OF [LOAN PARTY] IN ITS CAPACITY AS [ ] OF [ ] AS FOLLOWS:

1. I am a [ ] of [Loan Party], a [ ] [entity] (“ ”).
2. Reference is made to that certain Amended and Restated Revolving Credit and Term Loan Agreement, dated as of February 1, 2017 (as it may be amended, supplemented, restated or otherwise modified from time to time, the “Credit Agreement”), by and among Medical Properties Trust, Inc., a Maryland corporation, MPT Operating Partnership, L.P., a Delaware limited partnership, the several banks and other financial institutions or entities from time to time parties to the Credit Agreement, and JPMorgan Chase Bank, N.A., as Administrative Agent. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Credit Agreement.
3. I have reviewed the terms of Section 5 of the Credit Agreement and the definitions and provisions contained in such credit agreement relating thereto, and in my opinion I have made, or have caused to be made under my supervision, such examination or investigation as is necessary to enable me to express an informed opinion as to the matters referred to herein.
4. Based on my review and examination described in paragraph 3 above, I hereby certify, on behalf of [Loan Party], that as of the date hereof:
  - a. all of the representations contained in Section 4 of the Credit Agreement and in any of the other Loan Documents are true and correct in all material respects (except for representations and warranties which are qualified by materiality, which shall be true in all respects), on and as of the date hereof (except to the extent that such representations and warranties expressly speak as to a different specific date), and Goodwin Procter LLP is entitled to rely upon such representations and warranties in rendering its opinion; and
  - b. no Event of Default has occurred and is continuing or would result from the making of the Loans.
5. [Attached hereto as Exhibit A is the certificate of incorporation of [Loan Party], certified by the Secretary of State of [ ].]\*
6. [Attached hereto as Exhibit B is the long-form good standing certificate for [Loan Party] certified by the Secretary of State of [ ].]\*

[Remainder of page intentionally left blank.]

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\* To be included only if it is being delivered pursuant to Section 6.10 of the Credit Agreement

The foregoing certifications are made and delivered as of \_\_\_\_\_, 2017.

[LOAN PARTY]

By: \_\_\_\_\_

Name:  
Title:

Certificate of Incorporation

C-3

Good Standing Certificate

C-4

## FORM OF ASSIGNMENT AND ASSUMPTION

This ASSIGNMENT AND ASSUMPTION (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between the Assignor identified in item 1 below (the "Assignor") and the Assignee identified in item 2 below (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Amended and Restated Revolving Credit and Term Loan Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by the Assignor to the Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Each such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: \_\_\_\_\_

2. Assignee: \_\_\_\_\_

[indicate [Affiliate][Approved Fund] of [*identify Lender*]]

3. Borrower: MPT Operating Partnership, L.P.

4. Administrative Agent: JPMorgan Chase Bank, N.A., as the administrative agent under the Credit Agreement

5. **Credit Agreement:** Amended and Restated Revolving Credit and Term Loan Agreement, dated as of February 1, 2017, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., the institutions from time to time party thereto as lenders, and JPMorgan Chase Bank, N.A., as Administrative Agent, as amended and in effect from time to time.

6. Assigned Interest:

<u>Assignor[s]1</u>	<u>Assignee[s]2</u>	<u>Facility Assigned3</u>	<u>Aggregate Amount of Commitment/Loans for all Lenders4</u>	<u>Amount of Commitment/Loans Assigned</u>	<u>Percentage Assigned of Commitment/Loans5</u>
			\$	\$	%
			\$	\$	%
			\$	\$	%

[7. Trade Date: ]6

Effective Date: , 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws.

1 List each Assignee, as appropriate.

2 List each Assignee, as appropriate.

3 Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment.

4 Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

5 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

6 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR  
[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Name:  
Title:

ASSIGNEE  
[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Name:  
Title:

[Consented to and]7 Accepted:

JPMORGAN CHASE BANK, N.A., as  
Administrative Agent

By: \_\_\_\_\_  
Name:  
Title:

[Consented to:

JPMORGAN CHASE BANK, N.A., as Issuing  
Lender/Swingline Lender

By: \_\_\_\_\_  
Name:  
Title:]

[Consented to:

BANK OF AMERICA, N.A., as Issuing Lender/ Swingline  
Lender

By: \_\_\_\_\_  
Name:  
Title:]

<sup>7</sup> To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

[Consented to:

[OTHER LENDERS, as Issuing Lender/Swingline Lender

By: \_\_\_\_\_

Name:

Title:]<sup>8</sup>

[Consented to:

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

By: \_\_\_\_\_

Name:

Title:]<sup>9</sup>

<sup>8</sup> To be added only if the consent of the Issuing Lender/Swingline Lender is required by the terms of the Credit Agreement.

<sup>9</sup> To be added if the consent of the Borrower is required pursuant to Section 10.6 of the Credit Agreement (e.g., no Event of Default has occurred and is continuing).

**ANNEX 1 TO ASSIGNMENT AND ASSUMPTION**

Amended and Restated Revolving Credit and Term Loan Agreement, dated as of February 1, 2017, by and among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., the several lenders from time to time parties thereto and JPMorgan Chase Bank, N.A., as Administrative Agent

**STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION**

1. Representations and Warranties.

1.1. Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption 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, including the definition of Eligible Assignee (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) 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 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, (vi) 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 Assignment and Assumption and to purchase

the Assigned Interest, and (vii) attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, the Assignor 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.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Acceptance and adoption of the terms of this Assignment and Assumption by the Assignee and the Assignor by Electronic Signature or delivery of an executed counterpart of a signature page of this Assignment and Assumption by any Electronic System shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

FORM OF  
BORROWING REQUEST

, 20

JPMorgan Chase Bank, N.A.,  
as Administrative Agent  
for the Lenders party to the  
Credit Agreement referred to below  
500 Stanton Christiana Road, Ops 2, 3<sup>rd</sup> Floor  
Newark, DE 19713  
Attention: Loan and Agency Services Group

Re: Borrowing Request

Ladies and Gentlemen:

Reference is hereby made to that certain Amended and Restated Revolving Credit and Term Loan Agreement dated as of February 1, 2017 (as amended, supplemented, restated or otherwise modified from time to time, the “**Credit Agreement**”; capitalized terms used herein and not otherwise defined shall have the meanings given to them therein), among Medical Properties Trust, Inc., MPT Operating Partnership, L.P. (the “**Borrower**”), the institutions from time to time party thereto as lenders, and JPMorgan Chase Bank, N.A., as Administrative Agent (the “**Administrative Agent**”).

The Borrower hereby irrevocably requests, pursuant to Section [2.2] [2.3] [2.5] [2.7] of the Credit Agreement, a borrowing under the Credit Agreement and, in connection therewith, sets forth below the information relating to such borrowing (the “**Proposed Borrowing**”) as required pursuant to the terms of the Credit Agreement:

(i) The Proposed Borrowing is a borrowing of [Dollar Term Loans] [Euro Term Loans] [Revolving Loans][Swingline Loans].

(ii) The funding date (which shall be a Business Day) of the Proposed Borrowing is \_\_\_\_\_, 20 \_\_\_\_.

(iii) The aggregate amount of the Proposed Borrowing is \$ \_\_\_\_\_ and the requested currency of the Proposed Borrowing is \_\_\_\_\_.<sup>1</sup>

<sup>1</sup> Such amount for any Eurodollar borrowing shall be in an aggregate Dollar Equivalent amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 or an integral multiple of €1,000,000 and not less than €5,000,000 in the case of Euro Term Loans. At the time that each ABR borrowing is made, such borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$1,000,000; *provided* that an ABR borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Revolving Commitments. Each Swingline Loan shall be in an amount that is an integral multiple of \$100,000 and not less than \$500,000.

(iv) The Proposed Borrowing will be a borrowing of [Eurodollar Loans] [ABR Loans][Swingline Loans].<sup>2</sup>

[(v) If the Proposed Borrowing is a borrowing of Eurodollar Loans, the requested Interest Period for the Proposed Borrowing is from \_\_\_\_\_ and ending \_\_\_\_\_ (for a total of \_\_\_\_\_ months).<sup>3</sup>]

[(vi) If the Proposed Borrowing is a borrowing of Revolving Loans, the requested currency for the Proposed Borrowing is \_\_\_\_\_.]<sup>4</sup>

[(vii) If the Proposed Borrowing is a borrowing of Revolving Loans, the amount of the Available Revolving Commitments as of the date of this Borrowing Request is \$ \_\_\_\_\_, after giving effect to the amount of this Borrowing Request and of any Proposed Borrowings of Revolving Loans in any prior Borrowing Requests delivered by the Borrower, but not yet funded.]

[(viii) If the Proposed Borrowing is a borrowing of Revolving Loans in an Alternative Currency, the amount by which the Alternative Currency Sublimit exceeds the Total Revolving Extensions of Credit denominated in Alternative Currencies (including the Proposed Borrowing) is \$ \_\_\_\_\_.]

[(ix) If the Proposed Borrowing is a borrowing of Swingline Loans, the amount by which the Swingline Commitment exceeds the aggregate principal amount of outstanding Swingline Loans (including the Proposed Borrowing) is \_\_\_\_\_.]

The Borrower hereby directs the Administrative Agent to disburse the proceeds of the Loans comprising the Proposed Borrowing on the funding date therefor by crediting the account of the Borrower on the books of the Administrative Agent, whereupon the proceeds of such Loans shall be deemed received by or for the benefit of the Borrower.

<sup>2</sup> Provided that there shall not be at any time more than a total of 10 Eurodollar Tranches outstanding.

<sup>3</sup> To be specified if the Proposed Borrowing is a borrowing of Eurodollar Loans. Such Interest Period must comply with the definition of "Interest Period" in the Credit Agreement.

<sup>4</sup> Such currency must be Dollars or an Alternative Currency

The Borrower hereby certifies that the conditions precedent contained in Section 5.2 of the Credit Agreement are satisfied on the date hereof and will be satisfied on the funding date of the Proposed Borrowing.

MPT OPERATING PARTNERSHIP, L.P.

By: Medical Properties Trust, LLC, its general partner

By: Medical Properties Trust, Inc., its sole member

By: \_\_\_\_\_

Name:

Title:

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Revolving Credit and Term Loan Agreement dated as of February 1, 2017 (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.19(f)(ii)(B)(3) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(c)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_, 20

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Revolving Credit and Term Loan Agreement dated as of February 1, 2017 (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.19(f)(ii)(B)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(c)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: \_\_\_\_\_

Name:

Title:

Date: \_\_\_\_\_, 20

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Revolving Credit and Term Loan Agreement dated as of February 1, 2017 (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.19(f)(ii)(B)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: \_\_\_\_\_  
 Name:  
 Title:

Date: \_\_\_\_\_, 20

FORM OF U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Revolving Credit and Term Loan Agreement dated as of February 1, 2017 (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.19(f)(ii)(B)(4) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: \_\_\_\_\_  
 Name:  
 Title:

Date: \_\_\_\_\_, 20

FORM OF ADHERENCE AGREEMENT

ADHERENCE AGREEMENT (this "Agreement") dated as of     by     , a     , which is a new Subsidiary Borrower (the "New Borrower"), and MPT Operating Partnership, L.P., a Delaware limited partnership ("MOP"), the direct or indirect parent of the New Borrower, in favor of JPMorgan Chase Bank, N.A., as Administrative Agent for the Lenders.

Reference is made to the Amended and Restated Revolving Credit and Term Loan Agreement dated as of February 1, 2017 among Medical Properties Trust, Inc., MOP, the Subsidiary Borrowers from time to time party thereto, the Lenders from time to time party thereto, the Issuing Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents party thereto (as amended, supplemented, or otherwise modified from time to time, the "Credit Agreement"). Terms used herein as defined terms and not otherwise defined herein shall have the meanings given thereto in the Credit Agreement.

Section 10.22 of the Credit Agreement provides that, subject to certain conditions, the undersigned New Borrower may become a party to, and a "Subsidiary Borrower" under, the Credit Agreement by entering into an agreement in the form of this Agreement.

Accordingly, and for other good and lawful consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. In accordance with Section 10.22 of the Credit Agreement, the New Borrower by its signature below becomes a "Subsidiary Borrower" under the Credit Agreement with the same force and effect as if originally named therein as a Subsidiary Borrower. The New Borrower hereby agrees to all of the terms and provisions of the Credit Agreement applicable to it as a Subsidiary Borrower thereunder. Hereafter, each reference to a "Subsidiary Borrower" in the Credit Agreement shall be deemed to include the New Borrower. The Credit Agreement is hereby incorporated herein by reference.

2. The New Borrower represents and warrants to the Administrative Agent and the Lenders that (a) this Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and (ii) general equitable principles (whether considered in a proceeding in equity or at law); (b) no Event of Default has occurred and is continuing immediately after giving effect to the execution and delivery of this Agreement; (c) the Baseline Conditions relating to it are satisfied in all material respects on and as of the date hereof; and (d) it is a Wholly Owned Subsidiary of MOP.

3. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which, when taken together, shall constitute but one agreement. This Agreement shall become effective

when the Administrative Agent shall have received counterparts of this Agreement that bear the signatures of the New Borrower and MOP. Delivery of an executed counterpart of a signature page of this Agreement by any electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement.

4. Except as expressly supplemented hereby, the Credit Agreement shall remain in full force and effect.

5. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

6. If any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in any other Loan Document shall not in any way be affected or impaired. The parties hereto shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

7. All communications and notices hereunder shall be in writing and given as provided in Section 10.2 of the Credit Agreement. All communications and notices hereunder to the New Borrower shall be given to it at the address set forth under its signature hereto.

9. Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by all of the Borrowers at the time thereof and the Administrative Agent.

10. The New Borrower agrees to reimburse the Administrative Agent for its expenses to the extent required by Section 10.5 of the Credit Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Adherence Agreement to be duly executed and delivered as of the day and year first above written.

[NEW BORROWER]

By: \_\_\_\_\_

Name:

Title:

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MPT OPERATING PARTNERSHIP, L.P.

By: Medical Properties Trust, LLC, its  
general partner

By: Medical Properties Trust, Inc.,  
its sole member

By: \_\_\_\_\_

Name:

Title:

Acknowledged By:

MEDICAL PROPERTIES TRUST, INC.

By: \_\_\_\_\_

Name:

Title:

FORM OF QUALIFIED BORROWER GUARANTY

This Guaranty is made as of \_\_\_\_\_ by MPT Operating Partnership, L.P., a Delaware limited partnership (the "Guarantor"), to and for the benefit of JPMorgan Chase Bank, N.A., as Administrative Agent ("Administrative Agent") for itself and the lenders under the Credit Agreement (as defined below) and their respective successors and assigns (collectively, the "Lenders").

RECITALS

A. The Guarantor has requested and Lenders have agreed to make available to the Guarantor a revolving credit and term loan facility (the "Facility") pursuant to the terms and conditions set forth in an Amended and Restated Revolving Credit and Term Loan Agreement dated as of February 1, 2017, among Medical Properties Trust, Inc., Guarantor, as borrower, the Administrative Agent, and the Lenders named therein (as amended, modified or restated from time to time, the "Credit Agreement"). All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Credit Agreement.

B. The Credit Agreement allows, among other things, for Subsidiary Borrowers to request Loans under the Facility provided, among other things, that Guarantor execute and deliver this Guaranty. Each Subsidiary Borrower from time to time will execute and deliver to the Lenders promissory notes as evidence of such Subsidiary Borrower's indebtedness to each such Lender with respect to the Facility (the promissory notes described above, together with any amendments or allonges thereto, or restatements, replacements or renewals thereof, and/or new promissory notes to new Lenders under the Credit Agreement, are collectively referred to herein as the "Notes").

C. Each Subsidiary Borrower is directly or indirectly wholly owned by Guarantor.

AGREEMENTS

NOW, THEREFORE, Guarantor, in consideration of the matters described in the foregoing Recitals, which Recitals are incorporated herein and made a part hereof, and for other good and valuable consideration, hereby agrees as follows:

1. Guarantor absolutely, unconditionally, and irrevocably guaranties to each of the Lenders:

(a) the full and prompt payment of the principal of and interest on the Notes when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, and the prompt payment of all sums which may now be or may hereafter become due and owing from each Subsidiary Borrower under the Notes, the Credit Agreement, and the other Loan Documents;

(b) the payment of all Enforcement Costs (as hereinafter defined in Paragraph 7 hereof); and

(c) the full, complete, and punctual observance, performance, and satisfaction of all of the obligations, duties, covenants, and agreements of each Subsidiary Borrower under the Credit Agreement and the Loan Documents.

All amounts due, debts, liabilities, and payment obligations described in subparagraphs (a) and (b) of this Paragraph 1 are referred to herein as the “Facility Indebtedness.” All obligations described in subparagraph (c) of this Paragraph 1 are referred to herein as the “Obligations.”

2. In the event of any default by a Subsidiary Borrower in making payment of the Facility Indebtedness, or in performance of the Obligations, as aforesaid, in each case beyond the expiration of any applicable grace period, Guarantor agrees, on demand by the Administrative Agent or the holder of a Note, to pay all the Facility Indebtedness and to perform all the Obligations as are then or thereafter become due and owing or are to be performed under the terms of the Notes, the Credit Agreement, and the other Loan Documents. All references to Borrower in this Guaranty shall refer to each Subsidiary Borrower.

3. Guarantor does hereby waive (i) notice of acceptance of this Guaranty by the Administrative Agent and the Lenders and any and all notices and demands of every kind which may be required to be given by any statute, rule or law, (ii) any defense, right of set-off or other claim which Guarantor may have against Borrower or which Guarantor or Borrower may have against the Administrative Agent or the Lenders or the holder of a Note, (iii) presentment for payment, demand for payment (other than as provided for in Paragraph 2 above), notice of nonpayment (other than as provided for in Paragraph 2 above) or dishonor, protest and notice of protest, diligence in collection and any and all formalities which otherwise might be legally required to charge Guarantor with liability, (iv) any failure by the Administrative Agent and the Lenders to inform Guarantor of any facts the Administrative Agent and the Lenders may now or hereafter know about Borrower, the Facility, or the transactions contemplated by the Credit Agreement, it being understood and agreed that the Administrative Agent and the Lenders have no duty so to inform and that Guarantor is fully responsible for being and remaining informed by Borrower of all circumstances bearing on the existence or creation, or the risk of nonpayment of the Facility Indebtedness or the risk of nonperformance of the Obligations, and (v) any and all right to cause a marshalling of assets of Borrower or any other action by any court or governmental body with respect thereto, or to cause the Administrative Agent and the Lenders to proceed against any other security given to a Lender in connection with the Facility Indebtedness or the Obligations. Credit may be granted or continued from time to time by the Lenders to Borrower without notice to or authorization from Guarantor, regardless of the financial or other condition of Borrower at the time of any such grant or continuation. The Administrative Agent and the Lenders shall have no obligation to disclose or discuss with Guarantor the Lenders’ assessment of the financial condition of Borrower. Guarantor acknowledges that no representations of any kind whatsoever have been made by the Administrative Agent and the Lenders to Guarantor. No modification or waiver of any of the provisions of this Guaranty shall be binding upon the Administrative Agent and the Lenders except as expressly set forth in a writing duly signed and delivered on behalf of the Administrative Agent and the Lenders. Guarantor further agrees that any exculpatory language contained in the Credit Agreement, the Notes, and the other Loan Documents shall in no event apply to this Guaranty, and will not prevent the Administrative Agent and the Lenders from proceeding against Guarantor to enforce this Guaranty.

4. Guarantor further agrees that Guarantor's liability as guarantor shall in no way be impaired by any renewals or extensions which may be made from time to time, with or without the knowledge or consent of Guarantor of the time for payment of interest or principal under a Note or by any forbearance or delay in collecting interest or principal under a Note, or by any waiver by the Administrative Agent and the Lenders under the Credit Agreement, or any other Loan Documents, or by the Administrative Agent or the Lenders' failure or election not to pursue any other remedies they may have against Borrower, or by any change or modification in a Note, the Credit Agreement, or any other Loan Documents, or by the acceptance by the Administrative Agent or the Lenders of any security or any increase, substitution or change therein, or by the release by the Administrative Agent and the Lenders of any security or any withdrawal thereof or decrease therein, or by the application of payments received from any source to the payment of any obligation other than the Facility Indebtedness, even though a Lender might lawfully have elected to apply such payments to any part or all of the Facility Indebtedness, it being the intent hereof that Guarantor shall remain liable as principal for payment of the Facility Indebtedness and performance of the Obligations until all indebtedness has been paid in full and the other terms, covenants and conditions of the Credit Agreement, and other Loan Documents and this Guaranty have been performed, notwithstanding any act or thing which might otherwise operate as a legal or equitable discharge of a surety. Guarantor further understands and agrees that the Administrative Agent and the Lenders may at any time enter into agreements with Borrower to amend and modify a Note, the Credit Agreement or any of the other Loan Documents, or any thereof, and may waive or release any provision or provisions of a Note, the Credit Agreement, or any other Loan Document and, with reference to such instruments, may make and enter into any such agreement or agreements as the Administrative Agent, the Lenders and Borrower may deem proper and desirable, without in any manner impairing this Guaranty or any of the Administrative Agent and the Lenders' rights hereunder or any of Guarantor's obligations hereunder.

5. This is an absolute, unconditional, complete, present and continuing guaranty of payment and performance and not of collection. Guarantor agrees that its obligations hereunder shall be joint and several with any and all other guarantees given in connection with the Facility from time to time. Guarantor agrees that this Guaranty may be enforced by the Administrative Agent and the Lenders without the necessity at any time of resorting to or exhausting any security or collateral, if any, given in connection herewith or with a Note, the Credit Agreement, or any of the other Loan Documents or by or resorting to any other guaranties, and Guarantor hereby waives the right to require the Administrative Agent and the Lenders to join Borrower in any action brought hereunder or to commence any action against or obtain any judgment against Borrower or to pursue any other remedy or enforce any other right. Guarantor further agrees that nothing contained herein or otherwise shall prevent the Administrative Agent and the Lenders from pursuing concurrently or successively all rights and remedies available to them at law and/or in equity or under a Note, the Credit Agreement or any other Loan Documents, and the exercise of any of their rights or the completion of any of their remedies shall not constitute a discharge of any of Guarantor's obligations hereunder, it being the purpose and intent of Guarantor that the obligations of Guarantor hereunder shall be primary, absolute, independent and unconditional under any and all circumstances whatsoever. Neither Guarantor's obligations under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Borrower under a Note, the Credit Agreement or any other Loan

Document or by reason of Borrower's bankruptcy or by reason of any creditor or bankruptcy proceeding instituted by or against Borrower. This Guaranty shall continue to be effective and be deemed to have continued in existence or be reinstated (as the case may be) if at any time payment of all or any part of any sum payable pursuant to a Note, the Credit Agreement or any other Loan Document is rescinded or otherwise required to be returned by the payee upon the insolvency, bankruptcy, or reorganization of the payor, all as though such payment to such Lender had not been made, regardless of whether such Lender contested the order requiring the return of such payment. The obligations of Guarantor pursuant to the preceding sentence shall survive any termination, cancellation, or release of this Guaranty.

6. This Guaranty shall be assignable by a Lender to any assignee of all or a portion of such Lender's rights under the Loan Documents made in accordance with the Credit Agreement.

7. If: (i) this Guaranty, a Note, or any of the Loan Documents are placed in the hands of an attorney for collection or is collected through any legal proceeding; (ii) an attorney is retained to represent the Administrative Agent or any Lender in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Guaranty, a Note, the Credit Agreement, or any Loan Document; (iii) an attorney is retained to enforce any of the other Loan Documents or to provide advice or other representation with respect to the Loan Documents in connection with an enforcement action or potential enforcement action; or (iv) an attorney is retained to represent the Administrative Agent or any Lender in any other legal proceedings whatsoever in connection with this Guaranty, a Note, the Credit Agreement, any of the Loan Documents, or any property subject thereto (other than any action or proceeding brought by any Lender or participant against the Administrative Agent alleging a breach by the Administrative Agent of its duties under the Loan Documents), then Guarantor shall pay to the Administrative Agent or such Lender all its documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Guaranty, the other Loan Documents and any other such documents (including any workout or restructuring or negotiations in respect thereof), including the documented fees and disbursements and other out-of-pocket costs of counsel to each Lender and of counsel to the Administrative Agent.

8. The parties hereto intend that each provision in this Guaranty comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Guaranty is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Guaranty to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Guaranty shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of the Administrative Agent and the Lender or the holder of a Note under the remainder of this Guaranty shall continue in full force and effect.

9. Any indebtedness of Borrower to Guarantor now or hereafter existing is hereby subordinated to the Facility Indebtedness. Guarantor will not seek, accept, or retain for Guarantor's own account, any payment from Borrower on account of such subordinated debt at

any time when a Default exists under the Credit Agreement or the Loan Documents, and any such payments to Guarantor made while any Default then exists under the Credit Agreement or the Loan Documents on account of such subordinated debt shall be collected and received by Guarantor in trust for the Lenders and shall be paid over to the Administrative Agent on behalf of the Lenders on account of the Facility Indebtedness without impairing or releasing the obligations of Guarantor hereunder.

10. Guarantor hereby subordinates to the Facility Indebtedness any and all claims and rights, including, without limitation, subrogation rights, contribution rights, reimbursement rights and set-off rights, which Guarantor may have against Borrower arising from a payment made by Guarantor under this Guaranty and agree that, until the entire Facility Indebtedness is paid in full, not to assert or take advantage of any subrogation rights of Guarantor or the Lenders or any right of Guarantor or the Lenders to proceed against (i) Borrower for reimbursement, or (ii) any other guarantor or any collateral security or guaranty or right of offset held by the Lenders for the payment of the Facility Indebtedness and performance of the Obligations, nor shall Guarantor seek or be entitled to seek any contribution or reimbursement from Borrower or any other guarantor in respect of payments made by Guarantor hereunder. It is expressly understood that the agreements of Guarantor set forth above constitute additional and cumulative benefits given to the Lenders for their security and as an inducement for their extension of credit to Borrower.

11. Any amounts received by a Lender from any source on account of any indebtedness may be applied by such Lender toward the payment of such indebtedness, and in such order of application, as a Lender may from time to time elect.

12. Guarantor hereby:

(a) submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County, Borough of Manhattan, and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and Guarantor hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Guarantor hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Holdings or the Borrower, as the case may be at its address set forth in Section 10.2 of the Credit Agreement or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

13. All notices and other communications provided to any party hereto under this Agreement or any other Loan Document shall be in writing or by telex or by facsimile and addressed or delivered to such party at its address set forth below or at such other address as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid, shall be deemed given when received; any notice, if transmitted by facsimile, shall be deemed given when transmitted. Notice may be given as set forth in the Credit Agreement.

14. This Guaranty shall be binding upon the successors and assigns of Guarantor and shall inure to the benefit of the Administrative Agent and the Lenders' permitted successors and assigns.

15. THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

16. GUARANTOR, THE ADMINISTRATIVE AGENT AND THE LENDERS, BY THEIR ACCEPTANCE HEREOF, IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND FOR ANY COUNTERCLAIM THEREIN. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

IN WITNESS WHEREOF, Guarantor has delivered this Guaranty as of the date first written above.

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

By: Medical Properties Trust, LLC,  
its general partner

By: Medical Properties Trust, Inc.,  
its sole member

By: \_\_\_\_\_  
Name:  
Title:

**Computation of Ratio of Earnings to Fixed Charges**  
**Medical Properties Trust, Inc.**

The following table sets forth ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred dividends for the periods indicated below.

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Income From Continuing Operations Before Income Taxes	\$ 218,219	\$ 141,101	\$ 50,864	\$ 89,803	\$ 72,712
Fixed Charges	184,694	126,887	101,914	68,654	60,011
Amortization of Capitalized Interest	332	355	318	271	227
Capitalized Interest	(2,320)	(1,425)	(1,860)	(1,729)	(1,596)
Earnings	\$ 400,925	\$ 266,918	\$ 151,236	\$ 156,999	\$ 131,354
Interest Expense/Debt Refinancing Costs	\$ 182,136	\$ 125,252	\$ 99,854	\$ 66,746	\$ 58,243
Portion of Rent Related to Interest	238	210	200	179	172
Capitalized Interest	2,320	1,425	1,860	1,729	1,596
Fixed Charges	\$ 184,694	\$ 126,887	\$ 101,914	\$ 68,654	\$ 60,011
Preferred Stock Dividends	—	—	—	—	—
Combined Fixed Charges and Preferred Stock Dividends	\$ 184,694	\$ 126,887	\$ 101,914	\$ 68,654	\$ 60,011
<b>Ratio of Earnings to Fixed Charges</b>	2.17 x	2.10 x	1.48 x	2.29 x	2.19 x
<b>Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends</b>	2.17 x	2.10 x	1.48 x	2.29 x	2.19 x

Our ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. Our ratio of earnings to combined fixed charges and preferred dividends is computed by dividing earnings by combined fixed charges and preferred dividends. For these purposes, “earnings” is the amount resulting from adding together income (loss) from continuing operations, fixed charges, and amortization of capitalized interest and subtracting interest capitalized. “Fixed charges” is the amount resulting from adding together interest expensed and capitalized; amortized premiums, discounts and capitalized expenses related to indebtedness; and the interest portion of rent. “Combined fixed charges and preferred dividends” is the amount resulting from adding together fixed charges and preferred dividends paid and accrued for each respective period.

**Computation of Ratio of Earnings to Fixed Charges**  
**MPT Operating Partnership, L.P.**

The following table sets forth ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred dividends for the periods indicated below.

	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Income From Continuing Operations Before Income Taxes	\$ 218,219	\$ 141,101	\$ 50,864	\$ 89,803	\$ 72,712
Fixed Charges	184,694	126,887	101,914	68,654	60,011
Amortization of Capitalized Interest	332	355	318	271	227
Capitalized Interest	(2,320)	(1,425)	(1,860)	(1,729)	(1,596)
Earnings	\$ 400,925	\$ 266,918	\$ 151,236	\$ 156,999	\$ 131,354
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Capitalized Interest	2,320	1,425	1,860	1,729	1,596
Fixed Charges	\$ 184,694	\$ 126,887	\$ 101,914	\$ 68,654	\$ 60,011
Preferred Stock Dividends	—	—	—	—	—
Combined Fixed Charges and Preferred Stock Dividends	\$ 184,694	\$ 126,887	\$ 101,914	\$ 68,654	\$ 60,011
<b>Ratio of Earnings to Fixed Charges</b>	2.17 x	2.10 x	1.48 x	2.29 x	2.19 x
<b>Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends</b>	2.17 x	2.10 x	1.48 x	2.29 x	2.19 x

Our ratio of earnings to fixed charges is computed by dividing earnings by fixed charges. Our ratio of earnings to combined fixed charges and preferred dividends is computed by dividing earnings by combined fixed charges and preferred dividends. For these purposes, "earnings" is the amount resulting from adding together income (loss) from continuing operations, fixed charges, and amortization of capitalized interest and subtracting interest capitalized. "Fixed charges" is the amount resulting from adding together interest expensed and capitalized; amortized premiums, discounts and capitalized expenses related to indebtedness; and the interest portion of rent. "Combined fixed charges and preferred dividends" is the amount resulting from adding together fixed charges and preferred dividends paid and accrued for each respective period.

## SUBSIDIARIES OF REGISTRANT

Subsidiaries	Jurisdiction of Organization	Jurisdiction(s) in Which Qualified as a Foreign Corporation
Medical Properties Trust, LLC	Delaware	Alabama, Massachusetts
Mountain View-MPT Hospital, LLC	Delaware	Idaho
MPT of 69th Street, LLC	Delaware	Alabama
MPT of Allen FCER, LLC	Delaware	Texas
MPT of Altoona, LLC	Delaware	Wisconsin
MPT of Alvarado, LLC	Delaware	California
MPT of Alvarado, L.P.	Delaware	California
MPT of Alvin FCER, LLC	Delaware	Texas
MPT Aztec Opco, LLC	Delaware	—
MPT Bath S.a.r.l.	Luxembourg	—
MPT of Bayonne, LLC	Delaware	New Jersey
MPT of Bennettsville, LLC	Delaware	South Carolina
MPT of Billings, LLC	Delaware	Montana
MPT of Billings Hospital, LLC	Delaware	Montana
MPT of Bloomington, LLC	Delaware	Indiana
MPT of Boise, LLC	Delaware	Idaho
MPT of Boise Hospital, LLC	Delaware	Idaho
MPT of Bossier City, LLC	Delaware	Louisiana
MPT of Bristol, LLC	Delaware	Connecticut
MPT of Brodie FCER, LLC	Delaware	Texas
MPT of Broomfield FCER, LLC	Delaware	Colorado
MPT of Brownsville, LLC	Delaware	Texas
MPT of Brownsville Hospital, LLC	Delaware	Texas
MPT of Carrollton AD, LLC	Delaware	Texas
MPT of Casper, LLC	Delaware	Wyoming
MPT of Casper Hospital, LLC	Delaware	Wyoming
MPT of Cedar Hill FCER, LLC	Delaware	Texas
MPT of Champion Forest FCER, LLC	Delaware	Texas
MPT of Chandler FCER, LLC	Delaware	Arizona
MPT of Cheraw, LLC	Delaware	South Carolina
MPT of Chino, LLC	Delaware	California
MPT of Clear Lake, LLC	Delaware	Texas
MPT of Clear Lake, L.P.	Delaware	Texas
MPT of Comal County, LLC	Delaware	Texas
MPT of Comal County Hospital, LLC	Delaware	Texas
MPT of Commerce City FCER, LLC	Delaware	Colorado
MPT of Converse FCER, LLC	Delaware	Texas
MPT of Corinth, LLC	Delaware	Texas
MPT of Corinth, L.P.	Delaware	Texas
MPT Corinth Hospital, LLC	Delaware	—
MPT of Corpus Christi, LLC	Delaware	Texas
MPT of Corpus Christi Hospital, LLC	Delaware	Texas
MPT of Covington, LLC	Delaware	Louisiana
MPT Covington TRS, Inc.	Delaware	Louisiana
MPT of Dallas, LLC	Delaware	Texas
MPT of Dallas LTACH, LLC	Delaware	Texas (as “MPT of Dallas LTACH GP, LLC”)
MPT of Dallas LTACH, L.P.	Delaware	Texas
MPT of Desoto, LLC	Delaware	Texas
MPT of Desoto, L.P.	Delaware	Texas
MPT Desoto Hospital, LLC	Delaware	Texas
MPT of Detroit, LLC	Delaware	Michigan
MPT Development Services, Inc.	Delaware	Alabama
MPT DS Equipment Holding, LLC	Delaware	Alabama

Subsidiaries	Jurisdiction of Organization	Jurisdiction(s) in Which Qualified as a Foreign Corporation
MPT of Enfield, LLC	Delaware	Connecticut
MPT of Fairmont-Alecto, LLC	Delaware	West Virginia
MPT of Fairmont-Alecto Hospital, LLC	Delaware	West Virginia
MPT Finance Corporation	Delaware	—
MPT of Firestone FCER, LLC	Delaware	Colorado
MPT of Florence, LLC	Delaware	Arizona
MPT of Fort Worth FCER, LLC	Delaware	Texas
MPT of Fountain FCER, LLC	Delaware	Colorado
MPT of Frisco FCER, LLC	Delaware	Texas
MPT of Ft. Lauderdale, LLC	Delaware	Florida
MPT of Garden Grove Hospital, LLC	Delaware	California
MPT of Garden Grove Hospital, L.P.	Delaware	California
MPT of Garden Grove MOB, LLC	Delaware	California
MPT of Garden Grove MOB, L.P.	Delaware	California
MPT of Gilbert, LLC	Delaware	Arizona
MPT of Glendale FCER, LLC	Delaware	Arizona
MPT of Greenwood, LLC	Delaware	South Carolina
MPT of Greenwood Hospital, LLC	Delaware	South Carolina
MPT of Hammond, LLC	Delaware	Louisiana
MPT Hammond Hospital, LLC	Delaware	Louisiana
MPT of Hausman, LLC	Delaware	Texas
MPT of Hillsboro, LLC	Delaware	Texas
MPT of Hillsboro, L.P.	Delaware	Texas
MPT of Hoboken Hospital, LLC	Delaware	—
MPT of Hoboken Real Estate, LLC	Delaware	New Jersey
MPT of Hoboken TRS, LLC	Delaware	New Jersey
MPT of Hoover-Medical West, LLC	Delaware	Alabama
MPT of Houston-Eldridge FCER, LLC	Delaware	Texas
MPT of Idaho Falls, LLC	Delaware	Idaho
MPT of Inglewood, LLC	Delaware	California
MPT of Inglewood, L.P.	Delaware	California
MPT of Johnstown, LLC	Delaware	Colorado
MPT of Johnstown Hospital , LLC	Delaware	Colorado
MPT JV GmbH & Co. KG	Germany	—
MPT JV Holdco Sarl	Luxembourg	—
MPT JV Verwaltungs GmbH	Germany	—
MPT of Kansas City, LLC	Delaware	Missouri
MPT of Lafayette, LLC	Delaware	Indiana
MPT of Lafayette Hospital, LLC	Delaware	Indiana
MPT of Laredo, LLC	Delaware	Texas
MPT of Laredo Hospital, LLC	Delaware	Texas
MPT of Las Cruces	Delaware	New Mexico
MPT of Las Cruces Hospital, LLC	Delaware	New Mexico
MPT of Leavenworth, LLC	Delaware	Kansas
MPT Legacy of Montclair, LLC	Delaware	New Jersey
MPT of Little Elm FCER, LLC	Delaware	Texas
MPT of Los Angeles, LLC	Delaware	—
MPT of Los Angeles, L.P.	Delaware	California
MPT of Luling, LLC	Delaware	Texas (as “Delaware MPT of Luling, LLC”)
MPT of Luling, L.P.	Delaware	Texas
MPT of Mesa, LLC	Delaware	Arizona
MPT of Mesquite, LLC	Delaware	Texas
MPT of Mesquite Hospital, LLC	Delaware	Texas
MPT of Missouri City-Dulles FCER, LLC	Delaware	Texas
MPT of Missouri City FCER, LLC	Delaware	Texas

Subsidiaries	Jurisdiction of Organization	Jurisdiction(s) in Which Qualified as a Foreign Corporation
MPT of Mountain View, LLC	Delaware	—
MPT of Nacogdoches FCER, LLC	Delaware	Texas
MPT of New Braunfels, LLC	Delaware	Texas
MPT New Braunfels Hospital, LLC	Delaware	Texas
MPT of Newington, LLC	Delaware	Connecticut
MPT of North Cypress, LLC	Delaware	Texas (as “Delaware MPT of North Cypress Texas, LLC”)
MPT of North Cypress, L.P.	Delaware	Texas
MPT of North Gate FCER, LLC	Delaware	Colorado
MPT of Ogden, LLC	Delaware	Utah
MPT of Ogden Hospital, LLC	Delaware	Utah
MPT of Olympia, LLC	Delaware	—
MPT Operating Partnership, L.P.	Delaware	Massachusetts, Alabama, New York, Kansas
MPT of Overlook Parkway, LLC	Delaware	Texas
MPT of Paradise Valley, LLC	Delaware	California
MPT of Paradise Valley, L.P.	Delaware	California
MPT of Pearland FCER, LLC	Delaware	Texas
MPT of Petersburg, LLC	Delaware	Virginia
MPT of Poplar Bluff, LLC	Delaware	Missouri
MPT of Port Arthur, LLC	Delaware	Texas
MPT of Portland, LLC	Delaware	Oregon
MPT of Post Falls, LLC	Delaware	Idaho
MPT of Post Falls Hospital, LLC	Delaware	Idaho
MPT of Prescott Valley, LLC	Delaware	Arizona
MPT of Prescott Valley Hospital, LLC	Delaware	Arizona
MPT of Providence, LLC	Delaware	Rhode Island
MPT of Provo, LLC	Delaware	Utah
MPT of Provo Hospital, LLC	Delaware	Utah
MPT of Redding, LLC	Delaware	California
MPT of Reno, LLC	Delaware	Nevada
MPT RHM Achertal Sarl	Luxembourg	—
MPT RHM Adelsberg Sarl	Luxembourg	—
MPT RHM Aukammtal Sarl	Luxembourg	—
MPT RHM Bad Lausick Sarl	Luxembourg	—
MPT RHM Bad Sulze Sarl	Luxembourg	—
MPT RHM Berggiesshubel Sarl	Luxembourg	—
MPT RHM Bernkastel Sarl	Luxembourg	—
MPT RHM Braunfels Sarl	Luxembourg	—
MPT RHM Buchberg Sarl	Luxembourg	—
MPT RHM Burg Landshut Sarl	Luxembourg	—
MPT RHM Burggraben Sarl	Luxembourg	—
MPT RHM Christiaan S.a.r.l.	Luxembourg	—
MPT RHM Flachsheide Sarl	Luxembourg	—
MPT RHM Flechtingen Sarl	Luxembourg	—
MPT RHM Flechtingen II Sarl	Luxembourg	—
MPT RHM Fontana S.a.r.l.	Luxembourg	—
MPT RHM Franz-Alexander Sarl	Luxembourg	—
MPT RHM Gottleuba Sarl	Luxembourg	—
MPT RHM Grunheide Sarl	Luxembourg	—
MPT RHM Gunzenbach Sarl	Luxembourg	—
MPT RHM Gyhum Sarl	Luxembourg	—
MPT RHM Heidelberg Sarl	Luxembourg	—
MPT RHM Heiligendamm Sarl	Luxembourg	—
MPT RHM Heinrich Mann Sarl	Luxembourg	—
MPT RHM Hillersbach S.a.r.l.	Luxembourg	—
MPT RHM Hohenfeld Sarl	Luxembourg	—
MPT RHM Hohenlohe Sarl	Luxembourg	—
MPT RHM Holdco S.a.r.l.	Luxembourg	—

Subsidiaries	Jurisdiction of Organization	Jurisdiction(s) in Which Qualified as a Foreign Corporation
MPT RHM Hoppegarten Sarl	Luxembourg	—
MPT RHM Ilmtal Sarl	Luxembourg	—
MPT RHM Kaiserberg Sarl	Luxembourg	—
MPT RHM Kalbe Sarl	Luxembourg	—
MPT RHM Kinzigtal Sarl	Luxembourg	—
MPT RHM Kladow Sarl	Luxembourg	—
MPT RHM Klaus S.a.r.l.	Luxembourg	—
MPT RHM Lobenstein Sarl	Luxembourg	—
MPT RHM Magdeburg Sarl	Luxembourg	—
MPT RHM Moselhohe Sarl	Luxembourg	—
MPT RHM Moselschleife Sarl	Luxembourg	—
MPT RHM Park Oeynhausen Sarl	Luxembourg	—
MPT RHM Park S.a.r.l.	Luxembourg	—
MPT RHM Quellbrun Sarl	Luxembourg	—
MPT RHM Schlangenbad Sarl	Luxembourg	—
MPT RHM Sonnenwende S.a.r.l.	Luxembourg	—
MPT RHM St. George Bad Durrheim Sarl	Luxembourg	—
MPT RHM St. George Bad Krotzingen Sarl	Luxembourg	—
MPT RHM St. George Nordrach Sarl	Luxembourg	—
MPT RHM Sudpark Sarl	Luxembourg	—
MPT RHM Tennstedt Sarl	Luxembourg	—
MPT RHM TRS Sarl	Luxembourg	—
MPT RHM Vesalius S.a.r.l.	Luxembourg	—
MPT RHM Weserlinik Sarl	Luxembourg	—
MPT RHM Wismar Sarl	Luxembourg	—
MPT of Richardson, LLC	Delaware	Texas
MPT of Richardson, L.P.	Delaware	Texas
MPT of Rosenberg FCER, LLC	Delaware	Texas
MPT of Round Rock, LLC	Delaware	Texas
MPT of Round Rock, L.P.	Delaware	Texas
MPT of Roxborough, LLC	Delaware	Pennsylvania
MPT of Roxborough, L.P.	Delaware	Pennsylvania
MPT of San Dimas Hospital, LLC	Delaware	California
MPT of San Dimas Hospital, L.P.	Delaware	California
MPT of San Dimas MOB, LLC	Delaware	California
MPT of San Dimas MOB, L.P.	Delaware	California
MPT of Shasta, LLC	Delaware	California
MPT of Shasta, L.P.	Delaware	California
MPT of Shenandoah, LLC	Delaware	Texas
MPT of Shenandoah, L.P.	Delaware	Texas
MPT of Sherman-Alecto, LLC	Delaware	Texas
MPT of Spartanburg, LLC	Delaware	South Carolina
MPT of Spartanburg Hospital, LLC	Delaware	South Carolina
MPT of Southern California, LLC	Delaware	California
MPT of Southern California, L.P.	Delaware	California
MPT of Springfield, LLC	Delaware	Massachusetts
MPT of Summerwood FCER, LLC	Delaware	Texas
MPT of Surprise FCER, LLC	Delaware	Arizona
MPT of Thornton FCER, LLC	Delaware	Colorado
MPT of Tomball, LLC	Delaware	Texas (as “MPT of Tomball GP, LLC”)
MPT of Tomball, L.P.	Delaware	Texas
MPT of Twelve Oaks, LLC	Delaware	Texas
MPT of Twelve Oaks, L.P.	Delaware	Texas
MPT UK Holdco S.a.r.l.	Luxembourg	—
MPT of Victoria, LLC	Delaware	Texas (as “Delaware MPT of Victoria, LLC”)

<b>Subsidiaries</b>	<b>Jurisdiction of Organization</b>	<b>Jurisdiction(s) in Which Qualified as a Foreign Corporation</b>
MPT of Victoria, L.P.	Delaware	Texas
MPT of Victorville, LLC	Delaware	California
MPT of Victory Lakes FCER, LLC	Delaware	Texas
MPT of Warwick, LLC	Delaware	Rhode Island
MPT of West Anaheim, LLC	Delaware	California
MPT of West Anaheim, L.P.	Delaware	California
MPT of West Monroe, LLC	Delaware	Louisiana
MPT of Westover Hills, LLC	Delaware	Texas
MPT of West Valley City, LLC	Delaware	Utah
MPT of Wichita, LLC	Delaware	Kansas
MPT of Wyandotte County, LLC	Delaware	Kansas
Wichita Health Associates Limited Partnership	Delaware	Kansas
MPT of Bucks County, LLC	Delaware	Pennsylvania
MPT of Bucks County, LP	Delaware	Pennsylvania
MPT of Toledo Hospital, LLC	Delaware	
MPT of Sherman-Alecto Hospital, LLC	Delaware	Texas
MPT of Denver 48th FCER, LLC	Delaware	Colorado
MPT of McKinney FCER, LLC	Delaware	Texas
MPT of Gilbert FCER, LLC	Delaware	Arizona
MPT of Conroe FCER, LLC	Delaware	Texas
MPT of Houston Vintage AD, LLC	Delaware	Texas
MPT of Blue Springs, LLC	Delaware	Missouri
MPT of Missouri, LLC	Delaware	Missouri
N650MP, LLC	Delaware	Alabama
MPT of Aurora FCER, LLC	Delaware	Colorado
MPT of Weslaco, LLC	Delaware	Texas
MPT of Weslaco Hospital, LLC	Delaware	Texas
MPT of Chandler-Ray FCER, LLC	Delaware	Arizona
MPT of Highland Village FCER, LLC	Delaware	Texas
MPT Europe Opportunities, LLC	Delaware	
MPT of Helotes FCER, LLC	Delaware	Texas
MPT of Parker FCER, LLC	Delaware	Colorado
MPT of Cinco Ranch FCER, LLC	Delaware	Texas
MPT of Lubbock, LLC	Delaware	Texas
MPT of Lubbock Hospital, LLC	Delaware	Texas
MPT of Frisco-Eldorado FCER, LLC	Delaware	Texas
MPT of Mesa-Eastmark AD, LLC	Delaware	Arizona
MPT of Fairfield FCER, LLC	Delaware	Texas
MPT of Goodyear FCER, LLC	Delaware	Arizona
MPT Camero Opco, LLC	Delaware	
Capella Health Holdings, LLC	Delaware	
Capella Holdings Acquisition Subs, Inc.	Delaware	
MPT of Hartsville-Capella, LLC	Delaware	South Carolina
MPT of Hartsville-Capella Hospital, LLC	Delaware	South Carolina
MPT of Hot Springs-Capella, LLC	Delaware	Arkansas
MPT of Hot Springs-Capella Hospital, LLC	Delaware	Arkansas
MPT of Lawton-Capella, LLC	Delaware	Oklahoma
MPT of Lawton-Capella Hospital, LLC	Delaware	Oklahoma
MPT of McMinnville-Capella, LLC	Delaware	Oregon
MPT of McMinnville-Capella Hospital, LLC	Delaware	Oregon
MPT of Muskogee-Capella, LLC	Delaware	Oklahoma
MPT of Muskogee-Capella Hospital, LLC	Delaware	Oklahoma
MPT of Olympia-Capella, LLC	Delaware	Washington
MPT of Olympia-Capella Hospital, LLC	Delaware	Washington
MPT of Russellville-Capella, LLC	Delaware	Arkansas

Subsidiaries	Jurisdiction of Organization	Jurisdiction(s) in Which Qualified as a Foreign Corporation
MPT of Russellville-Capella Hospital, LLC	Delaware	Arkansas
MPT of Longmont FCER, LLC	Delaware	Colorado
MPT of Port Huron, LLC	Delaware	Michigan
MPT of Frisco-Custer FCER, LLC	Delaware	Texas
MPT of Creekside FCER, LLC	Delaware	Texas
MPT of Morris, LLC	Delaware	New Jersey
MPT of Kershaw-Capella, LLC	Delaware	South Carolina
MPT of Kershaw-Capella Hospital, LLC	Delaware	South Carolina
MPT of Desoto FCER, LLC	Delaware	Texas
MPT of Flagstaff, LLC	Delaware	Arizona
MPT of Highlands Ranch FCER, LLC	Delaware	Colorado
MPT of Marrero FCER, LLC	Delaware	Louisiana

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**We hereby consent to the incorporation by reference in this Registration Statements on Form S-3 (Nos. 333-213027 and 333-208813) and Form S-8 (Nos. 333-190533, 333-161409, 333-130337, and 333-1267574) of Medical Properties Trust, Inc. of our report dated March 1, 2017 relating to the financial statements, financial statement schedules and the effectiveness of internal control over financial reporting, which appear in this Form 10-K.**

**PricewaterhouseCoopers LLP  
Birmingham, Alabama  
March 1, 2017**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in this Registration Statements on Form S-3 (No. 333-213027) of MPT Operating Partnership, L.P. and Subsidiaries of our report dated March 1, 2017 relating to the financial statements, financial statement schedules and the effectiveness of internal control over financial reporting, which appear in this Form 10-K.

PricewaterhouseCoopers LLP  
Birmingham, Alabama  
March 1, 2017

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

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

- 1) I have reviewed this annual report on Form 10-K of Medical Properties Trust, Inc.
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2017

/s/ Edward K. Aldag, Jr.

Edward K. Aldag, Jr.

Chairman, President and Chief Executive Officer

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

I, R. Steven Hamner, certify that:

- 1) I have reviewed this annual report on Form 10-K of Medical Properties Trust, Inc.
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2017

/s/ R. Steven Hamner

R. Steven Hamner

Executive Vice President and Chief Financial Officer

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

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

- 1) I have reviewed this annual report on Form 10-K of MPT Operating Partnership, L.P.
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2017

/s/ Edward K. Aldag, Jr.

Edward K. Aldag, Jr.

Chairman, President and Chief Executive Officer  
of the Sole Member of the General Partner of MPT Operating  
Partnership, L.P.

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

I, R. Steven Hamner, certify that:

- 1) I have reviewed this annual report on Form 10-K of MPT Operating Partnership, L.P.
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 1, 2017

/s/ R. Steven Hamner

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R. Steven Hamner  
Executive Vice President and Chief Financial Officer  
of the Sole Member of the General Partner of MPT Operating  
Partnership, L.P.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND  
18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY  
ACT OF 2002**

In connection with this annual report on Form 10-K of Medical Properties Trust, Inc. (the “Company”) for the year ended December 31, 2016 (the “Report”), each of the undersigned, Edward K. Aldag, Jr. and R. Steven Hamner, certifies, pursuant to Section 18 U.S.C. Section 1350, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2017

/s/ Edward K. Aldag, Jr.

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Edward K. Aldag, Jr.

Chairman, President and Chief Executive Officer

/s/ R. Steven Hamner

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R. Steven Hamner

Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND  
18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY  
ACT OF 2002**

In connection with this annual report on Form 10-K of MPT Operating Partnership, L.P. (the "Company") for the year ended December 31, 2016 (the "Report"), each of the undersigned, Edward K. Aldag, Jr. and R. Steven Hamner, certifies, pursuant to Section 18 U.S.C. Section 1350, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 1, 2017

/s/ Edward K. Aldag, Jr.

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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

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