

PROSPECT | FOOTHILL DEED AMENDMENT

This Foothill Regional (“Foothill”) deed amendment was recorded on the morning of the day of MPW’s 2Q22 10-Q filing (filed after market close).

The amendment was made on 7.26.22, or **8 days before 2Q22 earnings** released on 8.3.22, and **~2 months after ~\$100 million advances made!**

AMENDMENT TO
DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING

THIS AMENDMENT TO DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (this "Amendment") is made as of July 26, 2022 with reference to following:

A. In connection with a mortgage loan in the original principal amount of Fifty-One Million Two Hundred Sixty-Six Thousand Seven Hundred and No/100 Dollars \$51,266,700.00 (the "Original Loan") made by MPT of Tustin PMH, L.P., a Delaware limited partnership ("Lender"), to Alta Newport Hospital, Inc., a California corporation (the "Borrower"), on August 23, 2019, the Borrower, as Trustor, executed and delivered that certain Deed of Trust, Security Agreement and Fixture Filing, dated as of August 23, 2019 (the "Deed of Trust"), to Stewart Title Guaranty Company, as Trustee, in favor and for the benefit of Lender, as Beneficiary, relating to certain real property located in the City of Tustin, County of Orange, California, commonly known and numbered as "Foothill Regional Medical Center", located at 14662 Newport Ave., Tustin, California 92780, which lots, pieces or parcels of land are more particularly bounded and described as set forth on Exhibit A attached hereto and made a part hereof, which Deed of Trust was recorded on August 29, 2019 under **Document Number 2019000324068** in the official records of Orange County, California.

B. Pursuant to that certain Real Estate Loan Agreement, dated August 23, 2019, between Borrower and Lender (as the same has been or may be amended, modified, supplemented, or restated from time to time, the "Loan Agreement"), **Lender advanced to Borrower (i) an additional Fifty Million and No/100 Dollars (\$50,000,000.00) on May 2, 2022 and (ii) an additional Fifty Million and No/100 Dollars (\$50,000,000.00) on May 31, 2022** (such additional advances being referred to collectively as the "Tranche 2 Advances"), thereby increasing the principal amount of the Original Loan to One Hundred and Fifty-One Million Two Hundred Sixty-Six Thousand Seven Hundred and No/100 Dollars (\$151,266,700.00), as

Recorded in Official Records, Orange County



Recording Requested By:
When Recorded Return to:
BAKER, DONELSON, BEARMAN, CALDWELL
& BERKOWITZ, a Professional Corporation
1400 Shipt Tower
420 North 20th Street
Birmingham, Alabama 35203
Attn: [REDACTED]

Foothill Regional Medical Center
Orange County, California

TAX PARCEL ID: 432-141-15

PROSPECT | FOOTHILL DEED AMENDMENT (CONT'D)

Again, no loan to Prospect was disclosed with 2Q22 earnings materials, and the CFO explicitly denied making an incremental loan to the tenant...

... before disclosing the ~\$100 million loan, funded in May 2022, in the 2Q22 10-Q filed 6 days later with the SEC!

Medical Properties Trust, Inc. (MPW)

Q2 2022 Earnings Call

Corrected Transcript
03-Aug-2022

R. Steven Hamner

Co-founder, Executive Vice President, Chief Financial Officer & Director, Medical Properties Trust, Inc.

Yeah. So, we don't share the same – sounds like kind of more urgent, immediate concern that you have on Prospect. If there are hospitals in any of our tenant portfolios that are weaker than other hospitals in that tenant portfolio, that's the power usually of the master lease arrangement. We've emphasized, as Prospect management has emphasized the value of the West Coast portfolio and any so-called excess value over our lease base in those West Coast hospitals is applied to what could be a deficiency. And I'm not saying there is, but if there is a deficiency on the East Coast, then we get the benefit of the excess value on the West Coast.

A

[REDACTED]

Okay. I guess my point is there's no excess value on the West Coast, because you're a sub 1 times. But maybe the final question would be, do you plan to extend incremental debt financing to Prospect to bridge them similar to Steward?

Q

R. Steven Hamner

Co-founder, Executive Vice President, Chief Financial Officer & Director, Medical Properties Trust, Inc.

No. We don't expect that will be necessary. We don't expect that will be necessary. We don't expect that to be necessary. And we are aware of conversations and potential transactions that we can't speak to in a public environment. But we have reason to think that Prospect is not going to result in any material impairment or loss to MPT.

A

3. Real Estate and Other Activities

New Investments

We acquired or invested in the following net assets (in thousands):

	For the Six Months Ended June 30,	
	2022	2021
Land and land improvements	\$ 34,204	\$ 345,039
Buildings	290,256	825,322
Intangible lease assets — subject to amortization (weighted-average useful life of 20.1 years for 2022 and 45.0 years for 2021)	16,949	96,455
Mortgage loans(1)(2)	100,000	1,090,400
Investments in unconsolidated real estate joint ventures	399,456	—
Investments in unconsolidated operating entities	131,105	845,646
Liabilities assumed	(25,727)	(65,411)
	946,243	3,137,451
Loans repaid(1)	—	(1,090,400)
Total net assets acquired	\$ 946,243	\$ 2,047,051

(1) The 2021 column includes an £800 million mortgage loan advanced to the Priory Group ("Priory") in the first quarter of 2021 and converted to fee simple ownership of 35 properties in the second quarter of 2021 as described below.

(2) In the 2022 second quarter, we increased our mortgage loan to Prospect Medical Holdings, Inc. ("Prospect") that was originated in 2019 and that is secured by a first lien on a California hospital. The loan bears interest at a current market rate plus a component of additional interest upon repayment, which is anticipated during the fourth quarter.

PROSPECT | FOOTHILL DEED AMENDMENT (CONT'D)

Signed by the CFO of MPW...


... and notarized on 7.18.22, 8 days before the amendment recorded and 16 days before 2Q22 earnings!

LENDER:

MPT OF TUSTIN PMH, L.P.

By: MPT of Tustin PMH GP, LLC
Its: General Partner


By: MPT Operating Partnership, L.P.
Its: Sole Member

By: 
Name: R. Steven Hamner
Its: Executive Vice President & CFO

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Alabama
County of Jefferson

On July 18, 2022 before me  Notary Public,
(here insert name of the officer)

personally appeared R. Steven Hamner who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.
