

DOCKET NO: UWY CV 22-6063457-S : SUPERIOR COURT
MARGARET SHURTLEFF : J.D. OF WATERBURY
v. : AT WATERBURY
CONNECTICUT SEALCOATING, LLC., ET AL. : AUGUST 3, 2023

EXHIBIT

The attached revised Exhibit A is being filed to replace the current Exhibit A attached to defendant, MPT of Waterbury PMH, LLC's Motion for Summary Judgment dated April 10, 2023 (Court Docket Entry #129.00).

**DEFENDANT,
MPT OF WATERBURY PMH, LLC**

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CERTIFICATION

I certify that a copy of the above was, or will immediately be, mailed or delivered electronically, or non-electronically, on this 3rd day of August 2023 to all counsel and self-represented parties of record and that written consent for electronic delivery was received from all counsel and self-represented parties of record who were or will immediately be electronically served, as follows:

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/s/ Adam V. Maiocco
Adam V. Maiocco
Stockman O'Connor Connors PLLC

EXHIBIT A

CONFIDENTIAL

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")

August 23, 2019

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EXHIBITS AND SCHEDULES:

Exhibit A-1	[REDACTED]
Exhibit A-2	[REDACTED]
Exhibit A-3	[REDACTED]
Exhibit A-4	[REDACTED]
Exhibit A-5	[REDACTED]
Exhibit A-6	[REDACTED]
Exhibit A-7	[REDACTED]
Exhibit A-8	Legal Description - Waterbury Land
Exhibit B-1	[REDACTED]
Exhibit B-2	[REDACTED]
Exhibit B-3	[REDACTED]

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Exhibit B-4	[REDACTED]
Exhibit B-5	[REDACTED]
Exhibit B-6	[REDACTED]
Exhibit B-7	[REDACTED]
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Schedule 34.4	Option Price
Schedule 39.24	State Specific Provisions
Schedule 39.27	Property Specific Provisions

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MASTER LEASE AGREEMENT

This MASTER LEASE AGREEMENT (the “Lease”) is dated this 23rd day of August, 2019 (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 Prospect Medical Holdings, Inc., 3415 South Sepulveda Blvd., 9th Floor, Los Angeles, California 90034, Attn: Eric Samuels.

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

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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, the leasing of the Land and the Leased Improvements pursuant to this one, consolidated Lease is intended by the parties as a secured financing for purposes of federal, state and local income tax laws, with Lessee as the owner for purposes of taking depreciation, amortization and mortgage interest deductions and for all other federal, state and local income tax purposes; provided, however, notwithstanding the foregoing, this one, consolidated Lease is intended by the parties as a true lease for bankruptcy and creditors’ rights purposes and for all other purposes; and

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.

[REDACTED]

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, or (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; provided, however, that none of Green Equity Investors Side V, LP, Green Equity Investors V, LP or Ivy LGP Co-Invest LLP shall be considered to be “Affiliates” of any of the Obligors for purposes of this definition. 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.

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Aggregate Letter of Credit Amount: As defined in Section 39.26(a).

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.

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).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Binding Agreement: As defined in Section 34.3(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,

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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 Affiliate: Alta Newport Hospital, Inc., a California corporation.

Business: With respect to each of the Properties, the primary operation of a healthcare facility thereon and ancillary facilities related thereto, and, 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.

[REDACTED]

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 Financial Accounting Standard Board Accounting Standards Codification No. 840 “Leases” and finance leases under Financial Accounting Standard Board Accounting Standards Codification No. 842 “Leases”, 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.

Cash Deposit: As defined in Section 39.26.

CASp: As defined on Schedule 39.24 attached hereto and made part hereof by reference and incorporation.

Casualty Impacted Property: As defined in Section 14.2(a).

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CDEE: As defined on Schedule 39.27 attached hereto and made part hereof by reference and incorporation.

CERCLA: As defined in the definition of "Hazardous Materials Laws."

[REDACTED]

Quali

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.

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Connecticut Property: Collectively, the Waterbury Property, and following the Initial Commencement Date, any New Property located in the State of Connecticut.

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

■ [REDACTED]

■ [REDACTED]

(7) [REDACTED]

(8) [REDACTED]

■ [REDACTED]

■

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(10) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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.

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Date of Taking: The date the Condemnor has the right to possession of the property being condemned.

Decision Period: As defined in Section 34.3(a).

Declarations: As defined in Section 39.8.

Defaulted Property: As defined in Section 16.1B.

[REDACTED]

[REDACTED]

DHS: As defined in Section 38.1.

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DHHS: As defined in Section 38.1.

Distribution: Means a distribution by Prospect Medical or any Subsidiary to the holders of their respective Equity Interests (all or a portion of which may be in the form of payments currently or in the future subject to certain vesting conditions to employees, officers and directors under “phantom equity”, “dividend equivalent”, or similar employee benefit plans).

Dollar Amount: As defined in Section 9.2.

Electronic Transmission: Any form of communication (including, without limitation, by electronic mail) not directly involving physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient of such record, and that may be directly reproduced in paper form by such a recipient through an automated process.

Eliminated Property: As defined in Section 35.1.

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 Prospect Medical 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 the flush language of Section 16.1.

Equity Cure Right: As defined in the flush language of Section 16.1.

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.

Escalator: As defined in Section 3.1(b).

Escrow Invoice: As defined in Section 3.2.

Estate Planning: A gift or disposition for de minimis value of all or a portion of any natural person’s indirect equity interest in Prospect Medical or any Lessee to a Permitted Estate Planning Transferee.

Event of Default: As defined in Section 16.1.

Excluded Assets: As defined in the Security Agreement.

Existing Subleases: As defined in Section 23.4.

Extension Notice: As defined in Article II.

Extension Term(s): As defined in Article II.

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Facility: Each of the [REDACTED]
[REDACTED]
[REDACTED] Waterbury 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: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Waterbury Property; and the Lessee party thereto, with respect to any New Property.

Facility Lessor: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Waterbury Property; and the Lessor party thereto, with respect to any New Property.

Facility Loan: A loan made by a Facility Lender.

Fair Market Added Value: The Fair Market Value of the Leased Property, including all Capital Additions with respect thereto, less the Fair Market Value of the Leased Property determined as if no Capital Additions paid for by Lessee had been constructed with respect thereto.

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

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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 Purchase Price: The Fair Market Value of the Leased Property, less the Fair Market Added Value.

Family: With respect to any natural person, any current spouse, child, or grandchild of such natural person.

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 39.9.

Funding Offer Notice: As defined in Section 10.3.

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.

Guarantors: Collectively, Prospect Medical, the Lessees, the Master Lease I Lessees, the Borrower Affiliate, and their respective permitted successors and assigns.

Guaranty: That certain Guaranty, dated as of the date hereof, executed and delivered by the Guarantors in favor of Lessor and certain of its Affiliates, as the same may be modified, amended, restated and/or supplemented from time to time.

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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.

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Hedging Agreement: Means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest rate, currency exchange rate or commodity price hedging arrangement.

Hedging Obligations: For any Person means the obligations of such Person pursuant to any Hedging Agreement.

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.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Facility.

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), 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

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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 on any date of determination (without duplication), the following if and to the extent appearing as a liability on the balance sheet of such Person (excluding the footnotes thereto) prepared in accordance with GAAP: (a) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money; (b) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (c) the principal component of all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (including reimbursement obligations with respect thereto except to the extent such reimbursement obligation relates to a trade payable and such obligation is satisfied within thirty (30) days of incurrence); (d) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except (i) trade payables, (ii) earn-out obligations until such obligations become a liability on the balance sheet of such Person in accordance with GAAP, and (iii) liabilities that are not classified as Indebtedness on such Person's balance sheet that have been accrued in the ordinary course of business), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto; (e) Capital Lease Obligations and, in respect of any sale and leaseback transaction, the present value, discounted at the interest rate implicit in the sale and leaseback transaction, of the total obligations of the lessee for rental payments during the remaining term of such lease of such Person; (f) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of such Indebtedness will be the lesser of (i) the fair market value of such asset at such date of determination and (ii) the amount of such Indebtedness of such other Persons; (g) the principal component of Indebtedness of other Persons to the extent guaranteed by such Person; and (h) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations. Notwithstanding the foregoing, "Indebtedness" shall not include (a) contingent obligations incurred in the ordinary

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course of business and not in respect of borrowed money, (b) deferred or prepaid revenues, or (c) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller.

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

[REDACTED]

Interim Capital Addition Rent: As defined in Section 3.1(a).

[REDACTED]

Joint Commission: As defined in Article XXIV.

Knowledge: Shall mean with respect to any Lessee, such Lessee's actual or deemed knowledge of a particular fact or matter if (i) with respect to any Lessee, its chief executive officer, its president, its chief financial officer, its chief operating officer, Samuel Lee, George Pillari, or Eric Samuels (collectively, "Knowledge Group"), has actual knowledge of such fact or matter or (ii) any of such Lessee's Knowledge Group would reasonably be expected to discover or otherwise become aware of such fact or matter after conducting a reasonably diligent inquiry.

Knowledge Group: Shall have the meaning set forth in the definition of "Knowledge."

Land: As defined in the Recitals.

Late Payment Penalty: Shall mean an amount equal to the product [REDACTED] 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.

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Lease Base: As to each Property, as defined on Schedule 3.1(a)-1 attached hereto and made a part hereof by reference and incorporation.

Lease Rate: As defined on Schedule 3.1(a)-1 attached hereto and made part hereof by reference and incorporation.

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 39.7(b).

Lessor: As defined in the preamble to this Lease.

Lessor Parties: As defined in Section 39.7(a).

Letter of Credit: As defined in Section 39.26.

Letter of Credit Obligations: All obligations of Lessee and its Affiliates (including, without limitation Prospect Medical, the Borrower Affiliate, and the Master Lease I Lessees) under this Lease, Master Lease I, the TRS Note, the Mortgage Loan Documents, and all other Obligation Documents.

Licenses: As defined in Article XXXVIII.

Liens: As defined in Article XXXVI.

[REDACTED]

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Master Lease I Lessors: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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 Occupational 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.

Mortgage: The "Mortgage" 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 Affiliate and the MPT Lender, 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 Mortgage 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.

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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).

[REDACTED]

MWTA: As defined in the definition of Medical Waste.

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.

[REDACTED]

Non-Competition Agreement: That certain Non-Competition Agreement, dated as of the date hereof, executed by Prospect Medical in favor of Lessor and certain of its Affiliates, as the same may be amended, modified, and/or restated from time to time.

[REDACTED]

Non-Recourse Party: As defined in Section 39.7(b).

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Obligation Documents: Individually and collectively, this Lease, Master Lease I, the TRS Note, the Real Estate Contract, 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 (including, without limitation, the MPT Lender, the MPT TRS Lender and the Master Lease I Lessors), on the one hand, and any Facility Lessee, any Guarantor or any of their respective Affiliates (including, without limitation, Prospect Medical, the Borrower Affiliate, and the Master Lease I Lessees), on the other hand, relating to the transactions contemplated under this Lease, Master Lease I, the TRS Note, and the Mortgage Loan Documents, as any of the same may be modified, amended or restated from time to time.

Obligors: Collectively, Lessee, the Master Lease I Lessees, the Borrower Affiliate, Prospect Medical, 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.

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 [REDACTED], 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 from time to time.

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Option Date: As defined in Section 34.2.

Option Price: As defined on Schedule 34.4 attached hereto and made a part hereof by reference and incorporation.

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: [REDACTED].

PACE Financing: Means the financing or refinancing of certain distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property, through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the California Streets & Highways Code and the issuance of improvement bonds under the California Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) upon the security of the unpaid contractual assessments, evidenced by program assessment contracts and related agreements between a participant and the California Statewide Communities Development Authority, or substantially similar financings available in other jurisdictions where the Leased Property is located.

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.

Pennsylvania Property: Collectively, the Crozer-Chester Property, and, following the Initial Commencement Date, any New Property located in the Commonwealth of Pennsylvania.

Permitted Exceptions: The matters set forth in Exhibit B-1 et seq.

Permitted Estate Planning Transferee: With respect to any natural person, (a) a trustee under a trust (i) for the benefit of the Family of such natural person and (ii) that, in the case of a trust for the benefit of the spouse of such natural person, provides that upon termination of such spouse's interest, all beneficial interest in the trust shall pass to or be held in trust for the Family

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of such natural person and which does not permit any distribution of the principal of such trust to such natural person's spouse to include any of such natural person's indirect interest in Prospect Medical or any Lessee, or (b) a limited partnership or limited liability company if (i) such natural person is, and shall remain, the only general partner of such limited partnership or the only manager of such limited liability company, in both cases, with all governance rights vested in such general partner or manager to the fullest extent under applicable law, and (ii) the only limited partners of such limited partnership or members of such limited liability company are such natural person and one or more members of such natural person's Family.

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.

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), Lessor 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 two (2) or more healthcare facilities that includes at least one (1) Prospect Asset and at least one (1) other healthcare facility that is not a Prospect Asset where the value of such other healthcare facilities comprises at least twenty percent (20%) of the aggregate value of such sale, transfer, assignment or conveyance (the "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.

Property Substitution: As defined in Section 35.1.

Property Substitution Date: With respect to any applicable Property, the effective date of a Property Substitution.

Proposed Portfolio Transaction: As defined in the definition of "Portfolio Sale."

Prospect Assets: Those properties which are leased by MPT or any of its Affiliates to Prospect Medical or any of its Subsidiaries, and those properties which are subject to a mortgage loan from MPT or any of its Affiliates to Prospect Medical or any of its Subsidiaries.

Prospect Medical: Prospect Medical Holdings, Inc., a Delaware corporation.

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Primary Intended Use: As defined in Article VII.

Properties; Property: [REDACTED]

[REDACTED] Waterbury Property, and, following the Initial Commencement Date, any New Property, each sometimes individually referred to as a "Property."

Public Corporation: As defined in the definition of "Qualified Public Offering."

Qualified Public Offering: A public offering by Prospect Medical or any entity into which Prospect Medical is merged, converted or consolidated into or to which the Equity Interests of Prospect Medical are contributed, as determined by Prospect Medical's board of directors 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 Prospect Medical 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 is a Person, or an Affiliate of a Person, that (1) has total assets or a market capitalization and total shareholder equity at levels reasonably acceptable to Lessor, and/or (2) owns or operates, or has owned and/or operated, or procures the services of a Person that has owned or operated, either (i) a total number of hospital facilities, or (ii) hospital facilities having levels of aggregate net revenue, in either case, reasonably acceptable to Lessor.

RCRA: As defined in the definition of "Hazardous Materials Laws."

Real Estate Contract: That certain Real Property Asset Purchase Agreement, dated as of July 10, 2019, by and among Prospect Medical and certain of its Affiliates, Lessee, the Master Lease I Lessees, the Borrower Affiliate, the MPT TRS Lender, Lessor, the Master Lease I Lessors, and certain other Affiliates of 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 Prospect Medical and its Subsidiaries under (a) this Lease, (b) Master Lease I, (c) the TRS Note, (d) the Mortgage Loan Note, and (e) 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)), Deferred Base Rent, the Deferred Base Rent Charge, and the Additional Charges.

Rent Schedule: As defined in Section 3.1(c).

Replacement Property: As defined in the definition of Substitute Property.

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Severed Lease: As defined in Section 30.2.

Severed Property: As defined in Section 30.2.

Specified Equity Contribution: As defined in the flush language of Section 16.1.

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.

Subdivision Properties: As defined in Section 7.4.

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 control such Person or elect at least a majority of its board of directors or other governing body (or, if there are no such control / 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 any such Subsidiary.

Substitute Property: With respect to any Property, a fee interest in land and improvements thereon which may be included in the Property Substitution, with respect to which: (i) such improvements consist solely of a general acute care hospital location (the "Replacement Property"), and which may also include medical office buildings, clinics and other improvements either necessary for or commonly associated with the operation of a Replacement Property or consented to by Lessor in its sole and absolute discretion (provided, however, that if such Replacement Property and related improvements shall have existed and have been operated by an Affiliate of Lessee for not less than two (2) full years prior to the proposed Property Substitution Date, then Lessor's consent to such Replacement Property and related improvements shall not be unreasonably withheld, conditioned or delayed); (ii) financial records pertaining to such operations (which records will include audited financial statements if available) shall have been made available to Lessor; (iii) all certificates of need, permits, approvals and authorizations pertaining to ownership and operation of such land and improvements as Replacement Property shall be in full force and effect, free of material defaults or notices of material default; (iv) neither the Property Substitution nor the utilization of such land and improvements in a Property Substitution will result in the realization of taxable income or gain to MPT or its Equity Constituents under the Code, as determined by MPT in its sole discretion; and (v) neither the Property Substitution nor the utilization of such land and improvements in a Property Substitution will jeopardize MPT's status as a qualified real estate investment trust under the Code, as determined by MPT in its sole discretion.

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.

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Tenant Leases: All written leases, subleases, licenses and other rental agreements (now or hereafter in effect), 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.

Transfer Requirements: As defined in Section 38.6.

Third Party Offer: As defined in Section 34.3(a).

Third Party Offer Notice: As defined in Section 34.3(a).

TRS Note: That certain Promissory Note, dated of even date herewith, made by Prospect Medical in favor of MPT TRS Lender, evidencing a loan from MPT TRS Lender to Prospect Medical in the original principal amount of One Hundred Twelve Million Nine Hundred Thirty Seven Thousand Two Hundred Four and No/100 Dollars (\$112,937,204.00), as the same may be amended, modified, or restated from time to time.

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.

[REDACTED]

[REDACTED]

[REDACTED]

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together [REDACTED]

Waterbury Facility: That certain 357-licensed bed general acute care hospital facility operated at the Waterbury Land, commonly known as "Waterbury Hospital."

Waterbury Land: That certain real property located in the City of Waterbury, New Haven County, Connecticut as 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.

Waterbury Lessee: Prospect Waterbury, Inc., a Connecticut corporation, together with its successors and permitted assigns.

Waterbury Lessor: MPT of Waterbury PMH, LLC, a Delaware limited liability company, together with its successors and assigns.

Waterbury Property: The Waterbury Land and related Leased Improvements located thereon relating to the Waterbury Facility.

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.

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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 (i) 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, (ii) the Master Lease I Lessees contemporaneously elect to exercise their option with respect to the

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then applicable Extension Term (as defined in Master Lease I) under and pursuant to Master Lease I, and (iii) the Borrower Affiliate contemporaneously elects to extend the Maturity Date (as defined in the Mortgage Loan Note) under and pursuant to the Mortgage Loan Note, Lessee shall have the option to extend the Fixed Term on the same terms and conditions set forth herein for two (2) additional periods of five (5) years each and one (1) additional period of four (4) years and nine (9) months (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. 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) and the Base Rent Deferral Option, 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

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Rate for such Property. Lessor shall provide Lessee with an invoice of such amounts at least ten (10) days 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 at least ten (10) days 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) [REDACTED]

(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 that are undisputed, for which no appeal is possible or for which no appeal has been initiated pursuant to Article XII (except to the extent such violations, defaults, penalties or fines are

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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

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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. Lessee may, 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 in accordance with Article XII.

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.

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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

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terminated Property shall no longer be leased hereunder; and (d) 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) of those items of Personal Property that are leased or otherwise subject to financing with third parties, (c) because of damage, obsolescence, upgrade or replacement or (d) 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

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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 the reasonable discretion of Lessee, 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"). Subject to the terms and conditions of this Lease, Lessee shall be permitted, without Lessor's consent, to change bed layout or numbers, change services provided, or reposition services or programs, provided that such actions are consistent with 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, material governmental approvals, and accreditation from all applicable governmental authorities, if any, to the extent 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, suspending, 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 which would have the effect of eliminating such Lessee's rights to payments or reimbursements from Medicare with respect to such Leased Property, which termination is hereby expressly prohibited), or from coordinating services and care of patients between and among the Facilities, if applicable. Furthermore, notwithstanding the preceding or any other term in this Lease to the contrary, any temporary closure or reduction in operations of any Facility, and/or suspension of any Facility Licenses, authorization or approvals needed for operation of the Facility, in order to

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conduct any repairs or maintenance required to be performed by Lessee, or in connection with any other permitted or approved Capital Additions, shall not constitute a default of Lessee's obligations under this Lease. Lessee shall not be considered to have failed to comply with this Section 7.2 with respect to a license or agreement where such failure to maintain a license or agreement is caused solely by the gross negligence or willful misconduct of Lessor.

(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. Notwithstanding any other term in this Lease, Lessee shall have the sole authority and responsibility for, and control over, the operation of the Facilities located on the Leased Property.

(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.

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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.

7.4. **Limited Release of Subdivided Parcels.** Notwithstanding the requirements of Lessee set forth in Section 7.2 or elsewhere in this Lease, Lessor acknowledges and agrees that the Real Estate Contract intended to exclude from the conveyance, and therefore exclude from the definition of Leased Property hereunder, certain parcels of property identified on Schedule 1(E) thereto as the "Subdivision Properties". From time to time during the Term, upon the request of Lessee, Lessor shall, and at Lessee's cost and expense: (a) reasonably cooperate with Lessee in the practical and legal subdivision of the Subdivision Properties, including with applicable Governmental Bodies, from the balance of the Leased Property; and (b) following the completion of such subdivision, such that the Subdivision Properties are capable of independent conveyance separate and apart from the Leased Property, reconvey to Lessee (or such other Affiliate of Lessee) such Subdivision Properties on an as-is, where-is basis, without any representations or warranties. Lessor acknowledges and agrees that the nature of such cooperation may include actions described in Section 7.3 above, as applicable, and Lessee agrees that the obligation of Lessor to so cooperate is conditioned on (i) Lessee paying the cost of all such work, (ii) Lessee paying all of Lessor's expenses in connection therewith, and (iii) Lessor's approval with the proposed replat of the Subdivided Properties and any related covenants, easements, and use restrictions. In connection with the subdivision process, no plats, surveys, applications, or other instruments shall be filed by Lessee with any Government Body unless, in each case, Lessor has provided its prior written consent thereto. The Parties agree that any consideration received by Lessee for any conveyance of the Subdivision Properties from and/or after the subdivision and reconveyance described herein shall be retained by Lessee, and that the Lease Base shall not be adjusted 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,

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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, in accordance with Article XXII, except to the extent arising as a result of the bad faith, gross negligence or willful misconduct of Lessor or the MPT Indemnified Parties. 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. Lessee 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 decision or claim regarding licensure or certification of a Facility, or claim regarding any Legal Requirement, and pending such good faith challenge, the condition, circumstances, decision or claim being challenged shall not constitute a breach of Lessee's obligations hereunder, provided that in the case of the challenge of a claim relating to a Legal Requirement, neither Lessor nor Lessee would be in any danger of material civil, or criminal, liability for failure to comply therewith pending the outcome of such proceedings.

8.2. Hazardous Materials and Medical Waste.

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(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

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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.

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(e) Lessor acknowledges that Lessee shall use, handle, store or dispose of radioactive materials 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 radioactive materials shall be handled and disposed of in material compliance with all Hazardous Materials Laws), and Lessor and Lessee agree to cooperate in further documenting such understanding as may be required by, or to seek and obtain any approval required by, any Governmental Body in connection with such radioactive materials.

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, to the extent necessary to operate in accordance with the Primary Intended Use: (i) 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; (ii) 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; (iii) shall comply, in all material respects, with all Healthcare Laws; and (iv) not abandon, terminate, vacate or fail to renew any material License or in any way commit any act which will or would 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 asserted against or incurred by Lessor,

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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 by Lessee 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, except to the extent such Claim is found to have resulted from the bad faith, gross negligence or willful misconduct of the MPT Indemnified Parties. 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 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, division, consolidation or otherwise; (b) a change in any Facility Lessee's state of formation or any Facility Lessee's name; or (c) any division, split-up, split-off, spin-off, or similar transaction of or with respect to any Facility Lessee (including, without limitation, a division or similar transaction pursuant to Section 18-217 of the Delaware Limited Liability Company Act, Subchapter F of the Pennsylvania Entity Transactions Law, or other similar provision), or the approval of a plan of division for or with respect to any Facility Lessee. 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.

8.5. **Cooperation on Filings, Etc.** Lessor agrees to reasonably cooperate with Lessee, and provide Lessee with such information as may be reasonably required, in connection with any notifications or filings with, or in seeking any approvals from, any Governmental Body which are required in connection with any liens granted by, or the other obligations of, the Lessee under or in connection with this Lease, Master Lease I, the Mortgage Loan Agreement, Security Agreement, Pledge Agreement, and the Mortgage. Furthermore, Lessor agrees that Lessee may file a redacted copy of this Lease, which redacted copy shall be provided to Lessor for review and comment at least ten (10) Business Days in advance of such filing, with any Governmental Body, if Lessee reasonably determines that it is or may be legally required to do so, notwithstanding any other term herein or in any other agreement between Lessor and Lessee to the contrary; *provided that* Lessee shall take into account and address Lessor's reasonable redactions to such redacted copy of this Lease.

8.6. **Publicity Signs.** 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 and contain content 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.

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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 in all material respects (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 [REDACTED] [REDACTED] [REDACTED] 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. Notwithstanding the foregoing, Lessee shall not be required to obtain Lessor's consent for the improvement projects listed on Schedule 9.1(c) attached hereto.

(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.

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(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.

(g) All repaired property (including Major Repairs) pursuant to this Article IX (including the Mandatory Repairs) shall revert to and become the property of Lessor upon the expiration or termination of this Lease with respect to the applicable Property.

9.2. Reserves for Major Repairs.

(a) [REDACTED] Term,

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[REDACTED]

(b) The Reserve shall be held by Lessor in an interest bearing account for the purpose of making Major Repairs to the Leased Property, and Lessee shall not be entitled to interest on the Reserve unless required by applicable law. Lessor shall advance to or reimburse Lessee for Major Repairs, limited to the amount of the Reserve, upon Lessor's receipt from Lessee of documentation of such costs that is sufficient in Lessor's reasonable judgment. Lessor shall not be required to segregate the Reserve in a separate account and may commingle the Reserve with other assets of Lessor or its Affiliates. The Reserve is not an advance payment of Rent or a measure of damages.

(c) Lessee hereby grants to Lessor a first priority security interest in all monies deposited into the Reserve. At Lessor's request, Lessee shall, as soon as practicable, execute all documents necessary to effect such security interest in all monies deposited into the Reserve. Lessee consents to Lessor's pledge of the Reserve to any Facility Lender. So long as no Event of Default has occurred and is continuing, and no event then exists which with the giving of notice or the passage of time or both would constitute an Event of Default, any amounts remaining in the Reserve, after the payment of and the reimbursement for the Major Repairs on the Facility, shall be returned to Lessee following the expiration of this Lease. Notwithstanding the foregoing, upon the occurrence and during the continuation of an Event of Default, or if an event then exists which with the giving of notice or the passage of time or both would constitute an Event of Default, Lessee shall not be entitled to any funds in the Reserve, and Lessor may from time to time and without prejudice to any other remedy provided in this Lease, the Security Agreement, or by applicable law, (i) use all or a portion of the Reserve to satisfy past due Rent, (ii) use all or a portion of the Reserve to satisfy any other loss or damage resulting from Lessee's breach of this Lease, including Lessee's failure to make any necessary or required repairs to the Leased Property, or (iii) retain all amounts remaining in the Reserve at the expiration or termination of the Lease as collateral for the "Obligations" under and as defined in the Security Agreement. In the event that Lessor uses or applies all or any portion of the Reserve pursuant to this Section 9.2, Lessee shall deposit with Lessor an amount sufficient to replenish the Reserve to its original amount within thirty (30) days following receipt of written demand from Lessor.

9.3. **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

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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.

9.4. **Mandatory Repairs.** Without limiting the foregoing provisions of this Article IX or any other provisions of this Lease, Lessee, at its own cost and expense, will make all of the repairs to the Leased Property described on the attached Schedule 9.4 (the "Mandatory Repairs") on or before the dates set forth thereon. All such repairs shall otherwise be made in accordance with the provisions of this Article IX. Until completion of all Mandatory Repairs, Lessee shall provide Lessor a quarterly report with respect to the status and progress of each outstanding Mandatory Repair no later than thirty (30) days after the end of each calendar quarter.

ARTICLE X. CAPITAL ADDITIONS

10.1. **Construction of Capital Additions to the Leased Property.** 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 [REDACTED]

[REDACTED]. 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 twenty (20) 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. If Lessor fails to respond to the request within such twenty (20) day period, Lessor shall be deemed to have rejected such Capital Addition. 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 sole discretion. As to all other Capital Additions which are not described in the immediately

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preceding two sentences, Lessor's consent, if required, shall not be unreasonably withheld, conditioned or delayed. 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 or PACE Financing (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 (iii) 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 (except as applicable, Liens related to any PACE Financing) 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"). 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 "Funding Offer 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 Funding Offer 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 Funding Offer Notice, the parties shall consummate the funding contemplated thereby within sixty (60) days on the terms and conditions set forth in the Funding Offer Notice.

(b) 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

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by Lessor hereunder shall be added to the Lease Base related to the applicable to the Property as provided on Schedule 3.1(a)-1.

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, (i) this Lease; (ii) the Permitted Exceptions; (iii) 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; (iv) liens for those taxes of Lessor which Lessee is not required to pay hereunder; (v) 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; (vi) liens of mechanics, laborers, materialmen, suppliers or vendors for sums either disputed or not yet due, provided that (A) 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 (B) any such liens are in the process of being contested as permitted by Article XII; (vii) the Tenant Leases; (viii) Liens (including Liens related to PACE Financing) which are permitted in accordance with Section 10.2 hereof; and (ix) 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 Prospect Medical, 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. Lessee acknowledges that Lessor 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 Prospect Medical and its Subsidiaries. Lessee shall cooperate with Lessor and its Affiliates in connection with the exercise and performance of their rights and obligations under the Intercreditor Agreement.

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ARTICLE XII. PERMITTED CONTESTS

12.1. **Permitted Contests.** After obtaining prior written approval from Lessor, not to be unreasonably withheld, conditioned, or delayed, 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 [REDACTED] 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 [REDACTED] 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. All such damages and reasonable out-of-pocket costs and expenses payable to Lessor under this Section 12.1 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.

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ARTICLE XIII. INSURANCE

13.1. **General Insurance Requirements.** During the Term, Lessee shall at all times keep the Leased Property (except for the Lessor's obligation to maintain property coverage set forth in Section 13.1(a)) and Lessee's Personal Property (for which Lessee has an insurable interest), 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 a program of self-insurance acceptable to Lessor and Lessee may be maintained to satisfy the obligations to procure and maintain insurance required under this Lease), (ii) that are rated at least an "A-VIII" or better by Best's Insurance Guide (except for any captive insurance company which is part of a program of self-insurance acceptable to Lessor and Lessee maintained to satisfy the obligations to procure and maintain insurance required under this Lease, 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 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:

(a) Commercial Property insurance written on a special cause of loss policy form covering physical loss or damage to the Leased Property including building and improvements and betterments on a One Hundred Percent (100%) replacement cost basis. This coverage (for which Lessor has an insurable interest) shall be placed by the Lessor. The deductibles with respect to such Commercial Property insurance shall be in an amount as customarily obtained by prudent owners of similar facilities. 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 insurer. The policy shall also include the following coverages: (A) Flood and Earthquake insurance with limits not less than Twenty Percent (20%) of the replacement cost of each building; (B) Named Wind / Wind coverage for the full replacement cost of each building; (C) Business interruption insurance covering rents and other impositions otherwise payable to Lessor for a period of not less than twenty four (24) months, written on an "actual loss sustained" form; and (D) Equipment Breakdown coverage.

(b) Commercial General Liability insurance in a minimum amount of [REDACTED] [REDACTED] 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 [REDACTED] [REDACTED], 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.

(c) Professional liability insurance for Lessee and all employed professionals (including any physicians) in an amount of not less than [REDACTED] [REDACTED]. All contractors,

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agents and other persons (including physicians) who perform professional services for Lessee shall meet such required minimum insurance requirements of [REDACTED]

(d) 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 [REDACTED] each accident and disease.

(e) Automobile Liability insurance for all owned, non-owned, leased or hired automobiles with a minimum limit of [REDACTED] per accident for bodily injury and property damage.

(f) Umbrella/Excess Liability insurance in the minimum amount of [REDACTED] for each claim and annual aggregate. The Umbrella Liability policy shall name in its underlying schedule the Commercial General Liability, Professional Liability, Automobile Liability and Employer's Liability insurance policies. The Umbrella policy shall provide coverage at least as broad as each of the underlying policies.

(g) Pollution Liability/Environmental Impairment Liability insurance with minimum limits of [REDACTED] per event 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 a minimum annual aggregate of [REDACTED]. Such coverage shall include but not be limited to, liability from healthcare medical waste (including at non-owned disposal sites), mold, fungi and/or Legionella Pneumophila conditions, or other exposures typical to healthcare facilities. Liability from storage tanks may be covered under a separate Storage Tank Liability policy with minimum limits of [REDACTED] per accident and a minimum annual aggregate of [REDACTED]

(h) Cyber Liability insurance with minimum limits of [REDACTED] 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.

(i) Crime/Employee Dishonesty insurance covering all employees with a minimum limit of [REDACTED].

(j) Non-Owned Aviation/Helipad Liability insurance (if applicable) including coverage for the helipad and any other aviation exposures at the premises with minimum limits of [REDACTED].

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13.2. **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) to any other insurance available to Lessor.

(c) Except for the Storage Tank liability policy, all policies of insurance required to be obtained by Lessee hereunder shall provide at least thirty (30) days' prior written notice for cancellation, non-renewal or material change, or ten (10) days' prior written notice for non-payment of premium to MPT Operating Partnership, L.P., Attention: Asset Management/Insurance Department, 1000 Urban Center Drive, Suite 501, Birmingham, Alabama 35242. With respect to the Storage Tank liability policy, Lessee shall provide at least thirty (30) days' prior written notice for cancellation, non-renewal, or material change, or ten (10) days' prior written notice with respect to non-payment of a premium to MPT Operating Partnership, L.P., Attention: Asset Management/Insurance Department, 1000 Urban Center Drive, Suite 501, Birmingham, Alabama 35242.

(d) Lessee shall be responsible for funding all premiums, deductibles and retentions, including those which may be applicable to Lessor as an additional insured or named insured thereunder. All such deductibles and retentions shall be in amounts that are reasonably acceptable to Lessor.

13.3. **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.

13.4. **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 Commencement Date and 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; and

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(ii) A summary of insurance program showing significant coverage limits, sublimits, deductibles and retentions.

(b) 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 or insurance coverages required herein to be insufficient, Tenant shall acquire such additional insurance and/or limits provided that the types and amounts of any such insurance required by Landlord is customarily maintained by the operators of similar health care facilities.

13.6. **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

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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 Unsuitable 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 no Major Event of Default then exists and no event then exists which with the giving of notice or the passage of time or both would constitute a Major Event of Default, to purchase the Casualty Impacted Property from Lessor for the Option Price, in which case all insurance proceeds payable pursuant to Section 14.1 shall be paid over to, or retained by, Lessee. In the event Lessee purchases the Casualty Impacted Property pursuant to this Section 14.2(a), the terms set forth in Article XVIII shall apply and the sale/purchase must be closed within sixty (60) days after the date of the written notice from Lessee to Lessor of Lessee's intent to purchase, unless a different closing date is agreed upon in writing by Lessor and Lessee. For purposes of any appraisal conducted in accordance with this Section, such appraisal shall not take into account the damage or destruction giving rise to Lessee's rights hereunder.

(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 Unsuitable 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.

(c) 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 Lessor, and Lessee is obligated hereunder to reconstruct or restore such Property, Lessee 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 Lessee to Lessor (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.

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

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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.

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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 Unsuitable for its Primary Intended Use.

(b) If, however, such portion of such Property is thereby rendered Unsuitable 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, or (ii) so long as no Major Event of Default then exists and no event then exists which with the giving of notice or the passage of time or both would constitute a Major Event of Default, acquire such portion of the Leased Property from Lessor for a purchase price equal to the Option Price. Lessee shall exercise its option by giving Lessor notice thereof within sixty (60) days after Lessee receives notice of the Taking. In the event Lessee exercises the option to purchase the Leased Property pursuant to this Section 15.3, the terms set forth in Article XVIII shall apply and the sale/purchase must be closed within sixty (60) days after the date of the written notice from Lessee to Lessor of Lessee's intent to purchase, unless a different closing date is agreed upon in writing by Lessor and Lessee.

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 [REDACTED] 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

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(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 [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] or

(c) if (i) any Facility Lessee or any Guarantor shall admit in writing its inability to pay its debts as they become due; or (ii) any Facility Lessee or any Guarantor shall file a petition in bankruptcy as a petition to take advantage of any insolvency act; or (iii) any Facility Lessee or any Guarantor shall be declared insolvent according to any law; or (iv) any Facility Lessee or any 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 any Guarantor to declare such Facility Lessee or any Guarantor bankrupt, to take advantage of any insolvency act, or to delay, reduce or modify such Facility Lessee's or any 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 any 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 any Guarantor, as the case may be, appointing a trustee, examiner or receiver of such Facility Lessee or any Guarantor or the whole or substantially all of its property, or approving a petition filed against such Facility Lessee or any Guarantor seeking reorganization or arrangement of such Facility Lessee or any 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 any 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

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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 Lease; or

(g) if any Facility Lessee or any 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 any Guarantor shall enter into an agreement respecting same; or

(h) if an "Event of Default" shall occur under and as defined in Master Lease I, the TRS Note, 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 acknowledged and agreed that with respect to the Real Estate Contract, only a monetary default under Section 8 thereof shall cause an Event of Default for purposes of this Section 16.1(h)); or

(i) if any monetary or material non-monetary event of default occurs with respect to any Material Obligation of any Facility Lessee or any 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) [REDACTED] T [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(k) [REDACTED]
[REDACTED]
T [REDACTED]
[REDACTED]
[REDACTED]

(l) if Lessee shall fail to obtain or maintain the Letter of Credit and/or Cash Deposit as required by Section 39.26 or Lessee fails to provide Lessor with a replacement letter of credit and/or replenished Cash Deposit as and when required under this Lease.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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C [REDACTED]
[REDACTED]

(A) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

(B) [REDACTED]
[REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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

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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:

(i) 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

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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.

(ii) 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

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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. 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.

G. In addition to any other available remedies, to the extent it becomes necessary or applicable, Lessor shall have the right, at Lessor's option, of POWER OF SALE pursuant to this Section 16.1(G), to institute a proceeding or proceedings, judicial or non-judicial, for the complete or partial sale of the Leased Property or foreclosure of any lien or obligation owed by Lessee to Lessor under this Lease or any instrument contemplated herein. Pursuant to this Section 16.1(G), Lessor may sell the Leased Property (and Lessor may be the purchaser at such sale) and all estate, right, title, interest, claim, and demand of Lessee therein, and all rights of redemption thereof (if any), under this power of sale or under any applicable provisions of law, in one or more sales, as an entirety or in parcels, with such elements of real and/or personal property, and at such time and place and upon such terms as Lessor may deem expedient or as required by applicable law, and Lessor may apply the proceeds of such sale in such manner and such order as may be determined by Lessor, in its sole discretion.

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

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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 39.3, 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.**

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(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 any 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 any Guarantor's subrogation rights or rights to proceed against any Person for reimbursement, including, without limitation, any loss of rights Lessee or any Guarantor may suffer by reason of any law limiting, qualifying, or discharging Lessee's and any 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 any Guarantor's obligations under this Lease or the other Obligation Documents (as applicable).

(c) Lessee hereby knowingly and voluntarily waives to the fullest extent permitted by applicable law any and all rights to reinstatement or redemption and any and all other rights under all present and future appraisal, homestead, moratorium, valuation, exemption, stay, execution, and redemption statutes, laws, or equities now or hereafter existing, and hereby further waives the pleading of any statute of limitations as a defense to any and all indebtedness owed by Lessee to Lessor and any of its Affiliates pursuant to this Lease or any instrument contemplated herein.

(d) Lessee agrees that, as additional consideration for Lessor entering into this Lease, in the event that Lessee, this Lease, Lessee's interests and rights under this Lease, or all or any portion of the Leased Property shall become the subject of any bankruptcy or insolvency estate, neither Lessee nor any of its Affiliates will attempt to recharacterize the transaction described in this Lease as a financing transaction but shall be consistent in characterizing the transaction as a true lease for bankruptcy and creditors' rights purposes and for all other purposes except federal, state, and local income tax purposes.

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

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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, and any Lessor entry rights shall remain subject to each Lessee's ultimate right and responsibility to control the operations of the Lessee's Facility.

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. PURCHASE OF THE LEASED PROPERTY

In the event Lessee purchases the Leased Property pursuant to the terms of this Lease, Lessor shall, upon receipt from Lessee of the applicable Option Price, together with full payment of any unpaid Rent, including, without limitation, any unpaid Additional Charges and any other amounts owed by Lessee or its Affiliates to Lessor and its Affiliates, due and payable with respect to any period ending on or before the date of the purchase, deliver to Lessee an appropriate special warranty deed or other instrument of conveyance conveying the entire interest of Lessor in and to the Leased Property, free and clear of all mortgages, liens, encumbrances or other title retention agreements, other than (a) those placed by Lessee on the Leased Property; (b) those that Lessee has agreed or is required hereunder to pay or discharge; (c) those placed on the Leased Property in accordance with Sections 7.3 and 39.8, if any; and (d) any matters affecting the Leased Property on or as of the Commencement Date with respect to each Property. It shall be a condition precedent to Lessee's obligation to purchase the Leased Property that the applicable title company agree to commit to issue a title policy insuring title to the Leased Property subject only to the matters described in clauses (a) through (d) of the preceding sentence (and Lessor shall deliver an owner's affidavit in customary form to the title company as may be necessary for the title company to issue a title policy, with appropriate qualifications based on Lessee's sole and absolute control and possession of the Leased Property

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during the Term). All expenses of such conveyance, including, without limitation, the cost of title examination or standard coverage title insurance, survey, reasonable attorneys' fees incurred by Lessor in connection with such conveyance, transfer taxes, prepayment penalties, and any other fees of any Facility Lender with respect to any Facility Instrument, recording fees and similar charges shall be paid by Lessee.

**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, [REDACTED]

[REDACTED] one- [REDACTED] [REDACTED]
[REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]

[REDACTED] 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 THE GUARANTORS 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,

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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 ANY 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

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IMPROVEMENTS AND THE LAND, INCLUDING, WITHOUT LIMITATION, THOSE PERTAINING TO ZONING AND PARKING, AND (I) THE RHODE ISLAND MATTER, INCLUDING, WITHOUT LIMITATION, ANY AND ALL CLAIMS RESULTING FROM, OR ARISING OUT OF, THE LESSOR OR ITS' AFFILIATES ENTERING INTO THE TRANSACTIONS CONTEMPLATED UNDER THIS LEASE AND THE OTHER OBLIGATION DOCUMENTS AND THE PERFORMANCE OF OBLIGATIONS OF THE LESSOR AND ITS AFFILIATES AND THE LESSEE AND ITS AFFILIATES HEREUNDER AND THEREUNDER THAT RELATE IN ANY WAY TO THE RHODE ISLAND MATTER, INCLUDING, WITHOUT LIMITATION, ANY CLAIMS ALLEGED OR ASSERTED BY ANY THIRD PARTY AGAINST LESSOR OR ANY OF ITS AFFILIATES INVOLVING WILLFUL OR INTENTIONAL MISCONDUCT, GROSS NEGLIGENCE, BAD FAITH, FRAUD, OR ANY OTHER SIMILAR CLAIMS. 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. 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; (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; (iii) such assignee shall deliver, or cause to be delivered, to Lessor a Letter of Credit and/or Cash Deposit in the amount required under this Lease and shall enter into such documents, instruments, and agreements with Lessor in substantially the form of the Obligation Documents such that the credit enhancements to be received by Lessor from such assignee shall not be impaired or diminished; and (iv) such assignee has credit, financial, and operating characteristics satisfactory to Lessor, in its reasonable discretion; 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

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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

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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 [REDACTED] as described on Exhibit C (collectively the "Existing Subleases"). Any material

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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 fiscal year, audited consolidated

[REDACTED]

(ii) Within (x) one hundred twenty (120) days after the end of the fourth quarter of each year and (y) fifty (50) days after the end of each other quarter, (A) current quarterly income statements of Prospect Medical and a written calculation of the then current Consolidated EBITDAR (as determined utilizing the trailing twelve (12) month operating and financial results of Prospect Medical 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

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operations other than the Business, then of its Facility separately, certified to be true and correct by an officer of such Facility Lessee.

(iii) Within thirty five (35) days after the end of each month, monthly income statements 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 Cash Collections.

(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.

(v) With reasonable promptness, such other information respecting the financial condition of such Facility Lessee, Prospect Medical and their respective Subsidiaries as Lessor may reasonably request from time to time.

(vi) Within fifty (50) days after the end of each calendar quarter, a quarterly management discussion and analysis report from Prospect Medical's management addressing the performance and probable outlook of Prospect Medical and its Subsidiaries, together with any other periodic reports which Lessee, Prospect Medical, or any of their respective Affiliates are required to deliver under or pursuant to the ABL Credit Agreement from time to time.

(c) Upon Lessor's reasonable request, each Facility Lessee and Prospect Medical 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 ten (10) 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 [REDACTED] 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 any 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 of which it has Knowledge (except for such inspections or investigations

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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 any Guarantor, in which event such Facility Lessee shall furnish all such information as contemplated herein), and provide to Lessor, within thirty (30) days of the last day of each calendar month, 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 (i) any such information to the extent attorney-client privileged information or disclosure thereof would violate any applicable law (including without limitation Information Privacy and Security Laws), and (ii) any information pertaining to routine or immaterial audits.

(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 any Guarantor and, upon Lessor's request, such Facility Lessee or such 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 Information Privacy and Security Laws 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 but otherwise compliant with the other preceding conditions) under the circumstances to Lessee.

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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.

(a) 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

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security for a debt, the grantee or transferee of such Property shall expressly assume all obligations of Lessor hereunder and under the Real Estate Contract arising or accruing from and after the date of such conveyance or transfer with respect to such Property, 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 any 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, and 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 comparable credit enhancements items provided under this Lease (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 Prospect Medical for purposes of calculating compliance under Section 16.1(j) and (k) and the same or comparable

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covenant under Master Lease I, the TRS Note, and 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 each of the foregoing documents.

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) when delivered by Electronic Transmission to the email address 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), (d) 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 (e) 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 Prospect Medical Holdings, Inc.
3415 South Sepulveda Blvd., 9th Floor
Los Angeles, California 90034
Attn: Eric Samuels
Email: Eric.Samuels@prospectmedical.com
Facsimile: (310) 943-4501

with a copy to:

Ropes & Gray LLP
Prudential Tower, 800 Boylston Street

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Boston, MA 02199-3600
Attn: Walter R. McCabe III
Email: walter.mccabe@ropesgray.com
Fascimile: (617) 235-0230

if to Lessor:

c/o MPT Operating Partnership, L.P.
1000 Urban Center Drive, Suite 501
Birmingham, Alabama 35242
Attn: Legal Department
Email: legal@medicalpropertytrust.com
Facsimile: (205) 969-3756

with a copy to:

Baker, Donelson, Bearman, Caldwell &
Berkowitz, P.C.
420 20th Street North, Suite 1400
Birmingham, Alabama 35203
Attn: Tom Kolb
Email: tkolb@bakerdonelson.com
Facsimile: (205) 488-3721

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 (i) if delivered in person or by a recognized delivery service, when left at the address of the recipient, (ii) 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, and (iii) if sent by Electronic Transmission when sent to the recipient's email address, if the sender on the same day sends a conforming copy of such notice by recognized overnight delivery service (charges prepaid); provided that if a notice, demand, consent, approval, request or other communication is served by hand or is received by facsimile or Electronic Transmission 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;

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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 (excluding the Excluded Assets) 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 (excluding the Excluded Assets) 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 Lessee 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 (excluding the Excluded Assets) 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 or Participation Agreements, it being understood and agreed that all matters relating to the transfer of the Licenses or Participation Agreements are addressed in Section 38.4.

34.2. **Lessee's Option to Purchase.**

(a) So long as (i) no Event of Default has occurred and is continuing, and no event then exists which with the giving of notice or the passage of time or both would constitute an Event of Default, and (ii) no Event of Default has occurred and is continuing at the time of the closing of the purchase after Lessee notifies Lessor of its intent to exercise of such option, at the expiration of the Term (the "Option Date"), Lessee shall have the option, to be exercised by written notice to the Lessor no sooner than five hundred twenty (520) days, and no later than three hundred sixty-five (365) days, prior to the Option Date to purchase the entire Leased Property, and not less than the entire Leased Property, at a purchase price equal to the aggregate

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Option Price for all of the Properties. In the event that Lessee exercises the foregoing purchase option, upon delivery of the exercise notice, all of Lessee's rights to extend the Term under Article II shall be forever forfeited and of no further force or effect.

(b) Unless expressly otherwise provided in this Section 34.2, if Lessee exercises the option to purchase the Leased Property as provided in this Section 34.1, (i) the terms set forth in Article XVIII shall apply, (ii) Lessee shall continue paying Rent as required under this Lease until the purchase is closed, and (iii) the sale/purchase must be closed upon the Option Date.

34.3. Lessee's Right of First Refusal.

(a) Subject to the limitations described in Section 34.3(b) and (e) below, during the Term, as 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 Affiliates receive a bona fide written offer from an unaffiliated third party in a letter of intent form (which offer Lessor or its Affiliates intend to accept) to purchase all or any portion of the Leased Property (in each case, a "Third Party Offer"), then Lessor shall 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 or substantially similar 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 in this Lease, 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 thirtieth (30th) 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 Affiliates enter 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 or its Affiliates agree to reduce the offering price set forth in the Third Party Offer to an amount which is less than ninety-five percent (95%) 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 ten (10) 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, as modified by the Revised Sale Terms. If Lessee shall fail to provide a written response to Lessor within such ten (10) 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.

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(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 in this Section 34.3.

(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 34.3 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 34.3 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 in this Section 34.3.

(e) In addition to the conditions and limitations set forth in Section 34.3(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 the sale, transfer, or other disposition of the Leased Property which constitutes a Portfolio Sale.

34.4. Make-Up Payments. If, as a result of Lessee's failure to exercise an applicable option or otherwise, this Lease expires or terminates with respect to any Property, with Lessor remaining in possession of such Property (the "Retained Property"), then Lessee shall pay Lessor the excess, if any, of the Option Price for the Retained Property over the amount determined to be the Fair Market Value Purchase Price of the Retained Property (the "Make-Up Payment"). Consistent with the parties' treatment of the transactions under this Lease as a secured financing for federal, state, and local income tax purposes, Lessor's retention of the Retained Property shall be viewed as a sale by Lessee to Lessor for federal, state, and local income tax purposes and the Make-Up Payment, together with Lessor's retention of the Retained Property, shall be viewed as full satisfaction of the obligation to repay an amount equal to the Option Price and shall be reported by the parties for federal, state, and local income tax purposes in a manner consistent with the aforementioned characterization. Subject to Lessor's exercise of the Marketing Option (as defined below), the Fair Market Value Purchase Price of the Retained Property shall be determined by the appraisal process set forth in Article XXXIII hereof which shall be undertaken and completed within sixty (60) days following the effective date of expiration or termination (*provided, however*, that Lessee shall be responsible for and shall pay all costs of such appraisal process).

Notwithstanding any provision hereof to the contrary, with respect to any such termination that results from an Event of Default, at Lessor's sole option and discretion, exercisable by giving written notice to Lessee within thirty (30) days following the date of such termination, Lessor may elect not to pursue the appraisal procedures set forth in Article XXXIII, but rather shall seek to determine the fair market value of the Retained Property through an actual sale of the Retained Property to an unrelated third party in an arm's length transaction (the "Marketing Option"), in which case, the actual sales price shall govern and such sales price shall constitute the Fair Market Value Purchase Price of the Retained Property for purposes of this Section 34.4. In the event Lessor elects to pursue the Marketing Option in order to determine the Fair Market Value

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Purchase Price as provided herein, Lessor shall use commercially reasonable efforts to sell the Retained Property. For purposes of this Section 34.4, "commercially reasonable efforts" shall include, but not be limited to, (a) marketing the Retained Property to a reasonable number of potential buyers, including any buyers suggested by Lessee, for a reasonable period of time; *provided, however*, that any prospective buyer must be acceptable to Lessor in its reasonable discretion with respect to its financial wherewithal and ability to close; (b) making the Retained Property available for inspection to all such buyers; (c) engaging in good faith negotiations with any and all such buyers; and (d) upon Lessee's request and reasonable notice but not more frequently than monthly, keeping Lessee informed of the status and terms of negotiations. In the event Lessor does not timely exercise the Marketing Option, the applicable Make-Up Payment shall be made within ten (10) days after receipt of the appraisal reflecting the Fair Market Value Purchase Price of the Retained Property. In the event the Lessor elects to exercise the Marketing Option, the Make-Up Payment shall be made within ten (10) days after consummation of the sale transaction. Lessor shall have the remedies set forth in this Section 34.4 in addition to any rights and remedies available to Lessor under this Lease or at law and in equity.

ARTICLE XXXV. SUBSTITUTION RIGHTS

35.1. **Lessee's Property Substitution Right.** Subject to Lessor's prior written consent, in its sole and absolute discretion, and further subject to satisfaction of the conditions precedent set forth in Section 35.2 and to all other terms and conditions hereof, Lessee may request that Lessor substitute for up to one (1) Property (such Property, an "Eliminated Property"), a Substitute Property, for any commercially reasonable business purpose (including in connection with any default or Event of Default (a "Property Substitution").

35.2. **Conditions Precedent to Lessee's Property Substitution Right.** The right of Lessee to effect a Property Substitution is subject to satisfaction by Lessee, or waiver by Lessor, in its sole and absolute discretion, of each of the following:

(a) Lessee shall have given Lessor notice of such proposed Property Substitution not less than sixty (60) days prior to the proposed Property Substitution Date. Any notice from Lessee to Lessor concerning a proposed Property Substitution shall include the following:

(i) notice of the Property Substitution Date proposed by Lessee and Lessee's Affiliate proposed to be the operator of the Substitute Property;

(ii) the Fair Market Value of the Substitute Property is not less than the Fair Market Value of such Eliminated Property, as determined in the good faith, reasonable discretion of Lessor;

(iii) a title insurance commitment from a title insurance company of recognized standing undertaking to issue to Lessor or its designee, at Lessee's expense, an ALTA Owner's extended coverage policy of title insurance with respect to the proposed fee real property interests included in the Substitute Property and in the amount of the Fair Market Value thereof, confirming that upon conveyance thereof to Lessor or

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its designee, such transferee will hold good and marketable title to the proposed Substitute Property, free and clear of title defects, liens, encumbrances and burdens which are not acceptable to such transferee in its sole discretion;

(iv) a written Phase I Environmental Assessment (and if necessary, a Phase II Assessment) of the proposed Substitute Property, prepared by an environmental consulting firm reasonably acceptable to Lessor not more than one hundred twenty (120) days prior to the proposed Property Substitution Date;

(v) a current as-built survey of the real property included in the proposed Substitute Property;

(vi) an engineering and architectural inspection of the buildings and other improvements included in the proposed Substitute Property prepared by an engineering firm reasonably acceptable to Lessor not more than one hundred twenty (120) days prior to the proposed Property Substitution Date, confirming that the proposed Substitute Property is in a good and safe condition and does not require modifications or repairs costing more than Two Percent (2%) of the Fair Market Value thereof during the first (1st) twelve (12) months after the effective date of such Property Substitution;

(vii) a list of all material leases and contracts pertaining to the proposed Substitute Property, together with copies of any such agreements which have a term of more than one (1) year or which involve payment of consideration in excess of Fifty Thousand and No/100 Dollars (\$50,000) in any twelve (12) month period;

(viii) a list of all material accreditations, permits, authorizations and approvals of accreditation agencies and federal, state and local agencies pertaining to the proposed Substitute Property and to the healthcare facility and related facilities located and operated thereon, together with copies of all such accreditation, permits, authorizations and approvals;

(ix) a copy of the most recent Joint Commission survey of the healthcare facility operated on the proposed Substitute Property; and

(x) financial information concerning the Substitute Property sufficient to demonstrate the financial performance of the Substitute Property either (A) in form and level of detail acceptable to Lessor in its sole and absolute discretion, or (B) if Lessee's Affiliate shall have operated the Substitute Property for at least the preceding two (2) fiscal years, presented in a form and level of detail reasonably acceptable to Lessor.

(b) The proposed Substitute Property shall have a Fair Market Value of no less than the Fair Market Value of the Eliminated Property, as determined in the good faith, reasonable discretion of Lessor.

35.3. **Procedures for Property Substitution.** On the Property Substitution Date, Lessee and Lessor and/or their respective Affiliates shall take the following actions:

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(a) Lessee and Lessor will execute instruments in mutually agreeable form (i) terminating the Lease with respect to the Eliminated Property, except for such obligations which expressly survive any such termination, and adding such Substitute Property to the Leased Property under this Lease;

(b) Lessor will convey the Eliminated Property to Lessee or its designee on an "as is" and "where is" basis in the manner and on the terms set forth in Article XVIII;

(c) Lessee or its Affiliate will convey the Substitute Property to Lessor or its Affiliate by special warranty deed, which conveyance will be accompanied by ALTA Owner's title insurance policy as contemplated by Section 35.2(a)(iii) above; and

(d) Lessee, its Affiliates and the Guarantors shall deliver to Lessor the Other Credit Enhancements as shall be necessary to provide Lessor with the security and credit enhancements comparable, in Lessor's reasonable discretion, to those provided in the other Obligation Documents which pertain to the Substitute Property.

As soon as practicable after the Property Substitution Date, Lessee will reimburse Lessor and its Affiliates for all documented, out-of-pocket expenses incurred by Lessor and its Affiliates in connection with such Property Substitution.

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.

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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, (i) such Facility Lender or its designee shall assume the obligations of Lessor under the Real Estate Contract with respect to such Facility in the event of any foreclosure sale or any sale under a power of sale contained in any such Facility Instrument and (ii) 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

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time exist. Notwithstanding the first sentence of this Section 38.1, or other provisions herein, lapses in licensure or certification which occur and that are promptly remedied without any material adverse effect on the operations of any Facility Lessee for the Primary Intended Use of the applicable Facility shall not be considered violations of this Section 38.1. Lessee shall not be considered to have failed to comply with this Section 38.1 where, with respect to any license or agreement, the failure to maintain such license or agreement is caused solely by the gross negligence or willful misconduct of Lessor.

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 ten (10) 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

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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 REASONABLY COOPERATE WITH AND ASSIST LESSOR AND/OR ITS DESIGNEE IN CONNECTION WITH ANY TRANSFER OF THE LICENSES AND PARTICIPATION AGREEMENTS (TO THE EXTENT TRANSFERRABLE) 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 (to the extent transferrable), 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 transferrable 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 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. Notwithstanding the preceding, in the event Lessor seeks to transfer the operation and occupancy of one or more Properties, it shall be the Lessor's and/or its designee's obligation at its own cost, with Lessee's cooperation as set forth above, to diligently seek and obtain all necessary Licenses and Participation Agreements legally required for Lessor or such designee to operate the Property or Properties in its own right and name. Notwithstanding the preceding, Lessee's cooperation and other obligations under this Lease shall not include a requirement that Lessee transfer to Lessor any and all books and records that: (i) relate primarily to the property and assets which will be retained by Lessee after termination, (ii) Lessee is required to retain in its possession pursuant to applicable Legal Requirements, (iii) constitute corporate records of Lessee or its Affiliates (whether such Affiliates are now or previously existing), (iv) financial,

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accounting, personnel, tax and corporate records of the Lessee and its Affiliates, (v) which constitute or contain proprietary or confidential information, or constitute or contain trade secrets or competitively sensitive information of Lessee or its affiliates, (vi) which are subject to any confidentiality or privacy commitments or protections in favor of other Persons, under contract or applicable Legal Requirements, (vii) are the subject of attorney-client and other privilege from discovery or are otherwise legally sensitive, or (viii) which otherwise are not exclusively related to operations at the Leased Property by Lessee.

ARTICLE XXXIX. MISCELLANEOUS

39.1. **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 39.7) 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.

39.2. **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.

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(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.

39.3. 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.

39.4. Prevailing Party Expenses. In addition to the other provisions of this Lease but subject to the provisions of Section 39.3, 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.

39.5. 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,

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nor any provision hereof or thereof may be modified or amended except by an instrument in writing signed by Lessor and Lessee.

39.6. **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 Guarantors, 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 Guarantors, 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.

39.7. **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 Guarantors 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,

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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 the Guarantors, collectively, the “Lessee Parties”), for any obligations of the Lessee or the Guarantors under this Lease, or for any claim based on, in respect of, or by reason of any such obligations or their creation, through Lessee, Guarantors 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 Guarantors, 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.

39.8. **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.

39.9. **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.

39.10. **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.

39.11. **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

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conditions of the Non-Competition Agreement are binding on it and incorporated herein by reference.

39.12. **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. FOR THE AVOIDANCE OF DOUBT, THE DETERMINATION OF AND CALCULATION OF ANY AND ALL DAMAGES UNDER 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.

39.13. **Jurisdiction and Venue.** LESSOR AND LESSEE CONSENT TO PERSONAL JURISDICTION IN THE STATE OF DELAWARE. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 39.13, 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.

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39.14. Intentionally Omitted.

39.15. 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 Guarantors 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.

39.16. 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.

39.17. 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.

39.18. 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.

39.19. 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

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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 three sentences only), 8.2(c), 8.3(c) (final two sentences only), 16.2, 38.4, 38.5, 38.6, 39.3, 39.4 and Articles XVIII, XIX and XXII, shall survive such expiration or earlier termination.

39.20. **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.

39.21. **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.

39.22. **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.

39.23. **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.

39.24. **State Specific Provisions.** Further representations, agreements and covenants regarding states where certain of the Properties are located are set forth on **Schedule 39.24** attached hereto and are hereby incorporated herein by reference.

39.25. **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.

39.26. **Letter of Credit.**

(a) [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] MPT [REDACTED]

[REDACTED]

39.27. **Representations, Agreements, and Covenants Relating to Certain Properties.** Further representations, agreements, and covenants regarding certain of the Properties are set forth on **Schedule 39.27** attached hereto and hereby incorporated herein by reference.

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39.28. **Tax Lease Treatment.** Notwithstanding anything to the contrary in this Lease, for purposes of federal, state, and local income tax, the parties intend and agree that this one consolidated Lease is a secured financing and not a lease, with payments denominated as Rent hereunder treated as interest and Lessee shall be deemed to be owner of the Leased Property for purposes of taking depreciation, amortization, and interest deductions for federal, state, and local income tax purposes; *provided, however*, notwithstanding the foregoing, this one, consolidated Lease is intended by the parties as a true lease for bankruptcy and creditors' rights purposes and for all other purposes.

ARTICLE XL. 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 or other taxes, and other costs in connection therewith.

[Signatures appear on following pages.]


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IN WITNESS WHEREOF, the parties have caused this Master Lease Agreement to be executed by their respective officers thereunto duly authorized.

LESSOR:


MPT OF WATERBURY PMH, LLC

By: MPT Operating Partnership, L.P.
Its: Sole Member of each above-referenced entity

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

[REDACTED]

[REDACTED]


[REDACTED]

[REDACTED]

MPT [REDACTED]

[REDACTED]

By: MPT Operating Partnership, L.P.
Its: Sole Member of each above-referenced
General Partner entity

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

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LESSEE:

[REDACTED]
By: Eric Samuels
[REDACTED]
[REDACTED]

[REDACTED]
By: Eric Samuels
[REDACTED]
[REDACTED]

[REDACTED]
By: Eric Samuels
Name: Eric Samuels
Title: Treasurer

PROSPECT WATERBURY, INC.

By: Eric Samuels
Name: Eric Samuels
Title: Treasurer

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Exhibit A-8

Legal Description - Waterbury Property

Real property in the City of Waterbury, County of New Haven, State of Connecticut, described as follows:

AS TO TRACT ONE: 64 Robbins Street & 170 Grandview Ave, Waterbury CT. 06708

Those certain pieces and parcels of land, with the buildings and improvements thereon comprising the Main Campus, located at 64 Robbins Street and 170 Grandview Avenue, and certain land only, subject to leases of record, with street addresses of 134 Grandview Avenue and 140 Grandview Avenue:

FIRST PARCEL: A certain tract of land with the Hospital and other buildings and improvements thereon standing, bounded:

NORTHERLY by land of The Waterbury Hospital, formerly of Loren Carter, being the land hereafter described;

EASTERLY by Watertown Avenue;

SOUTHERLY by Robbins Street; and

WESTERLY by Grandview Avenue.

Containing twenty-four (24) acres, more or less.

Being the same premises conveyed to The Waterbury Hospital by Charles L. and Walter W. Holmes by deed dated February 18, 1907, recorded February 25, 1907, in Vol. 202, Page 553 of the Waterbury Land Records, excepting a portion conveyed by The Waterbury Hospital to the City of Waterbury for highway purposes by deed dated June 20, 1940, and recorded August 21, 1940, in Vol. 506, Page 191 of said land records.

SECOND PARCEL: Consisting of Four Pieces, being shown on a Map entitled "Map of Woodside, Waterbury, Conn. A.J. Patton, Surveyor", on file in the Waterbury Town Clerk's Office in Map Book 1, Page 25, and containing eighteen (18) acres, more or less, to wit:

First Piece: Lots Nos. 38, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, the southerly 40 feet of Lot 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89 and 90, as shown on said Map.

Second Piece: The southerly 145 feet of Lots Nos. 39 and 40, as shown on said Map.

Third Piece: Being the Homestead as shown on said Map, bounded

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NORTHERLY 135 feet on Hale Street, so-called;
EASTERLY 425.74 feet in curved line on Winthrop Terrace, so-called;
SOUTHERLY 143.46 feet on Carter Avenue, so-called; and
WESTERLY 341.76 feet on Lots Nos. 61 and 53, as shown on said Map.

Fourth Piece: Bounded:

NORTHERLY running to a point at the junction of Carter Avenue, so-called, and Watertown Avenue;
EASTERLY on Watertown Avenue;
SOUTHERLY on land of The Waterbury Hospital;
WESTERLY on Lot No. 90 as shown on said Map; and
NORTHWESTERLY and again WESTERLY on Carter Avenue, so-called.

Included in the Second Parcel are the streets and portions of streets, all as shown on the "Map of Woodside" on file in the Waterbury Town Clerk's Office in Map Book 1, Page 25, as described and conveyed in the Executor's Deed from L. Russell Carter, Executor of the Estate of Loren R. Carter, to The Waterbury Hospital, dated November 13, 1952, recorded in Volume 667, page 40 of the Waterbury Land Records: Hale Street, Winthrop Terrace and Carter Avenue, subject to possible passway rights.

Being the same land conveyed to The Waterbury Hospital by L. Russell Carter, Executor under the Will of Loren R. Carter by deed dated and recorded November 13, 1952, in Vol. 667, Page 49 of the Waterbury Land Records.

Together with any and all rights under easement from John W. Potter to Loren R. Carter dated May 14, 1917 recorded in Vol. 282, Page 177 of the Waterbury Land Records.

Excluding from said Parcels the properties described in a Certificate of Taking by the State of Connecticut, dated March 21, 1963 and recorded in Volume 842, Page 30 and in a Quit Claim Deed from Waterbury Hospital to the State of Connecticut dated June 7, 1963 recorded in Volume 847, Page 397, each of the Waterbury Land Records.

Together with the benefits of a certain Agreement by the City of Waterbury with Loren R. Carter dated December 10, 1907, recorded November 4, 1931 in Volume 450, Page 625 of the Waterbury Land Records. While this is appurtenant, if still valid, the location of the steps and wall is on property of The Waterbury Hospital.

Being more particularly described as follows:

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Beginning at the Northwest corner of said lot 46, "Map of Woodside", said corner being at an intersection of the Southerly right of way line of Hale Street and the Easterly right of way line of Grandview Avenue as depicted on said "Map of Woodside", said corner being monumented by a found 5/8" iron rod; thence departing said Easterly right of way line of Grandview Avenue, North 71°20'45" East, along the said Southerly right of way line of Hale Street, a distance of 159.29 feet; thence departing said line, North 18°39'15" West, a distance of 40.00 feet to an intersection with the Northerly right of way line of said Hale Street, said intersection being the Southwest corner of said lot 38, "Map of Woodside"; thence departing said Northerly right of way line, North 18°39'15" West, along the Westerly line of said lot 38, a distance of 150.00 feet to the Northwest corner of said lot 38, said corner being monumented by a found 5/8" iron rod; thence North 71°20'45" East, along the Northerly line of said lot 38, a distance of 60.00 feet to the Northeast corner of said lot 38; thence South 18°39'15" East, along the Easterly line of said lot 38, a distance of 4.86 feet; thence departing said Easterly line, North 71°20'45" East, a distance of 119.87 feet to an intersection with the Westerly line of said lot 41, "Map of Woodside", said intersection being monumented by a found 1/2" iron rod; thence North 18°39'15" West, along the said Westerly line of lot 41, a distance of 5.39 feet to the Northwest corner of said lot 41, said corner being monumented by a found 1/2" iron rod; thence North 71°20'45" East, along the Northerly line of said lot 41 and lot 42, "Map of Woodside", a distance of 120.13 feet to an intersection with the Westerly line of said lot 43, "Map of Woodside", said intersection being the Northeast corner of said lot 42, said corner being monumented by a found 1/2" iron rod; thence North 18°39'15" West, along the said Westerly line of lot 43, a distance of 29.47 feet; thence departing said Westerly line, North 71°20'45" East, a distance of 137.98 feet to an intersection with the Westerly right of way line of said Winthrop Terrace, "Map of Woodside", also being known as Winfield Terrace; thence South 18°39'15" East, along said Westerly right of way line, said line also being the Easterly line of said lots 43 and lot 44, "Map of Woodside" a distance of 120.00 feet to the Southeast corner of said lot 44; thence departing said Westerly right of way line, North 71°20'45" East, a distance of 40.00 feet to an intersection with the Easterly right of way line of said Winthrop Terrace, also being known as Winfield Terrace, said intersection on the Westerly line of said lot 65, "Map of Woodside"; thence departing said line, North 71°20'45" East, a distance of 228.29 feet to an intersection with the Westerly right of way line of said Woodside Avenue, said intersection being on the Easterly line of said lot 65; thence South 40°46'04" East, along said Westerly right of way line and the said Easterly line of lots 65, 66, 67 and 68, a distance of 176.71 feet to the point of curvature of a circular curve concave Northeasterly, having a radius of 90.00 feet; thence Southeasterly along the arc of said curve, said arc being Westerly right of way line and said Easterly line of lot 68, through a central angle of 44°19'40", a distance of 69.63 to the most Easterly corner of said lot 68, said corner being at an intersection with the Westerly right of way line of said Carter Avenue "Map at Woodside"; thence departing said Westerly right of way line, North 86°04'01" East, a distance of 40.00 feet to an intersection with the Easterly right of way line of said Carter Avenue; thence North 03°55'59" West, along said Easterly right of way line, 9.91 feet to the point of

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curvature of a circular curve concave Westerly, having a radius of 169.98 feet; thence Northerly along said Easterly right of way line and the arc of said curve, through a central angle of $34^{\circ}27'08''$, a distance of 102.21 feet to the point of reverse curvature of a circular curve concave Easterly, having a radius of 142.73 feet; thence Northerly along said Easterly right of way line and the arc of said curve, through a central angle of $65^{\circ}26'12''$, a distance of 163.01 feet to a point, said point being an intersection with the Westerly right of way line said Watertown Avenue, "Map of Woodside"; thence South $22^{\circ}59'19''$ East, along said Westerly right of way line, a distance of 96.80 feet to the point of curvature of a circular curve concave Easterly, having a radius of 969.90 feet; thence Southerly along said Westerly right of way line and the arc of said curve, through a central angle of $11^{\circ}05'30''$, a distance of 187.76 feet to the point of tangency of said curve; thence continue along said Westerly right of way line, South $11^{\circ}53'49''$ East, a distance of 633.79 feet; thence continue along said Westerly right of way line, South $20^{\circ}18'44''$ East, a distance of 11.06 feet; thence continue along said Westerly right of way line, South $12^{\circ}02'11''$ East, a distance of 341.58 feet; thence continue along said Westerly right of way line, South $11^{\circ}40'11''$ East, a distance of 179.12 feet; thence continue along said Westerly right of way line, South $10^{\circ}12'23''$ East, a distance of 27.32 feet to a point on the arc of a circular curve concave Northwesterly, having a radius of 144.00 feet; thence from a radial bearing of North $73^{\circ}16'40''$ East, along the arc of said curve being the said Westerly right of way of Watertown Avenue and the northerly right of way line of Robbins Street, through a central angle of $63^{\circ}21'49''$, a distance of 159.25 feet to a point on said curve; thence departing said curve, South $48^{\circ}06'25''$ West, along the said Northerly right of way line of Robbins Street, a distance of 172.38 feet to a point on the arc of a circular curve concave Northwesterly, having a radius of 270.00 feet; thence from a radial bearing of South $42^{\circ}21'17''$ East, along the arc of said curve being the said Northerly right of way of Robbins Street, through a central angle of $30^{\circ}42'23''$, a distance of 144.70 feet to a point on said curve; thence continue along said Northerly right of way line, South $79^{\circ}36'45''$ West, a distance of 550.00 feet to a point of curvature of a circular curve concave Southerly, having a radius of 1174.07 feet; thence Westerly, along the arc of said curve being the said Northerly right of way of Robbins Street, through a central angle of $05^{\circ}09'23''$, a distance of 105.66 feet to an intersection with the said Easterly right of way line of Grandview Avenue; thence departing said Northerly right of way line, North $20^{\circ}06'30''$ West, along said Easterly right of way line, a distance of 583.84 feet to the point of curvature of a circular curve concave Easterly, having a radius of 1290.66 feet; thence Northerly along the arc of said curve being the said Easterly right of way line, through a central angle of $13^{\circ}15'30''$, a distance of 298.66 feet to the point of tangency of said curve; thence North $06^{\circ}51'00''$ West along said Easterly right of way line, a distance of 305.46 feet to the Northwest corner of said lot 75, "Map of Woodside"; thence North $06^{\circ}51'00''$ West, along said Easterly right of way line, a distance of 40.00 feet to the Southwest corner of said lot 55, "Map of Woodside"; thence North $06^{\circ}51'00''$ West, along said Easterly right of way line, a distance of 133.28 feet to the point of curvature of a circular curve concave Westerly, having a radius of 411.13 feet; thence Northerly

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along the arc of said curve being the said Easterly right of way line, through a central angle of $14^{\circ}56'43''$, a distance of 107.24 feet to the point of beginning.

Said premises are as shown and described on those certain maps titled "ALTA/ACSM Land Title Survey 64 Robbins Street & 134, 140 and 170 Grandview Avenue and 36 Grandview Avenue New Haven County Waterbury, Connecticut, sheets 1, 2 and 3, as revised to 9/30/16, as prepared by American Surveying & Mapping Inc., which maps have been or will be recorded in the Waterbury Land Records.

Less & except:

The real property known as 134 & 140 Grandview Avenue, Waterbury, Connecticut as set forth on a "Property Map Prepared for OMEGA MEDICAL, LLC 134 and 140 Grandview Avenue, Waterbury, Connecticut Date: 12-4-18 MEYERS ASSOCIATES P.C. Engineer-Surveyors-Planners 60 Linden Street Waterbury, Connecticut 06702- (203)575-0350" which map has been filed in the Waterbury Land Records simultaneously herewith, **conveyed by Prospect Waterbury, Inc. by deed recorded December 14, 2018, in Volume 7863, Page 330.**

The property is more particularly bounded and described as follows:

Beginning at a point on the easterly street line of Grandview Avenue, said point being the northwesterly corner of land now or formerly of Prospect Waterbury Inc. and also being the southwesterly corner of the herein described parcel of land; thence running along the said easterly street line of Grandview Avenue the following courses and distances: North $20^{\circ}06'30''$ West 58.53', on a curve to the right having a delta angle of $13^{\circ}15'30''$, a radius of 1,290.66' and an arc length of 298.66' and North $06^{\circ}51'00''$ West 147.95', to a point; thence turning and running along land of said Prospect Waterbury Inc. the following courses and distances: North $39^{\circ}25'22''$ East 370.26', South $30^{\circ}02'01''$ East 207.24', South $59^{\circ}57'57''$ West 68.35', South $30^{\circ}30'46''$ East 176.66', South $59^{\circ}31'50''$ West 19.96', South $30^{\circ}28'10''$ East 125.17', South $59^{\circ}31'50''$ West 243.70', South $30^{\circ}28'10''$ East 96.83' and South $59^{\circ}31'50''$ West 171.12', to the point and place of beginning.

Said parcel contains 176,110 Square Feet or 4.04 Acres.

AS TO TRACT TWO: 305 Church St # 7 Naugatuck, CT 06770

That certain real property located in the Town of Naugatuck, County of New Haven and State of Connecticut, known as Unit 7 of 305 Church Street Condominium, together with the interest in the Common Elements appurtenant thereto, said Unit and Common Elements being more

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specifically designated and described in the original Declaration entitled "Declaration of 305 Church Street Condominium" declared by Professional Park dated January 1989 recorded on January 13, 1989 in Volume 326, Page 613 of the Naugatuck Land Records, as the same may have been amended and/or supplemented.

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Exhibit B-8

Permitted Exceptions - Waterbury Property

1. Taxes and assessments for the current year, not yet due and payable or, if due and payable, not yet delinquent.
2. Rights of current tenants in possession of said land by reason of unrecorded leases or occupancy agreements, if any, without rights of first refusal, first offer or purchase options.

AS TO TRACT ONE: 64 Robbins Street & 170 Grandview Ave, Waterbury CT. 06708
3. Easement and assignment of leases agreement by and between Prospect Waterbury, Inc., and Uniti Leasing LLC dated January 26, 2017 and recorded February 13, 2017 in Volume 7597 at Page 119.
4. Rights and reservations as contained in a warranty deed from Prospect Waterbury, Inc., to Omega Partners Group, LLC, Omega Medical, LLC, and SMK Omega, LLC, conveying properties located at 134 and 140 Grandview Avenue, dated December 11, 2018 and recorded December 14, 2018 in Volume 7863 at Page 330.
5. Those items that may appear on maps recorded in drawer 52 as maps 33, 34, and 35, all on file in the Waterbury Town Clerk's Office.
6. Notice of Lease, The Waterbury Hospital to Cellco Partnership dated May 20, 1997, recorded in Volume 3481, Page 62.
7. Notice of Lease, Waterbury Hospital to Children's Center of Greater Waterbury Health Network, Inc. dated August 1, 2000 and recorded in Volume 4016 at Page 131.
8. Notice of Lease, the Waterbury Hospital to WPA Properties, LLC dated October 2, 2000, recorded in Volume 4042, Page 334.
9. Easement, Waterbury Hospital, et al to Connecticut Light and Power Company dated June 21, 1974, and recorded in Volume 1148, Page 235.

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10. Declaration of Easements, Rights and Restrictions, by and between Waterbury Hospital, Waterbury Medical Associates and Mattatuck Medical Associates dated November 1, 1977, recorded in Volume 1308, Page 130.
11. Easement, Waterbury Hospital, et al to Connecticut Light and Power Company dated June 30, 1978, and recorded July 7, 1978 in Volume 1332, Page 168.
12. Special Exception, granted Waterbury Hospital by the Zoning Board of Appeals, dated March 23, 1988, recorded in Volume 2264, Page 218.
13. Easement, Waterbury Hospital to City of Waterbury dated October 13, 1993, recorded in Volume 3021, Page 216.
14. Variance granted Waterbury Hospital by the Zoning Board of Appeals, City of Waterbury, dated September 16, 1997, recorded in Volume 3527, Page 137.
15. Special Exception granted Sprint Spectrum, L.P., Owner: Waterbury Hospital Health Center by the Zoning Board of Appeals, recorded July 23, 1999 in Volume 3839, Page 343.
16. Special Exception granted Waterbury Hospital Health Center by the Zoning Board of Appeals, dated April 18, 2000, recorded in Volume 3987, Page 44.
17. Special Exception granted Nextel Communications of the Mid-Atlantic Inc. and Waterbury Hospital by the Zoning Board of Appeals, dated June 22, 2000, recorded June 27, 2000 in Volume 3993, Page 25.
18. Notice of Grant of Special Exception recorded June 27, 2000 in Volume 3993, Page 26.
19. Notice of Grant of Special Exception recorded July 25, 2000 in Volume 4005, Page 209.
20. Variance granted Nextel Communications of the Mid-Atlantic Inc. and Waterbury Hospital by the Zoning Board of Appeals, dated June 22, 2000 and recorded in Volume 4005, Page 210.
21. Site Plan Decision recorded October 10, 2000 in Volume 4043, Page 329.

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22. Easement dated May 14, 1917 and recorded in Volume 282 at Page 177 of the Waterbury Land Records.
23. Rights set forth in a deed dated October 15, 1925 and recorded in Volume 372 at Page 445 of the Waterbury Land Records.
24. Rights and right of way set forth in a deed dated November 12, 1952 and recorded in Volume 667 at Page 445 of the Waterbury Land Records.
25. Right of way in favor of the City of Waterbury dated November 3, 1928 and recorded in Volume 412 at Page 697 of the Waterbury Land Records.
26. Right of way in favor of the City of Waterbury dated April 19, 1944 and recorded in Volume 533 at Page 421 of the Waterbury Land Records.
27. Items on a map recorded in the Waterbury town clerks office as map Book 1 Page 25.
28. Rights as set forth in a certain Certificate of Taking, State of Connecticut, dated March 21, 1963, recorded in Volume 842, Page 30 and as set forth in a deed from The Waterbury Hospital to the State of Connecticut, dated June 7, 1963 and recorded in Volume 847, Page 397.
29. Matters as shown on an unfiled map recorded in the Waterbury Land Records in Volume 1308 at Page 130 of the Waterbury Land Records.
30. Certificate of Approval by the Waterbury Zoning Board of Appeals, dated April 27, 2010 and recorded June 25, 2010 in Volume 6693, Page 166.

AS TO TRACT TWO: 305 Church St # 7 Naugatuck, CT 06770

31. Terms, conditions, agreements, covenants, restrictions, obligations, and easements contained in the declaration of condominium, and bylaws and exhibits, dated January 13, 1989 and recorded January 13, 1989 in Volume 326 at Page 613 of the Naugatuck Land Records.
32. Pass way rights over a five foot wide strip of land located southernmost described herein, and the right of the Goodyear India Rubber Glove Manufacturing Co., as set

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forth in deed to Patrick Brennan, dated and recorded December 29, 1888 in Volume 21 at Page 561 of the Naugatuck Land Records.

33. Easement from Harris Whittemore to United Electric Light and Water Company dated June 25, 1914 and recorded July 24, 1914 in Volume 56 at Page 137 of the Naugatuck Land Records.
34. Possible storm sewer easement (not of record) mentioned in a deed from the estate of Harris Whittemore to the Colonial Bank and Trust Company, trustee, dated January 5, 1929 and recorded January 9, 1929 in Volume 78 at Page 290 of the Naugatuck Land Records.
35. Easement from Uniroyal, Inc., to Professional Park, Inc., recorded October 20, 1970 in Volume 161 at Page 140 of the Naugatuck Land Records.
36. Restrictions as to use as set forth in a certain warranty deed from Professional Park to Greater Waterbury Management Resources, Inc., dated and recorded January 13, 1989 in Volume 326 at Page 646 of the Naugatuck Land Records.

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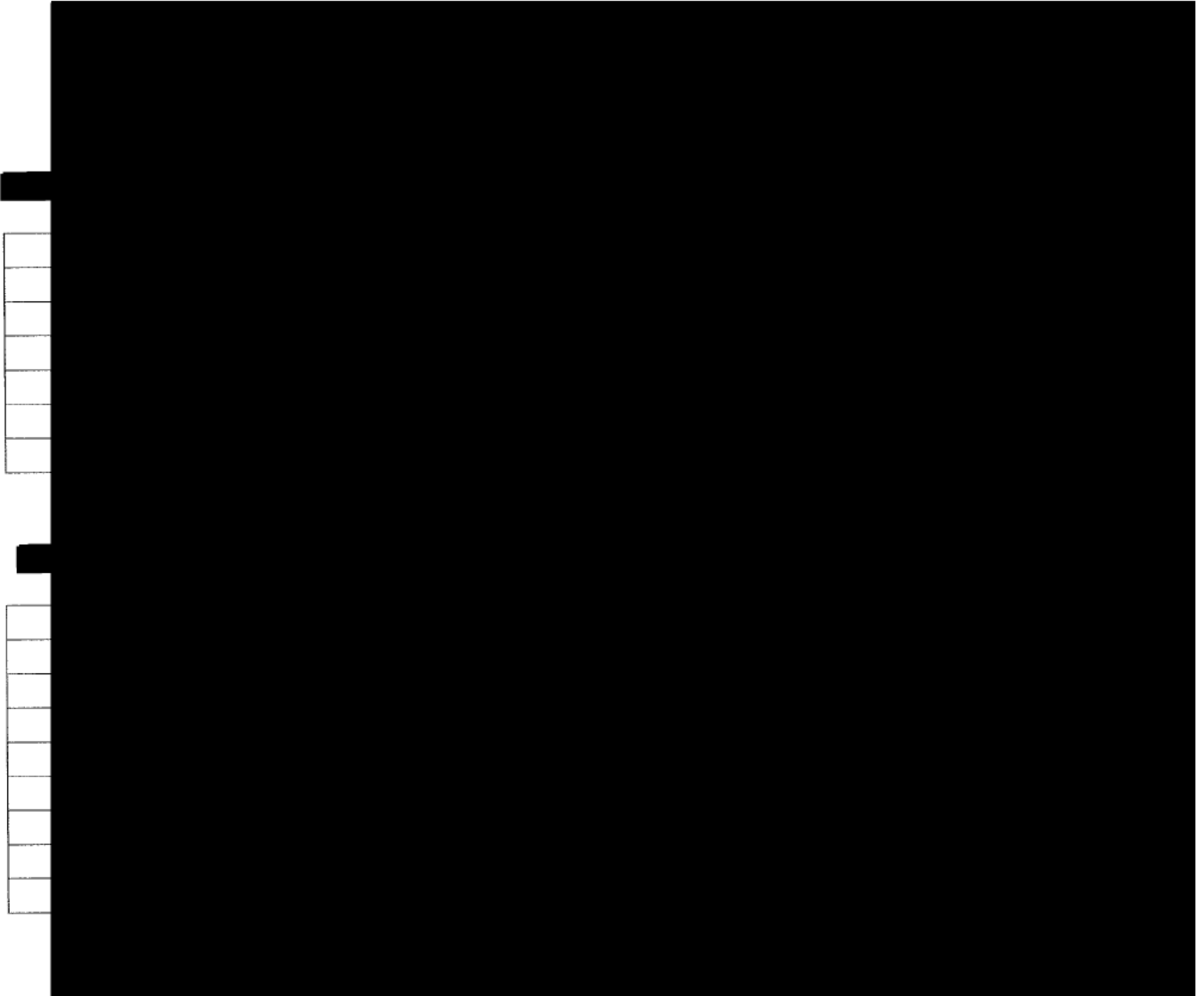
Exhibit C

Existing Subleases

None.

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Exhibit D



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Schedule 1-A

Lessors

[REDACTED], [REDACTED]

[REDACTED]

[REDACTED] T [REDACTED] Angeles [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] L.P.,

[REDACTED] of [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

MPT of Waterbury PMH, LLC,

each a Delaware limited liability company,

collectively, jointly and severally, as Lessor.

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Schedule 1-B

Lessees

[REDACTED]

[REDACTED]

[REDACTED]

Prospect Waterbury, Inc., a Connecticut corporation,

collectively, jointly and severally, as Lessee.

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Schedule 3.1(a)-1

Lease Rate and Lease Base

[REDACTED]

<u>Property</u>	<u>Lease Base</u>
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]

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Schedule 3.1(a)-2

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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[REDACTED]
[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] TRS
[REDACTED]

[REDACTED]

[REDACTED]
wi [REDACTED]
[REDACTED]

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Schedule 9.1(c)

[REDACTED]

1. [REDACTED]
[REDACTED]

2. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

3. [REDACTED]
[REDACTED]
[REDACTED]

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Schedule 9.4

Mandatory Repairs

1. [REDACTED]

(a) [REDACTED]

(i) [REDACTED]

[REDACTED]

[REDACTED]

2. [REDACTED]

[REDACTED]

(i) [REDACTED]

to [REDACTED]

[REDACTED]

3. [REDACTED]

[REDACTED]

- (ii) [REDACTED]
- (iii) [REDACTED]
- (iv) [REDACTED]
- (v) [REDACTED]

(b) [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED] 19.

6. [REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]

[REDACTED]:

(a) Within [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED] and

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8. With respect to the Waterbury Property:

(a) Within twelve (12) months following the Commencement Date with respect to the Waterbury Property, Lessee shall cause the following Mandatory Repairs to be completed:

- (i) parking area full depth reclamation and major patching with 2" overlay;
- (ii) roof patching; and
- (iii) roofing consultant.

(b) Within twenty-four (24) months following the Commencement Date with respect to the Waterbury Property, Lessee shall cause the following Mandatory Repair to be completed:

- (i) parking area crack and fill patching.

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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, together with all information reasonably necessary for Lessor to make a determination with respect to such draw request, 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 Contractors 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 39.24

State Specific Provisions

(a) [Redacted]

[Redacted]

[Redacted]

2. [Redacted]

(b) Connecticut Property: None.

(c) [Redacted]

[Redacted]

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[REDACTED]

2. [REDACTED]

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Schedule 39.27

Property Specific Provisions

[REDACTED]

1. [REDACTED]

[REDACTED]

2. [REDACTED]

1. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]