

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2018

OR

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

For the transition period from _____ to _____.

Commission file number: 001-37815

Global Medical REIT Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

46-4757266

(I.R.S. Employer
Identification No.)

2 Bethesda Metro Center, Suite 440
Bethesda, MD

(Address of principal executive offices)

20814

(Zip Code)

Registrant's telephone number, including area code: **(202) 524-6851**

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

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

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

Class

Common Stock, \$0.001 par value per share

Outstanding August 3, 2018

21,630,675

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GLOBAL MEDICAL REIT INC.
Consolidated Balance Sheets
(in thousands, except par values)

	As of	
	June 30, 2018 (unaudited)	December 31, 2017
Assets		
Investment in real estate:		
Land	\$ 55,330	\$ 42,701
Building	486,766	384,338
Site improvements	6,562	4,808
Tenant improvements	12,189	8,010
Acquired lease intangible assets	41,162	31,650
	602,009	471,507
Less: accumulated depreciation and amortization	(22,026)	(13,594)
Investment in real estate, net	579,983	457,913
Cash and cash equivalents	4,755	5,109
Restricted cash	1,432	2,005
Tenant receivables	1,339	704
Escrow deposits	2,080	1,638
Deferred assets	7,200	3,993
Deferred financing costs, net	2,955	2,750
Other assets	2,283	459
Total assets	<u>\$ 602,027</u>	<u>\$ 474,571</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Revolving credit facility	\$ 288,350	\$ 164,900
Notes payable, net of unamortized discount of \$865 and \$930 at June 30, 2018 and December 31, 2017, respectively	38,610	38,545
Accounts payable and accrued expenses	5,494	2,020
Dividends payable	5,940	5,638
Security deposits and other	5,052	2,128
Due to related parties, net	987	1,036
Acquired lease intangible liability, net	2,081	1,291
Total liabilities	<u>346,514</u>	<u>215,558</u>
Stockholders' equity:		
Preferred stock, \$0.001 par value, 10,000 shares authorized; 3,105 issued and outstanding at June 30, 2018 and December 31, 2017 (liquidation preference of \$77,625 at June 30, 2018 and December 31, 2017)	74,959	74,959
Common stock, \$0.001 par value, 500,000 shares authorized; 21,631 shares issued and outstanding at June 30, 2018 and December 31, 2017	22	22
Additional paid-in capital	205,788	205,788
Accumulated deficit	(42,739)	(34,434)
Total Global Medical REIT Inc. stockholders' equity	<u>238,030</u>	<u>246,335</u>
Noncontrolling interest	17,483	12,678
Total stockholders' equity	<u>255,513</u>	<u>259,013</u>
Total liabilities and stockholders' equity	<u>\$ 602,027</u>	<u>\$ 474,571</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

GLOBAL MEDICAL REIT INC.
Consolidated Statements of Operations
(unaudited and in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue				
Rental revenue	\$ 12,581	\$ 6,667	\$ 23,069	\$ 11,296
Expense recoveries	659	698	1,727	698
Other income	9	58	18	88
Total revenue	13,249	7,423	24,814	12,082
Expenses				
General and administrative	1,768	1,835	2,774	3,427
Operating expenses	680	747	1,784	770
Management fees – related party	1,095	628	2,176	1,256
Depreciation expense	3,445	1,851	6,351	3,197
Amortization expense	926	459	1,691	803
Interest expense	3,942	1,990	6,627	3,091
Acquisition fees	9	536	126	1,479
Total expenses	11,865	8,046	21,529	14,023
Net income (loss)	\$ 1,384	\$ (623)	\$ 3,285	\$ (1,941)
Less: Preferred stock dividends	(1,455)	-	(2,911)	-
Less: Net loss (income) attributable to noncontrolling interest	7	-	(28)	-
Net (loss) income attributable to common stockholders	\$ (64)	\$ (623)	\$ 346	\$ (1,941)
Net (loss) income attributable to common stockholders per share – basic and diluted	\$ (0.00)	\$ (0.04)	\$ 0.02	\$ (0.11)
Weighted average shares outstanding – basic and diluted	21,631	17,644	21,631	17,625

The accompanying notes are an integral part of these unaudited consolidated financial statements.

GLOBAL MEDICAL REIT INC.
Consolidated Statement of Stockholders' Equity
(unaudited and in thousands)

	<u>Common Stock</u>		<u>Preferred Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Global Medial REIT Inc. Stockholders' Equity</u>	<u>Non- controlling Interest</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>\$ Amount</u>	<u>Shares</u>	<u>\$ Amount</u>					
Balances, December 31, 2017	21,631	\$ 22	3,105	\$ 74,959	\$ 205,788	\$ (34,434)	\$ 246,335	\$ 12,678	\$ 259,013
Net income	-	-	-	-	-	3,257	3,257	28	3,285
Stock-based compensation expense	-	-	-	-	-	-	-	1,237	1,237
Dividends to common stockholders	-	-	-	-	-	(8,651)	(8,651)	-	(8,651)
Dividends to preferred stockholders	-	-	-	-	-	(2,911)	(2,911)	-	(2,911)
Dividends to noncontrolling interest	-	-	-	-	-	-	-	(939)	(939)
OP Units issued to third parties	-	-	-	-	-	-	-	4,742	4,742
LTIP Units redeemed in cash	-	-	-	-	-	-	-	(263)	(263)
Balances, June 30, 2018	<u>21,631</u>	<u>\$ 22</u>	<u>3,105</u>	<u>\$ 74,959</u>	<u>\$ 205,788</u>	<u>\$ (42,739)</u>	<u>\$ 238,030</u>	<u>\$ 17,483</u>	<u>\$ 255,513</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

GLOBAL MEDICAL REIT INC.
Consolidated Statements of Cash Flows
(unaudited and in thousands)

	Six Months Ended June 30,	
	2018	2017
Operating activities		
Net income (loss)	\$ 3,285	\$ (1,941)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation expense	6,351	3,197
Amortization of acquired lease intangible assets	1,691	803
Amortization of above (below) market leases, net	294	(11)
Amortization of deferred financing costs	983	500
Stock-based compensation expense	1,237	1,140
Capitalized pre-acquisition costs charged to expense	46	5
Changes in operating assets and liabilities:		
Tenant receivables	(635)	(322)
Deferred assets	(2,635)	(1,162)
Other assets	97	-
Accounts payable and accrued expenses	1,254	1,395
Security deposits and other	2,924	1,725
Accrued management fees due to related party	31	8
Net cash provided by operating activities	<u>14,923</u>	<u>5,337</u>
Investing activities		
Purchase of land, buildings, and other tangible and intangible assets and liabilities	(124,874)	(148,474)
Escrow deposits for purchase of properties	(298)	249
(Loans to) repayments from related parties	(80)	40
Payments for tenant improvements	(437)	-
Pre-acquisition costs for purchase of properties	118	121
Net cash used in investing activities	<u>(125,571)</u>	<u>(148,064)</u>
Financing activities		
Net proceeds received from follow-on offering	-	29,553
Escrow deposits required by third party lenders	(144)	(17)
Borrowings from related parties	-	10
Repayment of note payable from related party	-	(421)
Proceeds from revolving credit facility	129,950	141,800
Repayment of revolving credit facility	(6,500)	(25,000)
Payments of deferred financing costs	(1,123)	(2,277)
Redemption of LTIP Units	(263)	-
Dividends paid to common stockholders, and OP Unit and LTIP Unit holders	(9,288)	(7,208)
Dividends paid to preferred stockholders	(2,911)	-
Net cash provided by financing activities	<u>109,721</u>	<u>136,440</u>
Net decrease in cash and cash equivalents and restricted cash	(927)	(6,287)
Cash and cash equivalents and restricted cash—beginning of period	7,114	20,612
Cash and cash equivalents and restricted cash—end of period	<u>\$ 6,187</u>	<u>\$ 14,325</u>
Supplemental cash flow information:		
Cash payments for interest	\$ 5,592	\$ 2,480
Noncash financing and investing activities:		
Accrued dividends payable	\$ 5,826	\$ 3,701
Accrued pre-acquisition costs for purchase of properties and tenant improvements	\$ 1,647	\$ 74
Accrued deferred asset costs	\$ 572	\$ -
Accrued deferred public offering costs	\$ -	\$ 174
Reclassification of deferred follow-on offering costs to additional paid-in capital	\$ -	\$ 394
OP Units issued for noncash transaction	\$ 4,742	\$ -

The accompanying notes are an integral part of these unaudited consolidated financial statements.

GLOBAL MEDICAL REIT INC.
Notes to the Unaudited Consolidated Financial Statements
(in thousands, except per share amounts)

Note 1 – Organization

Global Medical REIT Inc. (the “Company”) is a Maryland corporation engaged primarily in the acquisition of licensed, state-of-the-art, purpose-built healthcare facilities and the leasing of these facilities to strong clinical operators with leading market share. The Company is externally managed and advised by Inter-American Management, LLC (the “Advisor”).

The Company holds its facilities and conducts its operations through a Delaware limited partnership subsidiary named Global Medical REIT L.P. (the “Operating Partnership”) and the Operating Partnership’s wholly-owned subsidiaries. The Company, through a wholly-owned subsidiary, serves as the sole general partner of the Operating Partnership. As of June 30, 2018, the Company was the 89.85% limited partner of the Operating Partnership, with an aggregate of 10.15% owned by holders of long-term incentive plan (“LTIP”) units and third-party holders of Operating Partnership units (“OP Units”).

Note 2 – Summary of Significant Accounting Policies

Basis of presentation

The accompanying financial statements are unaudited and include the accounts of the Company, including the Operating Partnership and its wholly-owned subsidiaries. The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and the rules and regulations of the United States Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures required for annual financial statements have been condensed or excluded pursuant to SEC rules and regulations. Accordingly, the accompanying financial statements do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the audited financial statements and notes thereto for the fiscal year ended December 31, 2017. In the opinion of management, all adjustments of a normal and recurring nature necessary for a fair presentation of the financial statements for the interim periods have been made.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, including the Operating Partnership and its wholly-owned subsidiaries. The Company presents the portion of any equity it does not own but controls (and thus consolidates) as noncontrolling interest. Noncontrolling interest in the Company includes the LTIP units that have been granted to the Company’s and Advisor’s directors, officers and employees and the OP Units held by third parties. Refer to Note 5 – “Stockholders’ Equity” and Note 7 – “Stock-Based Compensation” for additional information regarding the LTIP units and OP Units.

The Company classifies noncontrolling interest as a component of consolidated equity on its Consolidated Balance Sheets, separate from the Company’s total stockholders’ equity. The Company’s net income or loss is allocated to noncontrolling interests based on the respective ownership or voting percentage in the Operating Partnership associated with such noncontrolling interests and is removed from consolidated income or loss on the Consolidated Statements of Operations in order to derive net income or loss attributable to common stockholders. The noncontrolling ownership percentage is calculated by dividing the aggregate number of LTIP units and OP Units held by the total number of shares of common stock and units outstanding. Any future issuances of additional LTIP units or OP Units would change the noncontrolling ownership interest.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and footnotes. Actual results could differ from those estimates.

Cash and Cash Equivalents and Restricted Cash

On January 1, 2018 the Company adopted the provisions of Accounting Standards Update (“ASU”) 2016-18, “Statement of Cash Flows (Topic 230) Restricted Cash” (“ASU 2016-18”), which requires that the statement of cash flows explain the change during the period in the total of cash and cash equivalents and amounts generally described as restricted cash. In accordance with the requirements of ASU 2016-18, the following table provides a reconciliation of the Company’s cash and cash equivalents and restricted cash that sums to the total of those amounts at the end of the periods presented on the Company’s accompanying Consolidated Statements of Cash Flows for the six months ended June 30, 2018 and 2017:

	As of June 30,	
	2018	2017
Cash and cash equivalents	\$ 4,755	\$ 12,034
Restricted cash	\$ 1,432	\$ 2,291
Total cash and cash equivalents and restricted cash⁽¹⁾	\$ 6,187	\$ 14,325

⁽¹⁾ Represents the total of the amounts at the end of the periods presented on the Consolidated Statements of Cash Flows as required by ASU 2016-18. The cash and cash equivalents and restricted cash balance as of December 31, 2017 and December 31, 2016 (the beginning of the periods presented) was \$7,114 and \$20,612, respectively.

The Company considers all demand deposits, cashier's checks, money market accounts, and certificates of deposit with a maturity of three months or less to be cash equivalents. Amounts included in restricted cash represent (1) certain security deposits received from tenants at the inception of their leases; (2) cash required to be held by a third-party lender as a reserve for debt service; and (3) funds held by the Company that were received from certain tenants that the Company collected to pay specific tenant expenses, such as real estate taxes and insurance, on the tenant's behalf.

Tenant Receivables

The tenant receivable balance as of June 30, 2018 and December 31, 2017 was \$1,339 and \$704, respectively. The balance as of June 30, 2018 consisted of \$209 in funds owed from the Company's tenants for rent that the Company had earned but had not yet received and \$1,084 in funds owed by certain of the Company's tenants for amounts the Company collects to pay specific tenant expenses, such as real estate taxes and insurance, on the tenants' behalf. Additionally, as of June 30, 2018 the balance included \$46 in miscellaneous receivables. The balance as of December 31, 2017 consisted of \$125 in funds owed from the Company's tenants for rent that the Company had earned but had not yet received, and \$579 in funds owed by certain of the Company's tenants for amounts the Company collects to pay specific tenant expenses, such as real estate taxes and insurance, on the tenants' behalf.

Escrow Deposits

The escrow balance as of June 30, 2018 and December 31, 2017 was \$2,080 and \$1,638, respectively. Escrow deposits include funds held in escrow to be used for the acquisition of properties in the future and for the payment of taxes, insurance, and other amounts as stipulated by the Company's Cantor Loan, as hereinafter defined.

Deferred Assets

The deferred assets balance as of June 30, 2018 and December 31, 2017 was \$7,200 and \$3,993, respectively. The balance as of June 30, 2018 consisted of \$6,396 in deferred rent receivables resulting from the recognition of revenue from leases with fixed annual rental escalations on a straight-line basis and the balance of \$804 represented other deferred costs. The balance as of December 31, 2017 consisted of \$3,842 in deferred rent receivables resulting from the recognition of revenue from leases with fixed annual rental escalations on a straight-line basis and the balance of \$151 represented other deferred costs.

Other Assets

The other assets balance as of June 30, 2018 and December 31, 2017 was \$2,283 and \$459, respectively. The balance as of June 30, 2018 consisted primarily of \$2,036 in construction-in-process related to tenant improvements (of which \$1,599 was accrued and not paid as of June 30, 2018). Additionally, the balance consisted of \$200 in capitalized costs related to property acquisitions and \$47 in a prepaid asset. The balance as of December 31, 2017 consisted of \$316 in capitalized costs related to property acquisitions and \$143 in a prepaid asset.

Security Deposits and Other

The security deposits and other liability balance as of June 30, 2018 and December 31, 2017 was \$5,052 and \$2,128, respectively. The balance as of June 30, 2018 consisted of security deposits of \$4,209 and a tenant impound liability of \$843 related to amounts owed for specific tenant expenses, such as real estate taxes and insurance. The balance as of December 31, 2017 consisted of security deposits of \$1,620 and a tenant impound liability of \$508 related to amounts owed for specific tenant expenses.

Reclassification

The Company's Consolidated Statements of Operations for the three and six months ended June 30, 2018 and 2017 includes the expense line item "Operating Expenses." For the three and six months ended June 30, 2018 this line item primarily included reimbursable property operating expenses that the Company pays on behalf of certain of its tenants, including real estate taxes and insurance as well as non-reimbursable property operating expenses. During the three and six months ended June 30, 2017, the Company recorded property operating expenses in the "General and Administrative" expense line item. Accordingly, for the three and six months ended June 30, 2017 these expenses have been reclassified from the "General and Administrative" expense line item into the "Operating Expenses" line item within the Company's Consolidated Statements of Operations.

New Accounting Pronouncements

Leases and Revenue Recognition

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02 "Leases" ("ASU 2016-02"). This standard created Topic 842, Leases, and superseded FASB ASC 840, "Leases." ASU 2016-02 requires a lessee to recognize the assets and liabilities that arise from leases (both operating and finance leases). However, for leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and lease liabilities. The main difference between the existing guidance on accounting for leases and the new standard is that operating leases will now be recorded as assets and liabilities. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for operating leases. ASU 2016-02 is expected to impact the Company's consolidated financial statements as the Company has certain operating ground lease arrangements for which it is the lessee and therefore will be required to recognize right of use assets and related lease liabilities on its consolidated balance sheets upon adoption of this new standard. Current GAAP requires only capital leases to be recognized in the balance sheet, and amounts related to operating leases largely are reflected in the financial statements as rent expense on the income statement and in disclosures to the financial statements. ASU 2016-02 is effective for annual reporting periods (including interim periods within those periods) beginning after December 15, 2018. Early adoption is permitted. Based on its anticipated election of the practical expedients, the Company anticipates that its leases where it is the lessor and several ground leases where the Company is the lessee will continue to be accounted for as operating leases under the new standard. Therefore, as of January 1, 2019, the Company does not currently anticipate significant changes in the accounting for its lease revenues and expenses. For the Company's ground leases where it is the lessee, the Company will be required to recognize right of use assets and related lease liabilities on its consolidated balance sheets upon adoption. The Company would not be required to reassess the classification of existing leases where it is the lessor or existing ground leases where it is the lessee and therefore the leases would continue to be accounted for as operating leases. However, in the event the Company modifies existing leases or enters into new leases after adoption of the new standard, such leases may be classified as finance leases. The Company will continue to evaluate the impact of adopting the new leases standard on its consolidated statements of income and comprehensive income and consolidated balance sheets.

In May 2014, with subsequent updates issued in August 2015 and March, April and May 2016, the FASB issued ASU 2014-09 "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"). ASU 2014-09 was developed to enable financial statement users to better understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The update's core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Companies are to use a five-step contract review model to ensure revenue is recognized, measured and disclosed in accordance with this principle. Those steps include the following: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to each performance obligation in the contract, and (v) recognize revenue when or as the entity satisfies a performance obligation.

The Company has identified four main revenue streams, three of which originate from lease contracts and will be subject to Leases ASU 2016-02, Topic 842 (described above) effective for annual reporting periods (including interim periods) beginning after December 15, 2018. The Company's revenue streams are:

Revenue Recognition (ASU 2014-09, Topic 610-20):

- Gain (loss) on sale of real estate properties

Leases (ASU 2016-02, Topic 842):

- Rental revenues
- Straight line rents
- Tenant recoveries

Management adopted the provisions of ASU 2014-09 effective January 1, 2018 and concluded that all of the Company's material revenue streams fall outside of the scope of this guidance. During the three and six months ended June 30, 2018 and 2017, the Company sold no real estate properties and therefore had no revenue streams from that source. The new standard may be applied retrospectively to each prior period presented or prospectively with the cumulative effect, if any, recognized as of the date of adoption. The Company selected the modified retrospective transition method as of the date of adoption effective January 1, 2018. Management concluded that the majority of total revenues consist of rental income from leasing arrangements, which is specifically excluded from the standard. The Company analyzed its remaining revenue streams and concluded there are no changes in revenue recognition with the adoption of the new standard. As such, adoption of ASU 2014-09 did not result in a cumulative adjustment recognized as of January 1, 2018, and the standard did not have a material impact on the Company's consolidated financial statements or disclosures.

Nonemployee Share-Based Payment Accounting

In June 2018, the FASB issued ASU 2018-07, "Improvements to Nonemployee Share-Based Payment Accounting" ("ASU 2018-07"). ASU 2018-07 stipulates that the existing accounting guidance for share-based payments to employees will also apply to nonemployee share-based transactions, with the exception of a few transactions that are outlined in the standard. ASU 2018-07 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted. The Company is evaluating the impact of the adoption of ASU 2018-07 on its consolidated financial statements and related disclosures as well as the timing of adopting the standard.

Note 3 – Property Portfolio

Implementation of New Business Combination Accounting Standard

Effective January 1, 2018, the Company adopted the provisions of ASU 2017-01 – "Business Combinations (Topic 805): Clarifying the Definition of a Business" ("ASU 2017-01"). ASU 2017-01 provides revised guidance to determine when an acquisition meets the definition of a business or alternatively should be accounted for as an asset acquisition. ASU 2017-01 requires that, when substantially all of the fair value of an acquisition is concentrated in a single identifiable asset or a group of similar identifiable assets, the asset or group of similar identifiable assets does not meet the definition of a business and therefore is required to be accounted for as an asset acquisition. Transaction costs will continue to be capitalized for asset acquisitions and expensed as incurred for business combinations. ASU 2017-01 will result in most, if not all, of the Company's post January 1, 2018 acquisitions being accounted for as asset acquisitions because substantially all of the fair value of the gross assets the Company acquires are concentrated in a single asset or group of similar identifiable assets. For asset acquisitions that are "owner occupied" (meaning that the seller either is the tenant or controls the tenant) the purchase price, including capitalized acquisition costs, will be allocated to land and building based on their relative fair values with no value allocated to intangible assets or liabilities. For asset acquisitions where there is a lease in place but not "owner occupied," the Company will allocate the purchase price to tangible assets and any intangible assets acquired or liabilities assumed based on their relative fair values.

Summary of Properties Acquired During the Six Months Ended June 30, 2018

During the six months ended June 30, 2018, the Company completed six acquisitions. For all six acquisitions, substantially all of the fair value of the acquisitions was concentrated in a single identifiable asset or group of similar identifiable assets and therefore all of the acquisitions represent asset acquisitions under the guidance provided by ASU 2017-01. Accordingly, transaction costs for these acquisitions were capitalized.

A rollforward of the gross investment in land, building and improvements as of June 30, 2018, resulting from these acquisitions is as follows:

	<u>Land</u>	<u>Building</u>	<u>Site & Tenant Improvements</u>	<u>Acquired Lease Intangibles</u>	<u>Gross Investment in Real Estate</u>
Balances as of January 1, 2018	\$ 42,701	\$ 384,338	\$ 12,818	\$ 31,650	\$ 471,507
Facility Acquired – Date Acquired:					
Moline / Silvis – 1/24/18	-	4,895	1,216	989	7,100
Freemont – 2/9/18	162	8,335	-	-	8,497
Gainesville – 2/23/18	625	9,885	-	-	10,510
Dallas – 3/1/18	6,272	17,012	-	-	23,284
Orlando – 3/22/18	2,543	11,720	756	1,395	16,414
Belpre – 4/19/18	3,027	50,581	3,961	7,128	64,697
Total Additions ⁽¹⁾ :	<u>12,629</u>	<u>102,428</u>	<u>5,933</u>	<u>9,512</u>	<u>130,502</u>
Balances as of June 30, 2018	\$ 55,330	\$ 486,766	\$ 18,751	\$ 41,162	\$ 602,009

⁽¹⁾ The Belpre acquisition included \$4,742 of OP Units issued as part of the total consideration. An aggregate of \$886 of intangible liabilities were acquired from the acquisitions that occurred during the six months ended June 30, 2018, resulting in total gross investments funded using cash of \$124,874.

Depreciation expense was \$3,445 and \$6,351 for the three and six months ended June 30, 2018, respectively, and \$1,851 and \$3,197 for the three and six months ended June 30, 2017, respectively.

As of June 30, 2018, the Company had aggregate capital improvement commitments to improve or expand existing tenant space of \$19,036. Many of these allowances are subject to contingencies that make it difficult to predict when such allowances will be utilized, if at all. However, the Company expects to be obligated to spend approximately \$2,954 in tenant improvements during 2018 (of which \$2,036 was incurred as of June 30, 2018) in connection with its Sherman, Silvis, and Gainesville facilities.

The following is a summary of the acquisitions completed during the six months ended June 30, 2018. Each acquisition was accounted for as an asset acquisition in accordance with the provisions of ASU 2017-01:

Moline / Silvis Facilities

Moline Facility - On January 24, 2018, the Company purchased a medical office building located in Moline, Illinois, which included the seller's interest, as ground lessee, in an existing ground lease. The ground lease has approximately 10 years remaining in the initial term, with 12 consecutive five-year renewal options. Upon the closing of this acquisition, the Company assumed two subleases: one sublease with Fresenius Medical Care Quad Cities, LLC ("Fresenius") with approximately 13 years remaining in the initial term, with three consecutive five-year renewal options; and one sublease with Quad Cities Nephrology Associates, P.L.C. with approximately 15 years remaining in the initial term, with three consecutive five-year renewal options.

Silvis Facility - On January 24, 2018, the Company purchased a medical office building located in Silvis, Illinois from the same seller as the Moline facility, which included the seller's interest, as ground lessee, in an existing ground lease. The ground lease has approximately 67 years remaining in the initial term, with no renewal options. Upon the closing of this acquisition, the Company assumed one sublease with Fresenius with approximately 13 years remaining in the initial term, with three consecutive 5-year renewal options.

The aggregate purchase price for the Moline/Silvis facilities was \$6.9 million. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed for this acquisition:

Site improvements	\$ 249
Building and tenant improvements	5,862
In-place leases	343
Above market ground lease intangibles	219
Leasing costs	427
Below market lease intangibles	(229)
Total purchase price	<u>\$ 6,871</u>

Fremont Facility - On February 9, 2018, the Company purchased a medical office building located in Fremont, Ohio for a purchase price of approximately \$8.5 million. Upon the closing of this acquisition, the Company entered into a new 12-year lease with Northern Ohio Medical Specialists, LLC (NOMS) with four consecutive five-year renewal options.

Gainesville Facility - On February 23, 2018, the Company purchased a medical office building and ambulatory surgery center located in Gainesville, Georgia for a purchase price of approximately \$10.5 million. Upon the closing of this acquisition, the Company entered into a new 12-year lease with SCP Eye Care Services, LLC with four consecutive five-year renewal options.

Dallas Facility - On March 1, 2018, the Company purchased a hospital, a three-story parking garage, and land all located in Dallas, Texas for an aggregate purchase price of \$23.3 million. In addition to the hospital and the parking garage, the land underlays two medical office buildings that are not owned by the Company, each of which is ground leased to the hospital. Upon the closing of this acquisition, the Company entered into two leases with Pipeline East Dallas, LLC, with one lease relating to the hospital and the other lease relating to the underlying land and parking garage.

Orlando Facilities - On March 22, 2018, the Company purchased five medical office buildings from five affiliated sellers for an aggregate purchase price of \$16.4 million. Upon the closing of this acquisition, the Company assumed five existing leases with Orlando Health, Inc. One lease has approximately one year remaining in its initial term, with one 10-year renewal option; one lease has approximately six years remaining in its initial term, with three consecutive five-year renewal options; one lease has approximately six years remaining in its initial term, with four consecutive five-year renewal options; one lease has approximately six years remaining in its initial term, with three consecutive five-year renewal options; and one lease was amended at closing to extend the remaining term to five years with four consecutive five-year renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	\$	3,075
Building and tenant improvements		11,944
In-place leases		808
Above market lease intangibles		229
Leasing costs		358
Below market lease intangibles		(10)
Total purchase price	<u>\$</u>	<u>16,404</u>

Belpre Portfolio - On April 19, 2018, the Company purchased a portfolio of four medical office buildings and a right of first refusal to purchase a fifth, yet to be built, medical office building on the same campus, for an aggregate purchase price of \$64.1 million. Upon the closing of the acquisition the Company assumed the existing leases with Marietta Memorial Hospital, a subsidiary of Memorial Health System. Upon the closing of the acquisition, the leases had a weighted average remaining lease term of approximately 11.35 years, each with three consecutive five-year tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	\$	4,000
Building and tenant improvements		53,569
In-place leases		2,666
Above market lease intangibles		2,494
Leasing costs		1,968
Below market lease intangibles		(646)
Total purchase price	<u>\$</u>	<u>64,051</u>

Intangible Assets and Liabilities

The following is a summary of the carrying amount of intangible assets and liabilities as of the dates presented:

	<u>As of June 30, 2018</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Assets			
In-place leases	\$ 20,878	\$ (2,727)	\$ 18,151
Above market ground lease	707	(16)	691
Above market leases	7,348	(600)	6,748
Leasing costs	12,229	(1,079)	11,150
	<u>\$ 41,162</u>	<u>\$ (4,422)</u>	<u>\$ 36,740</u>
Liabilities			
Below market leases	\$ 2,275	\$ (194)	\$ 2,081
 <u>As of December 31, 2017</u>			
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Assets			
In-place leases	\$ 17,061	\$ (1,577)	\$ 15,484
Above market ground lease	488	(6)	482
Above market leases	4,625	(220)	4,405
Leasing costs	9,476	(538)	8,938
	<u>\$ 31,650</u>	<u>\$ (2,341)</u>	<u>\$ 29,309</u>
Liabilities			
Below market leases	\$ 1,389	\$ (98)	\$ 1,291

The following is a summary of the acquired lease intangible amortization:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Amortization expense related to in-place leases	\$ 629	\$ 353	\$ 1,150	\$ 634
Amortization expense related to leasing costs	\$ 297	\$ 106	\$ 541	\$ 169
Decrease in rental revenue related to above market ground lease	\$ 6	\$ 2	\$ 10	\$ 2
Decrease in rental revenue related to above market leases	\$ 229	\$ 14	\$ 380	\$ 18
Increase in rental revenue related to below market leases	\$ 54	\$ 19	\$ 96	\$ 31

As of June 30, 2018, scheduled future aggregate net amortization of the acquired lease intangible assets and liabilities for each fiscal year ended December 31 is listed below:

	Net Decrease in Revenue	Net Increase in Expenses
2018 (six months remaining)	\$ (377)	\$ 1,889
2019	(653)	3,669
2020	(602)	3,615
2021	(605)	3,001
2022	(606)	2,691
Thereafter	(2,515)	14,436
Total	\$ (5,358)	\$ 29,301

As of June 30, 2018, the weighted average amortization periods for asset lease intangibles and liability lease intangibles were 7.73 years and 9.31 years, respectively.

Note 4 – Notes Payable and Revolving Credit Facility

Summary of Notes Payable, Net of Discount

The Company's notes payable, net, includes two loans: (1) the Cantor Loan and (2) the West Mifflin Note, described below. The following table sets forth the aggregate balances of these loans as of the dates presented:

	June 30, 2018	December 31, 2017
Notes payable, gross	\$ 39,475	\$ 39,475
Less: Unamortized debt discount	(865)	(930)
Notes payable, net	\$ 38,610	\$ 38,545

Costs incurred related to securing these debt instruments were capitalized as a debt discount, net of accumulated amortization, and are netted against the Company's Notes Payable balance in the accompanying Consolidated Balance Sheets. Amortization expense incurred related to the debt discount was \$33 and \$65 for the three and six months ended June 30, 2018, respectively, and \$33 and \$66 for the three and six months ended June 30, 2017, respectively, and is included in the "Interest Expense" line item in the accompanying Consolidated Statements of Operations.

Cantor Loan

On March 31, 2016, through certain of the Company's wholly owned subsidiaries, the Company entered into a \$32,097 portfolio commercial mortgage-backed securities loan (the "Cantor Loan") with Cantor Commercial Real Estate Lending, LP ("CCRE"). The subsidiaries are GMR Melbourne, LLC, GMR Westland, LLC, GMR Memphis, LLC, and GMR Plano, LLC ("GMR Loan Subsidiaries"). The Cantor Loan has cross-default and cross-collateral terms. The Cantor Loan has a maturity date of April 6, 2026 and accrues annual interest at 5.22%. The first five years of the term require interest-only payments and thereafter payments will include interest and principal, amortized over a 30-year schedule. Prepayment can only occur within four months prior to the maturity date, except that after the earlier of (a) two years after the loan is placed in a securitized mortgage pool, or (b) May 6, 2020, the Cantor Loan can be fully and partially defeased upon payment of amounts due under the Cantor Loan and payment of a defeasance amount that is sufficient to purchase U.S. government securities equal to the scheduled payments of principal, interest, fees, and any other amounts due related to a full or partial defeasance under the Cantor Loan.

The Company secured the payment of the Cantor Loan with the assets, including property, facilities, and rents, held by the GMR Loan Subsidiaries and has agreed to guarantee certain customary recourse obligations, including findings of fraud, gross negligence, or breach of environmental covenants by the GMR Loan Subsidiaries. The GMR Loan Subsidiaries will be required to maintain a monthly debt service coverage ratio of 1.35:1.00 for all of the collateral properties in the aggregate.

The note balance as of June 30, 2018 and December 31, 2017 was \$32,097. Interest expense incurred on this note was \$423 and \$843 for the three and six months ended June 30, 2018, respectively, and \$423 and \$842 for the three and six months ended June 30, 2017, respectively.

As of June 30, 2018, scheduled principal payments due for each fiscal year ended December 31 are listed below as follows:

2018	\$	-
2019		-
2020		-
2021		315
2022		449
Thereafter		31,333
Total	\$	<u>32,097</u>

West Mifflin Note

On September 25, 2015 the Company (through its wholly owned subsidiary GMR Pittsburgh LLC, as borrower) entered into a Term Loan and Security Agreement with Capital One to borrow \$7,378. The note bears interest at 3.72% per annum and all unpaid interest and principal is due on September 25, 2020. Interest is paid in arrears and interest payments began on November 1, 2015, and on the first day of each calendar month thereafter. Principal payments begin on November 1, 2018 and on the first day of each calendar month thereafter based on an amortization schedule with the remaining principal balance due on the maturity date. The Company, at its option, may prepay the note at any time, in whole (but not in part) with advanced written notice. The note has an early termination fee of two percent if prepaid prior to September 25, 2018. The West Mifflin facility serves as collateral for the note. The note requires a quarterly fixed charge coverage ratio of at least 1:1, a quarterly minimum debt yield of 0.09:1.00, and annualized Operator EBITDAR (as defined in the note) measured on a quarterly basis of not less than \$6,000. The Operator is Associates in Ophthalmology, Ltd. and Associates Surgery Centers, LLC. The note balance as of June 30, 2018 and December 31, 2017 was \$7,378. Interest expense incurred on this note was \$70 and \$139 for the three and six months ended June 30, 2018, respectively, and \$70 and \$139 for the three and six months ended June 30, 2017, respectively.

As of June 30, 2018, scheduled principal payments due for each fiscal year ended December 31 are listed below as follows:

2018 (six months remaining)	\$	22
2019		136
2020		<u>7,220</u>
Total	\$	<u>7,378</u>

Revolving Credit Facility

The Company, the Operating Partnership, as borrower, and certain of its subsidiaries (such subsidiaries, the "Subsidiary Guarantors") are parties to a syndicated revolving credit facility with BMO Harris Bank N.A. ("BMO"), as Administrative Agent (the "Revolving Credit Facility"). On March 6, 2018, the Revolving Credit Facility was amended to increase its aggregate capacity by \$90,000 to \$340,000. In accordance with ASC Topic 470, Debt, the Company capitalized the costs incurred related to this amendment as all of the syndicates' capacity was increased with the modification. On August 7, 2018, the Company entered into an amended and restated Credit Facility that amended many of the material terms described in this section. See Note 11 "Subsequent Events" for a description of the material terms of such amendment.

The Subsidiary Guarantors and the Company are guarantors of the obligations under the Revolving Credit Facility. The amount available to borrow from time to time under the Revolving Credit Facility is limited according to a quarterly borrowing base valuation of certain properties owned by the Subsidiary Guarantors. The initial termination date of the Revolving Credit Facility is December 2, 2019, which could be extended for one year in the case that no event of default occurs.

Amounts outstanding under the Revolving Credit Facility bear annual interest at a floating rate that is based, at the Operating Partnership's option, on (i) adjusted LIBOR plus 2.00% to 3.00% or (ii) a base rate plus 1.00% to 2.00%, in each case, depending upon the Company's consolidated leverage ratio. In addition, the Operating Partnership is obligated to pay a quarterly fee equal to a rate per annum equal to (x) 0.20% if the average daily unused commitments are less than 50% of the commitments then in effect and (y) 0.30% if the average daily unused commitments are greater than or equal to 50% of the commitments then in effect and determined based on the average daily unused commitments during such previous quarter.

The Operating Partnership is subject to ongoing compliance with a number of customary affirmative and negative covenants, including limitations with respect to liens, indebtedness, distributions, mergers, consolidations, investments, restricted payments and asset sales. The Operating Partnership must also maintain (i) a maximum consolidated leverage ratio as of the end of each fiscal quarter of less than (y) 0.65:1.00 for each fiscal quarter ending prior to October 1, 2019 and (z) thereafter, 0.60:1.00, (ii) a minimum fixed charge coverage ratio of 1.50:1.00, (iii) a minimum net worth of \$119,781 plus 75% of all net proceeds raised through subsequent equity offerings and (iv) a ratio of total secured recourse debt to total asset value of not greater than 0.10:1.00.

During the six months ended June 30, 2018 the Company borrowed \$129,950 under the Revolving Credit Facility and repaid \$6,500 for a net amount borrowed of \$123,450. During the six months ended June 30, 2017 the Company borrowed \$141,800 under the Revolving Credit Facility and repaid \$25,000 for a net amount borrowed of \$116,800. Interest expense incurred on the Revolving Credit Facility was \$2,896 and \$4,662 for the three and six months ended June 30, 2018, respectively and \$1,156 and \$1,610 for the three and six months ended June 30, 2017, respectively.

As of June 30, 2018 and December 31, 2017, the Company had \$288,350 and \$164,900 of outstanding borrowings under the Revolving Credit Facility, respectively.

Deferred Financing Costs, Net

Costs incurred related to securing the Company's Revolving Credit Facility have been capitalized as a deferred financing asset, net of accumulated amortization, in the accompanying Consolidated Balance Sheets.

A rollforward of the deferred financing cost balance as of June 30, 2018, is as follows:

Balance as of January 1, 2018, net	\$ 2,750
Additions – Revolving Credit Facility	1,123
Deferred financing cost amortization expense	(918)
Balance as of June 30, 2018, net	<u>\$ 2,955</u>

Amortization expense incurred related to the Revolving Credit Facility deferred financing costs was \$520 and \$918 for the three and six months ended June 30, 2018, respectively, and \$308 and \$434 for the three and six months ended June 30, 2017, respectively, and is included in the "Interest Expense" line item in the accompanying Consolidated Statements of Operations.

Weighted-Average Interest Rate and Term

The weighted average interest rate and term of our debt was 4.38% and 2.05 years, respectively, at June 30, 2018, compared to 3.72% and 2.94 years, respectively, as of December 31, 2017.

Note 5 – Stockholders' Equity

Preferred Stock

The Company's charter authorizes the issuance of 10,000 shares of preferred stock, par value \$0.001 per share. As of June 30, 2018 and December 31, 2017, there were 3,105 shares of Series A Cumulative Redeemable Preferred Stock ("Series A Preferred Stock"), issued and outstanding. The Series A Preferred Stock has a liquidation preference of \$25 per share.

Dividend activity on our preferred stock for the six months ended June 30, 2018 is summarized in the following table:

<u>Date Announced</u>	<u>Record Date</u>	<u>Applicable Quarter</u>	<u>Payment Date</u>	<u>Quarterly Dividend</u>	<u>Amount Accrued</u>	<u>Dividends per Share</u>
December 15, 2017	January 15, 2018	Q4 2017	January 31, 2018	\$ 1,455	\$ -	\$ 0.46875
March 7, 2018	April 15, 2018	Q1 2018	April 30, 2018	\$ 1,456	\$ -	\$ 0.46875
June 15, 2018	July 15, 2018	Q2 2018	July 31, 2018	\$ 1,455	\$ 970 ¹	\$ 0.46875

¹Represents the accrued portion of the second quarter 2018 dividend as of June 30, 2018.

The holders of the Series A Preferred Stock are entitled to receive dividend payments only when, as and if declared by the Board (or a duly authorized committee of the Board). Dividends will accrue or be payable in cash from the original issue date, on a cumulative basis, quarterly in arrears on each dividend payment date at a fixed rate per annum equal to 7.50% of the liquidation preference of \$25 per share (equivalent to \$1.875 per share on an annual basis). Dividends on the Series A Preferred Stock will be cumulative and will accrue whether or not (i) funds are legally available for the payment of those dividends, (ii) the Company has earnings and (iii) those dividends are declared by the Board. The quarterly dividend payment dates on the Series A Preferred Stock are January 31, April 30, July 31 and October 31 of each year, which commenced on October 31, 2017. During the six months ended June 30, 2018, the Company paid preferred dividends of \$2,911. No preferred dividends were paid during the three and six months ended June 30, 2017.

Common Stock

The Company has 500,000 authorized shares of common stock, \$0.001 par value. As of June 30, 2018 and December 31, 2017, there were 21,631 outstanding shares of common stock.

Common stock dividend activity for the six months ended June 30, 2018 is summarized in the following table:

<u>Date Announced</u>	<u>Record Date</u>	<u>Applicable Quarter</u>	<u>Payment Date</u>	<u>Dividend Amount⁽¹⁾</u>	<u>Dividends per Share</u>
December 15, 2017	December 26, 2017	Q4 2017	January 10, 2018	\$ 4,552	\$ 0.20
March 7, 2018	March 22, 2018	Q1 2018	April 10, 2018	\$ 4,691	\$ 0.20
June 15, 2018	June 26, 2018	Q2 2018	July 11, 2018	\$ 4,786	\$ 0.20

⁽¹⁾Includes distributions on granted LTIP units and OP Units issued to third parties.

During the six months ended June 30, 2018 and 2017, the Company paid total dividends on its common stock, LTIP units and OP Units in the aggregate amount of \$9,288 and \$7,208, respectively.

As of June 30, 2018 and December 31, 2017, the Company had an accrued dividend balance of \$184 and \$116 for dividends payable on the aggregate annual and long-term LTIP units that are subject to retroactive receipt of dividends on the amount of LTIP units ultimately earned. During the six months ended June 30, 2018, \$113 of dividends were accrued and \$45 of dividends were paid. During the six months ended June 30, 2017, \$96 of dividends were accrued and zero was paid. See Note 7 – Stock-Based Compensation for additional information.

The amount of the dividends paid to the Company's stockholders is determined by the Company's Board and is dependent on a number of factors, including funds available for payment of dividends, the Company's financial condition and capital expenditure requirements except that, in accordance with the Company's organizational documents and Maryland law, the Company may not make dividend distributions that would: (i) cause it to be unable to pay its debts as they become due in the usual course of business; (ii) cause its total assets to be less than the sum of its total liabilities plus senior liquidation preferences; or (iii) jeopardize its ability to maintain its qualification as a REIT.

OP Units

During the six months ended June 30, 2018, the Company issued 611 OP Units with a value of \$4,742 in connection with a facility acquisition. During the year ended December 31, 2017, the Company issued 1,246 OP Units with a value of \$11,532 primarily in connection with two facility acquisitions. As of June 30, 2018 and December 31, 2017, there were 1,857 and 1,246 OP Units issued, respectively, with an aggregate value of \$16,274 and \$11,532, respectively. The OP Unit value is included as a component of noncontrolling interest equity in the Company's Consolidated Balance Sheets as of June 30, 2018 and December 31, 2017.

Note 6 – Related Party Transactions

Management Agreement

Upon completion of the Company's initial public offering on July 1, 2016, the Company and the Advisor entered into an amended and restated management agreement (the "Management Agreement"). Certain material terms of the Management Agreement are summarized in the section titled "*Business — Our Advisor and our Management Agreement*," contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on March 12, 2018.

Management Fees and Accrued Management Fees

The Company's management fee to the Advisor is calculated in accordance with the terms of the Management Agreement which requires an annual base management fee equal to 1.5% of our stockholders' equity (as defined in the Management Agreement). For the three and six months ended June 30, 2018, management fees of \$1,095 and \$2,176, respectively, were incurred and expensed by the Company and during the six months ended June 30, 2018, the Company paid management fees to the Advisor in the amount of \$2,145. For the three and six months ended June 30, 2017, management fees of \$628 and \$1,256, respectively, were incurred and expensed by the Company and during the six months ended June 30, 2017, the Company paid management fees to the Advisor in the amount of \$1,248. Accrued management fees due to the Advisor were \$1,095 and \$1,064 as of June 30, 2018 and December 31, 2017, respectively. No incentive management fee was incurred by the Company during the three and six months ended June 30, 2018 or June 30, 2017.

Allocated General and Administrative Expenses

Effective May 8, 2017, the Company and the Advisor entered into an agreement pursuant to which, for a period of one year commencing on May 8, 2017, the Company agreed to reimburse the Advisor for \$125 of the annual salary of the General Counsel and Secretary of the Company for so long as he continues to be primarily dedicated to the Company in his capacity as its General Counsel and Secretary. This agreement expired in May 2018 and was not renewed. In the future, the Company may receive additional allocations of general and administrative expenses from the Advisor that are either clearly applicable to or were reasonably allocated to the operations of the Company. Other than via the terms of the reimbursement agreement, there were no allocated general and administrative expenses from the Advisor for the three and six months ended June 30, 2018 and 2017.

Due to Related Parties, Net

All related party balances are due on demand and non-interest-bearing.

A rollforward of the due (to) from related parties balance, net, as of June 30, 2018, is as follows:

	Due to Advisor – Mgmt. Fees	Due (to) from Advisor – Other Funds	Due (to) from Other Related Party	Total Due (To) From Related Parties, Net
Balance as of January 1, 2018	\$ (1,064)	9	19	\$ (1,036)
Management fee expense incurred ⁽¹⁾	(2,176)	-	-	(2,176)
Management fees paid to Advisor ⁽¹⁾	2,145	-	-	2,145
Loans to Advisor ⁽²⁾	-	33	-	33
Loans to other related parties ⁽²⁾	-	-	47	47
Balance as of June 30, 2018	\$ (1,095)	42	66	\$ (987)

⁽¹⁾Net amount accrued of \$31 consists of \$2,176 in management fee expense incurred, net of \$2,145 of accrued management fees that were paid to the Advisor. This represents a cash flow operating activity.

⁽²⁾Aggregate amount of \$80 represents amounts paid by the Company on behalf of several related party entities for miscellaneous purposes. This represents a cash flow investing activity.

Note 7 – Stock-Based Compensation

2016 Equity Incentive Plan

The 2016 Equity Incentive Plan (the "Plan") is intended to assist the Company and its affiliates in recruiting and retaining employees of the Manager, members of the Board, executive officers of the Company, and individuals who provide services to those entities or affiliates of those entities.

The Plan is intended to permit the grant of both qualifying and non-qualified options and the grant of stock appreciation rights, restricted stock, unrestricted stock, awards of restricted stock units, performance awards and other equity-based awards (including LTIP units) for up to an aggregate of 1,232 shares of common stock, subject to increase under certain provisions of the Plan. Based on the grants outstanding as of June 30, 2018, there are 277 units that remain available to be granted under the Plan. Units subject to awards under the Plan that are forfeited, cancelled, lapsed, settled in cash or otherwise expired (excluding shares withheld to satisfy exercise prices or tax withholding obligations) are available for grant.

Time-Based Grants

The time-based vesting LTIP unit activity under the Plan during the six months ended June 30, 2018 was as follows:

Net LTIP units outstanding as of December 31, 2017	436
LTIP units granted ⁽¹⁾	57
LTIP units earned and granted via the 2017 performance program – Annual Awards ⁽²⁾	57
LTIP units granted as 2018 time-based awards ⁽³⁾	73
LTIP units redeemed in cash or forfeited ⁽⁴⁾	<u>(35)</u>
Net LTIP units outstanding as of June 30, 2018	<u>588</u>

- (1) The 57 LTIP units are comprised of the following: on March 5, 2018, the Board approved grants of an aggregate of 36 LTIP Units to employees of the Advisor, which vest 50% on March 5, 2020 and 50% on March 5, 2021; on May 30, 2018 and June 14, 2018 the Board approved grants of an aggregate of 21 LTIP Units to independent directors of the Board, which vest on May 30, 2019 and June 14, 2019, respectively.
- (2) The 57 LTIP units represents grants from the previously disclosed 2017 annual awards. On March 5, 2018 the Compensation Committee of the Board (the “Compensation Committee”) determined the extent to which the Company achieved the performance goals related to the 2017 Annual Awards and determined the number of LTIP units that each grantee was entitled to receive. These grants vested 50% on March 5, 2018, the determination date, and 50% vest on December 31, 2018.
- (3) The 73 LTIP units represent grants approved by the Board on March 5, 2018 and are subject to the terms and conditions of the 2018 LTIP Unit Award Agreements between the Company and each grantee. These grants vest in equal one-third increments on each of March 5, 2019, March 5, 2020, and March 5, 2021.
- (4) The 35 LTIP units is comprised of 34 vested units that the Company elected to redeem in cash for \$263, and one unvested unit that was forfeited.

A detail of the vested and unvested LTIP units outstanding as of June 30, 2018 is as follows:

Total vested units	<u>283</u>
Unvested units:	
Granted to employees of the Advisor	284
Granted to the Company’s independent directors	<u>21</u>
Total unvested units	<u>305</u>
Net LTIP units outstanding as of June 30, 2018	<u>588</u>

The Company expenses the fair value of all time-based LTIP unit grants in accordance with the fair value recognition requirements of ASC Topic 718, Compensation-Stock Compensation, for “employees,” and ASC Topic 505, Equity, for “non-employees.”

Performance Based Awards

During 2017, the Board approved the 2017 annual performance-based equity incentive award targets in the form of LTIP units and long-term performance-based LTIP awards to the executive officers of the Company and other employees of the Advisor who perform services for the Company (the “2017 Program”). During the six months ended June 30, 2018, the Board approved the 2018 annual performance-based equity incentive award targets in the form of LTIP units and long-term performance-based LTIP awards to the executive officers of the Company and other employees of the Advisor who perform services for the Company (the “2018 Program”). None of the long-term LTIP unit award targets units under the 2017 Program and none of the annual or long-term LTIP unit award targets under the 2018 Program had been earned by the participants as of June 30, 2018.

A detail of the annual awards (the “Annual Awards”) and the long-term awards (the “Long-Term Awards”) under the 2017 Program and the 2018 Program is as follows:

	2017 Program		2018 Program		Total
	Annual	Long-Term	Annual	Long-Term	
Net 2017 Program LTIP awards as of December 31, 2017	84	98	-	-	182
LTIP unit target grants via the 2018 Performance Program – Long-Term Awards ⁽¹⁾	-	-	-	110	110
LTIP unit target grants via the 2018 Performance Program – Annual Awards ⁽²⁾	-	-	163	-	163
LTIP units granted via the 2017 Performance Program – Annual Awards ⁽³⁾	(57)	-	-	-	(57)
LTIP units not earned under the 2017 Performance Program – Annual Awards ⁽⁴⁾	(27)	-	-	-	(27)
LTIP unit forfeitures ⁽⁵⁾	-	(2)	(2)	-	(4)
Net annual and long-term LTIP awards as of June 30, 2018	-	96	161	110	367

(1) These target Long-Term Awards were approved by the Board on March 5, 2018 and are subject to the terms and conditions of the 2018 LTIP Unit Award Agreements between the Company and each grantee.

(2) These target Annual Awards were approved by the Board on April 9, 2018 and are subject to the terms and conditions of the 2018 LTIP Unit Award Agreements between the Company and each grantee.

(3) This amount represents grants from the 2017 Program Annual Awards. Refer to the “Time-Based Grants” table above which presents these grants as earned and time-based.

(4) On March 5, 2018 the Compensation Committee determined the extent to which the Company achieved the performance goals and concluded that these target awards were not earned.

(5) Represents LTIP units forfeited from grantees no longer with the Company.

The number of target LTIP units comprising each 2018 Program Annual Award target grant was based on the closing price of the Company’s common stock reported on the New York Stock Exchange (“NYSE”) on the dates of grant. The number of target LTIP units comprising each Long-Term Award target grant was based on the fair value of the Long-Term Awards as determined by an independent valuation consultant, in each case rounded to the next whole LTIP unit in order to eliminate fractional units.

Annual Awards. The Annual Awards are subject to the terms and conditions of LTIP Annual Award Agreements (“LTIP Annual Award Agreements”) between the Company and each grantee.

The Compensation Committee and Board established performance goals for calendar year 2018, as set forth in Exhibit A to the 2018 LTIP Annual Award Agreements (the “Performance Goals”) that will be used to determine the number of LTIP units earned by each grantee. As of June 30, 2018, management estimated that the Performance Goals would be met at a 75% level, and accordingly, applied 75% to the net target 2018 Program Annual Awards to estimate the 2018 Program Annual Awards expected to be earned at the end of the performance period. Cumulative stock-based compensation expense during the six months ended June 30, 2018 reflects management’s estimate that 75% of these awards will vest. As soon as reasonably practicable following the last day of the 2018 fiscal year, the Compensation Committee and Board will determine the extent to which the Company has achieved each of the Performance Goals (expressed as a percentage) and, based on such determination, will calculate the number of LTIP units that each grantee is entitled to receive. Each grantee may earn up to 150% of the number of his/her target LTIP units. Any 2018 Annual Award LTIP units that are not earned will be forfeited and cancelled.

Vesting. LTIP units that are earned as of the end of the applicable performance period will be subject to vesting, subject to continued employment through each vesting date, in two installments as follows: 50% of the earned LTIP units will become vested as of the earlier of (a) the date in 2019 that the Board approves the number of LTIP units to be awarded pursuant to the performance components set forth in the 2018 LTIP Annual Award Agreements, or (b) the date upon which a change of control occurs; and 50% of the Earned LTIP Units become vested on the one year anniversary of the initial vesting date.

Distributions. Distributions equal to the dividends declared and paid by the Company will accrue during the applicable performance period on the maximum number of LTIP units that the grantee could earn and will be paid with respect to all of the earned LTIP units at the conclusion of the applicable performance period, in cash or by the issuance of additional LTIP units at the discretion of the Compensation Committee.

Long-Term Awards. The Long-Term Awards are subject to the terms and conditions of 2017 and 2018 LTIP Long-Term Award Agreements (collectively the “LTIP Long-Term Award Agreements”) between the Company and each grantee. The number of LTIP units that each grantee is entitled to earn under the LTIP Long-Term Award Agreements will be determined following the conclusion of a three-year performance period based on the Company’s total stockholder return (“TSR”), which is determined based on a combination of appreciation in stock price and dividends paid during the performance period. Each grantee may earn up to 200% of the number of target LTIP units covered by the grantee’s Long-Term Award. Any target LTIP units that are not earned will be forfeited and cancelled. The number of LTIP units earned under the Long-Term Awards will be determined as soon as reasonably practicable following the end of the three-year performance period (2020 or 2021 depending on the program) based on the Company’s TSR on an absolute basis (as to 75% of the Long-Term Award) and relative to the SNL Healthcare REIT Index (as to 25% of the Long-Term Award).

As the Long-Term Awards were granted to non-employees and involved market-based performance conditions, in accordance with the provisions of ASC Topic 505, the Long-Term Awards utilize a Monte Carlo simulation to provide a grant date fair value for expense recognition; however, the accounting after the measurement date requires a fair value re-measurement each reporting period until the awards vest. The fair value re-measurement will be performed by calculating a Monte Carlo produced fair value at the conclusion of each reporting period until vesting. The Monte Carlo simulation is a generally accepted statistical technique used, in this instance, to simulate a range of possible future stock prices for the Company and the members of the SNL Healthcare REIT Index over the performance period.

Vesting. LTIP units that are earned as of the end of the applicable performance period will be subject to forfeiture restrictions that will lapse (“vesting”), subject to continued employment through each vesting date as follows; for the 2017 Program units: 50% of the earned LTIP units will vest upon being earned as of February 27, 2020, or the date of a change of control, and the remaining 50% will vest on February 27, 2021; for the 2018 Program units: 50% of the earned LTIP units will vest upon being earned as of March 4, 2021, or the date of a change of control, and the remaining 50% will vest on March 4, 2022.

Distributions. Pursuant to the LTIP Long-Term Award Agreements, distributions equal to the dividends declared and paid by the Company will accrue during the applicable performance period on the maximum number of LTIP units that the grantee could earn and will be paid with respect to all of the earned LTIP units at the conclusion of the applicable performance period, in cash or by the issuance of additional LTIP units at the discretion of the Compensation Committee.

Stock Compensation Expense

The Company incurred stock compensation expense of \$1,055 and \$1,237 for the three and six months ended June 30, 2018, respectively, and \$721 and \$1,140 for the three and six months ended June 30, 2017, respectively, related to the grants awarded under the Plan. Compensation expense is included within “General and Administrative” expense in the Company’s Consolidated Statements of Operations.

As of June 30, 2018, total unamortized compensation expense related to these awards of approximately \$4,310 is expected to be recognized over a weighted average remaining period of 2.22 years.

Note 8 – Rental Revenue

The aggregate annual minimum cash to be received by the Company on the noncancelable operating leases related to its portfolio of facilities in effect as of June 30, 2018, is as follows for the subsequent years ended December 31; as listed below.

2018 (six months remaining)	\$	23,415
2019		47,299
2020		48,155
2021		46,556
2022		45,488
Thereafter		347,800
Total	\$	<u>558,713</u>

For the three months ended June 30, 2018, the Encompass (formerly HealthSouth) facilities constituted approximately 11% of the Company's rental revenue, the OCOM facilities constituted approximately 9% of the Company's rental revenue, the Belpre facilities constituted approximately 9% of the Company's rental revenue, the Austin facility constituted approximately 7% of the Company's rental revenue, the Sherman facility constituted approximately 6% of the Company's rental revenue, the Dallas facility constituted approximately 6% of the Company's rental revenue, and the Great Bend facility constituted approximately 5% of the Company's rental revenue. All other facilities in the Company's portfolio constituted the remaining 47% of the total rental revenue with no individual facility constituting greater than approximately 4% of total rental revenue.

For the six months ended June 30, 2018, the Encompass facilities constituted approximately 12% of the Company's rental revenue, the OCOM facilities constituted approximately 10% of the Company's rental revenue, the Austin facility constituted approximately 7% of the Company's rental revenue, the Sherman facility constituted approximately 7% of the Company's rental revenue, the Great Bend facility constituted approximately 5% of the Company's rental revenue, and the Belpre facilities constituted approximately 5% of the Company's rental revenue. All other facilities in the Company's portfolio constituted the remaining 54% of the total rental revenue with no individual facility constituting greater than approximately 4% of total rental revenue.

For the three months ended June 30, 2017, the Encompass facilities constituted approximately 21% of the Company's rental revenue, the OCOM facilities constituted approximately 17% of the Company's rental revenue, the Great Bend facility constituted approximately 9% of the Company's rental revenue, the Omaha and Plano facilities each constituted approximately 6% of the Company's rental revenue, and the Tennessee facilities constituted approximately 5% of the Company's rental revenue. All other facilities in the Company's portfolio constituted the remaining 36% of the total rental revenue with no individual facility constituting greater than approximately 4% of total rental revenue.

For the six months ended June 30, 2017, the Encompass facilities constituted approximately 25% of the Company's rental revenue, the OCOM facilities constituted approximately 10% of the Company's rental revenue, the Omaha facility constituted approximately 8% of the Company's rental revenue, the Plano facility constituted approximately 7% of the Company's rental revenue, the Tennessee and Great Bend facilities each constituted approximately 6% of the Company's rental revenue, and the Marina Towers facility constituted approximately 5% of the Company's rental revenue. All other facilities in the Company's portfolio constituted the remaining 33% of the total rental revenue with no individual facility constituting greater than approximately 4% of total rental revenue.

Note 9 – Land Leases

The Company acquired an interest, as ground lessee, in the ground lease related to the Omaha and Clermont facilities at their dates of acquisition. In connection with the acquisitions of the Moline facility on January 24, 2018, the Company acquired the seller's interest, as ground lessee, in an existing ground lease that has approximately 10 years remaining in the initial term, with 12 consecutive five-year renewal options. Additionally, in connection with the acquisition of the Silvis facility on January 24, 2018, the Company acquired the seller's interest, as ground lessee, in an existing ground lease that has approximately 67 years remaining in the initial term, with no renewal options.

The aggregate minimum cash payments to be made by the Company on these land leases in effect as of June 30, 2018, are as follows for the subsequent years ended December 31; as listed below.

2018 (six months remaining)	\$	53
2019		109
2020		109
2021		109
2022		109
Thereafter		2,234
Total	\$	<u>2,723</u>

Note 10 – Commitments and Contingencies

Litigation

The Company is not presently subject to any material litigation nor, to its knowledge, is any material litigation threatened against the Company, which if determined unfavorably to the Company, would have a material adverse effect on the Company's financial position, results of operations, or cash flows.

Environmental Matters

The Company follows a policy of monitoring its properties for the presence of hazardous or toxic substances. While there can be no assurance that a material environmental liability does not exist at its properties, the Company is not currently aware of any environmental liability with respect to its properties that would have a material effect on its financial position, results of operations, or cash flows. Additionally, the Company is not aware of any material environmental liability or any unasserted claim or assessment with respect to an environmental liability that management believes would require additional disclosure or the recording of a loss contingency.

Note 11 – Subsequent Events

Amendment to Revolving Credit Facility

On August 7, 2018, the Company amended and restated its Revolving Credit Facility to (i) increase the overall capacity of the facility from \$340 million to \$350 million, consisting of a \$250 million revolving credit facility (the “Revolver”) and a \$100 million, five-year term loan (the “Term Loan”), (ii) extend the term of the Revolver to August 2022, with a one-year extension option, and (iii) implement a new pricing matrix. The facility includes an accordion feature to increase the capacity to an aggregate of \$500 million. Additionally, the Company hedged its interest rate risk on the Term Loan by entering into an interest rate swap agreement, with a notional amount of \$100 million and a term of five years, which will effectively fix the LIBOR component on the Term Loan at 2.88%.

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

The following discussion should be read in conjunction with our financial statements included herein, including the notes to those financial statements, included elsewhere in this report. Some of the comments we make in this section are forward-looking statements within the meaning of the federal securities laws. For a complete discussion of forward-looking statements, see the section below entitled "Forward-Looking Statements." Certain risk factors may cause actual results, performance or achievements to differ materially from those expressed or implied by the following discussion. For a discussion of such risk factors, see Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2017, that was filed with the United States Securities and Exchange Commission (the "SEC" or the "Commission") on March 12, 2018 and Item 1A. Risk Factors contained in this Quarterly Report on Form 10-Q. Unless otherwise indicated all dollar and share amounts in the following discussion are presented in thousands.

Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Report") contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). In particular, statements pertaining to our trends, liquidity, capital resources, dividends, and the healthcare industry and healthcare real estate opportunities, among others, contain forward-looking statements. You can identify forward-looking statements by the use of forward-looking terminology including, but not limited to, "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- defaults on or non-renewal of leases by tenants;
- decreased rental rates or increased vacancy rates;
- difficulties in identifying healthcare facilities to acquire and completing such acquisitions;
- adverse economic or real estate conditions or developments, either nationally or in the markets in which our facilities are located;
- our failure to generate sufficient cash flows to service our outstanding obligations;
- fluctuations in interest rates and increased operating costs;
- our failure to effectively hedge our interest rate risk;
- our ability to satisfy our short and long-term liquidity requirements;
- our ability to deploy the debt and equity capital we raise;
- our ability to raise additional equity and debt capital on terms that are attractive or at all;
- our ability to make distributions on shares of our common and preferred stock;
- expectations regarding the timing and/or completion of any acquisition;
- general volatility of the market price of our common and preferred stock;
- our lack of a significant operating history;
- changes in our business or our investment or financing strategy;
- changes in our management internalization plans;
- our dependence upon key personnel whose continued service is not guaranteed;
- the ability of our external manager, Inter-American Management, LLC's (the "Advisor"), to identify, hire and retain highly qualified personnel in the future;
- the degree and nature of our competition;
- changes in healthcare laws, governmental regulations, tax rates and similar matters;
- changes in current healthcare and healthcare real estate trends;
- changes in expected trends in Medicare, Medicaid and commercial insurance reimbursement trends;
- competition for investment opportunities;
- our failure to successfully integrate acquired healthcare facilities;
- our expected tenant improvement expenditures;
- changes in accounting policies generally accepted in the United States of America ("GAAP");

- lack of or insufficient amounts of insurance;
- other factors affecting the real estate industry generally;
- changes in the tax treatment of our distributions;
- our failure to qualify and maintain our qualification as a real estate investment trust (“REIT”) for U.S. federal income tax purposes; and
- limitations imposed on our business and our ability to satisfy complex rules relating to REIT qualification for U.S. federal income tax purposes.

See Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2017, that was filed with the SEC on March 12, 2018 and Item 1A Risk Factors in this Quarterly Report on Form 10-Q, for further discussion of these and other risks, as well as the risks, uncertainties and other factors discussed in this Report and identified in other documents we may file with the SEC from time to time. You should carefully consider these risks before making any investment decisions in our company. New risks and uncertainties may also emerge from time to time that could materially and adversely affect us. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes after the date of this Report, except as required by applicable law. You should not place undue reliance on any forward-looking statements that are based on information currently available to us or the third parties making the forward-looking statements.

Overview

Global Medical REIT Inc. (the “Company,” “us,” “we,” or “our”) is an externally-managed, Maryland corporation engaged primarily in the acquisition of licensed, state-of-the-art, purpose-built healthcare facilities and the leasing of these facilities to strong clinical operators with leading market share. The Company is externally managed and advised by the Advisor.

We elected to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2016. We conduct our business through an umbrella partnership real estate investment trust, or UPREIT, structure in which our properties are owned by wholly-owned subsidiaries of our operating partnership, Global Medical REIT L.P. (the “Operating Partnership”). We, through a wholly-owned subsidiary, are the sole general partner of our Operating Partnership and, as of June 30, 2018, we owned approximately 89.85% of the outstanding common operating partnership units (“OP Units”) of our Operating Partnership.

Executive Summary

The following table summarizes the material changes in our business and operations for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(in thousands, except per share amounts)			
Rental revenue	\$ 12,581	\$ 6,667	\$ 23,069	\$ 11,296
Interest expense	\$ 3,942	\$ 1,990	\$ 6,627	\$ 3,091
General and administrative expense	\$ 1,768	\$ 1,835	\$ 2,774	\$ 3,427
Preferred stock dividends	\$ 1,455	\$ -	\$ 2,911	\$ -
Net (loss) income attributable to common stockholders per share	\$ (0.00)	\$ (0.04)	\$ 0.02	\$ (0.11)
FFO per share ⁽¹⁾	\$ 0.19	\$ 0.10	\$ 0.37	\$ 0.12
AFFO per share ⁽¹⁾	\$ 0.20	\$ 0.14	\$ 0.36	\$ 0.23
Dividends per common share	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
Weighted average common shares outstanding	21,631	17,644	21,631	17,625
Weighted average OP Units outstanding	1,736	-	1,492	-
Weighted average LTIP units outstanding	584	-	512	-

(1) See “—Non-GAAP Financial Measures,” for a description of our non-GAAP financial measures and a reconciliation of our non-GAAP financial measures.

	As of	
	June 30, 2018	December 31, 2017
(dollars in thousands)		
Total investment in real estate, gross	\$ 602,009	\$ 471,507
Total debt, net of unamortized discount	\$ 326,960	\$ 203,445
Weighted average interest rate	4.38%	3.72%
Total stockholders' equity	\$ 255,513	\$ 259,013
Net leasable square feet	1,869,830	1,331,186

Our Properties

As of June 30, 2018, our portfolio consisted of 70 buildings with an aggregate of (i) approximately 1.9 million leasable square feet, (ii) approximately \$46.6 million of annualized base rent, (iii) an approximate weighted average capitalization rate of 7.8% and (iv) approximately 10.4 weighted average lease years remaining. The table below summarizes our portfolio as of June 30, 2018:

Property	Location	Leasable Square Feet (LSF)	% of Portfolio LSF	Annualized Base Rent (in thousands) ⁽¹⁾	% of Portfolio Annualized Base Rent	Cap. Rate ⁽²⁾	Lease Years Remaining ⁽³⁾
Select Medical Hospital	Omaha, NE	41,113	2.2%	\$ 1,763	3.8%	8.1%	5.1
Orthopedic Surgery Center of Asheville	Asheville, NC	8,840	0.5%	245	0.5%	10.1%	3.7
Associates in Ophthalmology	West Mifflin, PA	27,193	1.5%	784	1.7%	6.9%	12.2
Gastro One	Memphis, TN	52,266	2.8%	1,323	2.8%	6.6%	9.5
Star Medical Center	Plano, TX	24,000	1.3%	1,278	2.7%	7.3%	17.6
Surgical Institute of Michigan	Westland, MI	15,018	0.8%	399	0.9%	8.4%	7.8
Marina Towers	Melbourne, FL	75,899	4.1%	1,127	2.4%	7.3%	7.8
Berks Eye Physicians & Surgeons	Wyomissing, PA	17,000	0.9%	449	0.9%	7.5%	8.1
Berkshire Eye Surgery Center	Reading, PA	6,500	0.3%	241	0.5%	7.5%	8.1
East Orange General Hospital	East Orange, NJ	60,442	3.2%	962	2.1%	8.1%	8.3
Brown Clinic	Watertown, SD	48,132	2.6%	721	1.5%	8.0%	13.3
Northern Ohio Medical Specialists (NOMS)	Sandusky, OH	55,760	3.0%	864	1.9%	7.7%	9.3
Carson Medical Group Clinic	Carson City, NV	20,632	1.1%	354	0.8%	9.4%	5.3
Piedmont Healthcare	Ellijay, GA	44,162	2.4%	364	0.8%	7.4%	8.0
Encompass (Mesa)	Mesa, AZ	51,903	2.8%	1,762	3.8%	7.9%	6.3
Encompass (Altoona)	Altoona, PA	70,007	3.7%	1,713	3.7%	8.0%	2.9
Encompass (Mechanicsburg)	Mechanicsburg, PA	78,836	4.2%	1,923	4.1%	7.9%	2.9
Southwest Florida Neurological & Rehab	Cape Coral, FL	25,814	1.4%	540	1.2%	7.4%	8.6
Geisinger Specialty Care	Lewisburg, PA	28,480	1.5%	544	1.2%	7.5%	4.8
Las Cruces Orthopedic	Las Cruces, NM	15,761	0.8%	362	0.8%	7.4%	10.6
Thumb Butte Medical Center	Prescott, AZ	12,000	0.6%	371	0.8%	8.2%	8.7
Southlake Heart & Vascular Institute	Clermont, FL	18,152	1.0%	369	0.8%	7.1%	4.4
Oklahoma Center for Orthopedic & Multi-specialty Surgery (OCOM)	Oklahoma City, OK	97,406	5.2%	3,561	7.6%	7.2%	14.9
Great Bend Regional Hospital	Great Bend, KS	63,978	3.4%	2,198	4.7%	9.0%	13.8
Unity Family Medicine	Brockport, NY	29,497	1.6%	621	1.3%	7.2%	12.4
Lonestar Endoscopy	Flower Mound, TX	10,062	0.5%	294	0.6%	7.3%	8.3
Texas Digestive	Fort Worth, TX	18,084	1.0%	431	0.9%	6.9%	10.0
Carrus Specialty Hospital	Sherman, TX	69,352	3.7%	2,346	5.0%	9.0%	19.0
Cardiologists of Lubbock	Lubbock, TX	27,280	1.5%	600	1.3%	7.3%	11.2
Conrad Pearson Clinic	Germantown, TN	33,777	1.8%	1,488	3.2%	9.3%	5.9
Central Texas Rehabilitation Clinic	Austin, TX	59,258	3.2%	2,971	6.3%	7.3%	8.8
Heartland Clinic	Moline, IL	34,020	1.8%	892	1.9%	7.7%	15.0
Albertville Medical Building	Albertville, MN	21,486	1.1%	481	1.0%	7.1%	10.5
Amarillo Bone & Joint Clinic	Amarillo, TX	23,298	1.2%	594	1.3%	6.9%	11.5
Kansas City Cardiology	Lee's Summit, MO	12,180	0.7%	275	0.6%	7.2%	6.5
Zion Eye Institute	St. George, UT	16,000	0.9%	400	0.9%	7.0%	11.5
Respiratory Specialists	Wyomissing, PA	17,598	0.9%	405	0.9%	7.2%	9.5
Quad City Kidney Center	Moline, IL	27,173	1.5%	548	1.2%	8.2%	12.8
Northern Ohio Medical Specialists (NOMS)	Fremont, OH	25,893	1.4%	608	1.3%	7.3%	11.6
Gainesville Eye	Gainesville, GA	34,020	1.8%	776	1.7%	7.5%	11.7
City Hospital of White Rock	Dallas, TX	236,314	12.6%	2,230	4.7%	9.7%	19.7
Orlando Health	Orlando, FL	59,644	3.2%	1,346	2.9%	8.3%	4.4
Memorial Health	Belpre, OH	155,600	8.3%	5,087	10.9%	7.9%	10.8
Totals / Weighted Average		1,869,830	100.0%	\$ 46,610	100.0%	7.8%	10.4

(1) Monthly base rent for June 2018 multiplied by 12.

(2) Annualized base rent for June 2018 divided by contractual purchase price.

(3) Does not include tenant renewal options.

Recent Developments

On August 7, 2018, the Company entered into an amended and restated Revolving Credit Facility to (i) increase the overall capacity of the facility from \$340 million to \$350 million, consisting of a \$250 million revolving credit facility (the “Revolver”) and a \$100 million, five-year term loan (the “Term Loan”), (ii) extend the term of the Revolver to August 2022, with a one-year extension option, and (iii) implement a new pricing matrix. The facility includes an accordion feature to increase the capacity to an aggregate of \$500 million. Additionally, the Company hedged its interest rate risk on the Term Loan by entering into an interest rate swap agreement, with a notional amount of \$100 million and a term of five years, which will effectively fix the LIBOR component on the Term Loan at 2.88%.

Trends Which May Influence Results of Operations

We believe the following trends may positively impact our business and results of operations:

- *growing healthcare expenditures* – According to the U.S. Department of Health and Human Services, overall healthcare expenditures are expected to grow at an average rate of 5.6% per year from 2016 through 2025. We believe the long-term growth in healthcare expenditures will correlate with the long-term leases at our properties and help maintain or increase the value of our healthcare real estate portfolio;
- *an aging population* – according to the 2010 U.S. Census, the segment of the population consisting of people 65 years or older comprise the fastest growing segment of the overall U.S. population. We believe this segment of the U.S. population will utilize many of the services provide at our healthcare facilities such as orthopedics, cardiac, gastroenterology and rehabilitation;
- *a continuing shift towards outpatient care* – according to the American Hospital Association, patients are demanding more outpatient operations. We believe this shift in patient preference from inpatient to out-patient facilities will benefit our tenants as most of our properties consists of medical office buildings, ambulatory surgery centers and specialty hospitals that provide an alternative to inpatient facilities such as acute-care hospitals;

- *physician practice group and hospital consolidation* – We believe the trend towards physician group consolidation will serve to strengthen the credit quality of our tenants if our tenants merge or are consolidated with larger health systems;
- *a highly fragmented healthcare real estate market* – Despite the move toward consolidation with respect to healthcare services, we believe the healthcare real estate market continues to be highly fragmented, which will provide us with significant acquisition opportunities; and
- *Increased supply of attractive acute-care hospital acquisition opportunities* – We believe many hospital systems are moving towards investing more in out-patient facilities and divesting acute-care hospitals. Although not the primary focus of our investment strategy, we believe that the current supply and demand forces in the hospital market could provide opportunities to purchase high-quality, acute-care hospitals in desirable markets at attractive, risk-adjusted returns.

We believe the following trends may negatively impact our business and results of operations:

- *Increasing Market Volatility* – To date in 2018, the stock markets have experienced volatility. If markets continue to experience volatility, or healthcare REIT stocks continue to decline, we could have difficulty raising equity capital at attractive prices or at all, which could inhibit our ability to grow our portfolio;
- *Increases in short-term interest rates* – During 2018, the market interest rates on which our credit facility interest rate is based have increased. If this trend continues and we are unable to hedge our interest rate exposure, our interest rate expense will increase, which would negatively affect our results of operations;
- *Leverage restrictions* – Pursuant to our revolving credit facility, our consolidated leverage ratio, defined as the ratio of our total debts to total assets, cannot exceed 0.65:1 and our minimum fixed charge coverage ratio, defined as the ratio of Adjusted EBITDA and Fixed Charges, must be at least 1.50:1. As of June 30, 2018, our total debt was approximately \$327.0 million and our total interest expense plus preferred dividends for the six months ended June 30, 2018 was approximately \$9.5 million, and our consolidated leverage and fixed charge coverage ratios were 0.53:1 and 2.01:1, respectively. Due to our leverage limitations, if we are unable to raise equity capital in sufficient amounts or at all in order to pay down our indebtedness, we will be limited in the amount of properties we may acquire;
- *Changes in third party reimbursement methods and policies* – As the price of healthcare services continues to increase, we believe third-party payors, such as Medicare and commercial insurance companies, will continue to scrutinize and reduce the types of healthcare services eligible for, and the amounts of, reimbursement under their health insurance plans. Additionally, many employer-based insurance plans have continued to increase the percentage of insurance premiums for which covered individuals are responsible. If these trends continue, our tenants may experience lower patient volumes as well as higher patient credit risks, which could negatively impact their business as well as their ability to pay rent to us.

Qualification as a REIT

We elected to be taxed as REIT commencing with our taxable year ended December 31, 2016. Subject to a number of significant exceptions, a corporation that qualifies as a REIT generally is not subject to U.S. federal corporate income taxes on income and gains that it distributes to its stockholders, thereby reducing its corporate level taxes. In order to qualify as a REIT, a substantial percentage of our assets must be qualifying real estate assets and a substantial percentage of our income must be rental revenue from real property or interest on mortgage loans. We believe that we have organized and have operated in such a manner as to qualify for taxation as a REIT, and we intend to continue to operate in such a manner. However, we cannot provide assurances that we will continue to operate in a manner so as to qualify or remain qualified as a REIT.

Critical Accounting Policies

The preparation of financial statements in conformity with GAAP requires us to use judgment in the application of accounting policies, including making estimates and assumptions. We base estimates on the best information available to us at the time, our experience and on various other assumptions believed to be reasonable under the circumstances. These estimates affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions or other matters had been different, it is possible that different accounting would have been applied, resulting in a different presentation of our financial statements. From time to time, we re-evaluate our estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current estimates and assumptions about matters that are inherently uncertain. Please refer to our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the Commission on March 12, 2018, for further information regarding the critical accounting policies that affect our more significant estimates and judgments used in the preparation of our consolidated financial statements included in Part I, Item 1 of this Report.

Consolidated Results of Operations

The major factor that resulted in variances in our results of operations for each revenue and expense category for the three and six months ended June 30, 2018, compared to the three and six months ended June 30, 2017 was the increase in the size of our property portfolio. Our total investments in real estate, net of accumulated depreciation and amortization, was \$580.0 million and \$348.8 million as of June 30, 2018 and 2017, respectively.

Three Months Ended June 30, 2018 Compared to Three Months Ended June 30, 2017

	Three Months Ended June 30,		\$ Change
	2018	2017	
	(in thousands)		
Revenue			
Rental revenue	\$ 12,581	\$ 6,667	\$ 5,914
Expense recoveries	659	698	(39)
Other income	9	58	(49)
Total revenue	<u>13,249</u>	<u>7,423</u>	5,826
Expenses			
General and administrative	1,768	1,835	(67)
Operating expenses	680	747	(67)
Management fees – related party	1,095	628	467
Depreciation expense	3,445	1,851	1,594
Amortization expense	926	459	467
Interest expense	3,942	1,990	1,952
Acquisition fees	9	536	(527)
Total expenses	<u>11,865</u>	<u>8,046</u>	3,819
Net income (loss)	<u>\$ 1,384</u>	<u>\$ (623)</u>	\$ 2,007

Revenue

Total Revenue

Total revenue for the three months ended June 30, 2018 was \$13.2 million, compared to \$7.4 million for the same period in 2017, an increase of \$5.8 million. The increase is primarily the result of rental revenue earned from the facilities we acquired subsequent to June 30, 2017, as well as from the recognition of a full three months of rental revenue in 2018 from acquisitions that were completed during the three months ended June 30, 2017. Additionally, total revenue in both periods includes \$0.7 million in revenue that was recognized from expense recoveries. Expense recoveries are related to tenant reimbursement of real estate taxes, insurance, and certain other operating expenses. We recognize these reimbursements and related expenses on a gross basis in our Consolidated Statements of Operations (i.e., we recognize an equivalent increase in revenue (expense recoveries) and expense (operating expenses)).

Expenses

General and Administrative

General and administrative expenses for the three months ended June 30, 2018 were \$1.8 million, which was unchanged compared to the same period in 2017. During the three months ended June 30, 2018, an increase in non-cash LTIP compensation expense was offset by a decrease in Sarbanes-Oxley implementation costs and other professional fees.

Operating expenses

Operating expenses for the three months ended June 30, 2018 were \$0.7 million, which was unchanged compared to the same period in 2017. Operating expenses included \$0.7 million of reimbursable property operating expenses incurred during both the current and prior periods that we paid on behalf of certain of our tenants but for which we receive reimbursement from the tenant under the applicable lease.

Management Fees – related party

Management fees for the three months ended June 30, 2018 were \$1.1 million, compared to \$0.6 million for the same period in 2017, an increase of \$0.5 million. The increase results from our larger stockholders' equity balance as of June 30, 2018, which is used to calculate the management fee, resulting from our preferred stock and OP Unit issuances that were completed subsequent to June 30, 2017.

Depreciation Expense

Depreciation expense for the three months ended June 30, 2018 was \$3.4 million, compared to \$1.9 million for the same period in 2017, an increase of \$1.5 million. The increase results primarily from depreciation expense incurred on the facilities we acquired subsequent to June 30, 2017, as well as from the recognition of a full three months of depreciation expense in 2018 from acquisitions that were completed during the three months ended June 30, 2017.

Amortization Expense

Amortization expense for the three months ended June 30, 2018 was \$0.9 million, compared to \$0.5 million for the same period in 2017, an increase of \$0.4 million. The increase results primarily from amortization expense incurred on intangible assets recorded subsequent to June 30, 2017, as well as from the recognition of a full three months of amortization expense in 2018 from intangible assets recorded during the three months ended June 30, 2017.

Interest Expense

Interest expense for the three months ended June 30, 2018 was \$3.9 million, compared to \$2.0 million for the same period in 2017, an increase of \$1.9 million. This increase is primarily due to higher average borrowings during the three months ended June 30, 2018 compared to the same period last year reflecting interest incurred on the outstanding borrowings from our revolving credit facility as well as amortization of the deferred financing costs that were incurred to procure debt, which is recorded as interest expense.

The weighted average interest rate of our debt for the three months ended June 30, 2018 was 4.18%. Additionally, the weighted average interest rate and term of our debt was 4.38% and 2.05 years, respectively, at June 30, 2018.

Acquisition Fees

Acquisition fees for the three months ended June 30, 2018 were \$0.01 million, compared to \$0.5 million for the same period in 2017, a decrease of \$0.49 million. The decrease was primarily the result of our January 1, 2018 implementation of ASU 2017-01 which resulted in all of our post implementation acquisitions, including the acquisition of the Belpre portfolio during the three months ended June 30, 2018, being accounted for as an asset acquisition and, therefore, all acquisition-related costs were capitalized. Accordingly, acquisition fees for the three months ended June 30, 2018 represent costs associated with acquisitions the Company does not expect to complete and therefore were expensed. In comparison, acquisition fees for the three months ended June 30, 2017 primarily represented transaction costs that were expensed related to acquisitions that were accounted for as business combinations.

Net Income (Loss)

Net income for the three months ended June 30, 2018 was \$1.4 million, compared to a \$(0.6) million net loss for the same period in 2017, an increase of \$2.0 million. The increase resulted primarily from an increase in rental revenue over the current three-month period partially offset by the net increase in expenses during the period.

Six Months Ended June 30, 2018 Compared to Six Months Ended June 30, 2017

	Six Months Ended June 30,		
	2018	2017	\$ Change
	(in thousands)		
Revenue			
Rental revenue	\$ 23,069	\$ 11,296	\$ 11,773
Expense recoveries	1,727	698	1,029
Other income	18	88	(70)
Total revenue	<u>24,814</u>	<u>12,082</u>	12,732
Expenses			
General and administrative	2,774	3,427	(653)
Operating expenses	1,784	770	1,014
Management fees – related party	2,176	1,256	920
Depreciation expense	6,351	3,197	3,154
Amortization expense	1,691	803	888
Interest expense	6,627	3,091	3,536
Acquisition fees	126	1,479	(1,353)
Total expenses	<u>21,529</u>	<u>14,023</u>	7,506
Net income (loss)	<u>\$ 3,285</u>	<u>\$ (1,941)</u>	\$ 5,226

Revenue

Total Revenue

Total revenue for the six months ended June 30, 2018 was \$24.8 million, compared to \$12.1 million for the same period in 2017, an increase of \$12.7 million. The increase is primarily the result of rental revenue earned from the facilities we acquired subsequent to June 30, 2017, as well as from the recognition of a full six months of rental revenue in 2018 from acquisitions that were completed during the six months ended June 30, 2017. Additionally, \$1.7 million in revenue was recognized from expense recoveries during the six months ended June 30, 2018, compared to \$0.7 million for the same period in 2017.

Expenses

General and Administrative

General and administrative expenses for the six months ended June 30, 2018 were \$2.8 million, compared to \$3.4 million for the same period in 2017, a decrease of \$0.6 million. The decrease primarily relates to a decrease in Sarbanes-Oxley implementation costs and other professional fees, partially offset by an increase in non-cash LTIP compensation expense.

Operating Expenses

Operating expenses for the six months ended June 30, 2018 were \$1.8 million, compared to \$0.8 million for the same period in 2017, an increase of \$1.0 million. The increase results from \$1.7 million of reimbursable property operating expenses incurred during the six months ended June 30, 2018 that we paid on behalf of certain of our tenants but for which we receive reimbursement from the tenant under the applicable lease, compared to \$0.7 million for the same period in 2017.

Management Fees – related party

Management fees for the six months ended June 30, 2018 were \$2.2 million, compared to \$1.3 million for the same period in 2017, an increase of \$0.9 million. The increase results from our larger stockholders' equity balance as of June 30, 2018, which is used to calculate the management fee, resulting from our preferred stock and OP Unit issuances that were completed subsequent to June 30, 2017.

Depreciation Expense

Depreciation expense for the six months ended June 30, 2018 was \$6.4 million, compared to \$3.2 million for the same period in 2017, an increase of \$3.2 million. The increase results primarily from depreciation expense incurred on the facilities we acquired subsequent to June 30, 2017, as well as from the recognition of a full six months of depreciation expense in 2018 from acquisitions that were completed during the six months ended June 30, 2017.

Amortization Expense

Amortization expense for the six months ended June 30, 2018 was \$1.7 million, compared to \$0.8 million for the same period in 2017, an increase of \$0.9 million. The increase results primarily from amortization expense incurred on intangible assets recorded subsequent to June 30, 2017, as well as from the recognition of a full six months of amortization expense in 2018 from intangible assets recorded during the six months ended June 30, 2017.

Interest Expense

Interest expense for the six months ended June 30, 2018 was \$6.6 million, compared to \$3.1 million for the same period in 2017, an increase of \$3.5 million. This increase is primarily due to higher average borrowings during the 2018 period compared to the same period last year reflecting interest incurred on the outstanding borrowings from our revolving credit facility (the "Revolving Credit Facility") as well as amortization of the deferred financing costs incurred to procure debt, which is recorded as interest expense.

The weighted average interest rate of our debt for the six months ended June 30, 2018 was 4.03%. The weighted average interest rate and term of our debt was 4.38% and 2.05 years, respectively, at June 30, 2018.

Acquisition Fees

Acquisition fees for the six months ended June 30, 2018 were \$0.1 million, compared to \$1.5 million for the same period in 2017, a decrease of \$1.4 million. The decrease was primarily the result of our January 1, 2018 implementation of ASU 2017-01 and the fact that all of our acquisitions for the six months ended June 30, 2018 were accounted for as asset acquisitions and, therefore, all acquisition-related costs of completed acquisitions were capitalized. Accordingly, acquisition fees for the six months ended June 30, 2018 represent costs associated with acquisitions the Company does not expect to complete and therefore were expensed. In comparison, acquisition fees for the six months ended June 30, 2017 primarily represent transaction costs that were expensed related to acquisitions that were accounted for as business combinations.

Net Income (Loss)

Net income for the six months ended June 30, 2018 was \$3.3 million, compared to a \$(1.9) million net loss for the same period in 2017, an increase of \$5.2 million. The increase resulted primarily from an increase in rental revenue over the current six-month period partially offset by the net increase in expenses for that period.

Assets and Liabilities

As of June 30, 2018 and December 31, 2017, our principal assets consisted of investments in real estate, net, of \$580.0 million and \$457.9 million, respectively, and our liquid assets consisted primarily of cash and cash equivalents and restricted cash of \$6.2 million and \$7.1 million, respectively.

The increase in our investments in real estate, net, to \$580.0 million as of June 30, 2018 compared to \$457.9 million as of December 31, 2017, was the result of the six acquisitions that we completed during the six months ended June 30, 2018.

The decrease in our cash and cash equivalents and restricted cash balance to \$6.2 million as of June 30, 2018, compared to \$7.1 million as of December 31, 2017, was primarily due to \$124.9 million of cash used for the acquisitions that we completed during the six-month period, \$12.2 million of dividends paid during the six-month period, and \$1.1 million of cash paid for deferred financing costs during the six-month period related to the revolving credit facility. These cash outflows were partially offset by net borrowings from the revolving credit facility in the amount of \$123.5 million and an increase in cash provided by operating activities of \$14.9 million.

The increase in our total liabilities to \$346.5 million as of June 30, 2018 compared to \$215.6 million as of December 31, 2017, was primarily the result of net borrowings from the revolving credit facility in the amount of \$123.5 million as well as from increases in the security deposit liability balance, the accounts payable and accrued expenses balance, and the acquired lease intangible liability balance.

Liquidity and Capital Resources

General

Our short-term liquidity requirements include:

- Interest expense and scheduled principal payments on outstanding indebtedness;
- General and administrative expenses;
- Operating expenses;
- Management fees;
- Property acquisitions; and
- Capital and tenant improvements at our properties.

In addition, we require funds for future distributions expected to be paid to our common and preferred stockholders and OP and LTIP unit holders in our Operating Partnership.

As of June 30, 2018, we had \$4.8 million of cash and cash equivalents and had borrowing capacity under our revolving credit facility as described below. Our primary sources of cash include rent and reimbursements we collect from our tenants, borrowings under our revolving credit facility, secured term loans and net proceeds received from equity issuances.

On March 6, 2018, the Company, the Operating Partnership, as borrower, and the subsidiary guarantors of the Operating Partnership amended our Revolving Credit Facility with BMO Harris Bank N.A., as Administrative Agent, which increased the commitment amount by \$90 million to \$340 million. The subsidiary guarantors and the Company are guarantors of the obligations under the Revolving Credit Facility. The amount available to borrow from time to time under the Revolving Credit Facility is limited according to a quarterly borrowing base valuation of certain properties owned by the subsidiary guarantors. Our Operating Partnership is subject to ongoing compliance with a number of customary affirmative and negative covenants under the Revolving Credit Facility, including limitations with respect to liens, indebtedness, distributions, mergers, consolidations, investments, restricted payments and asset sales. The Operating Partnership must also maintain (i) a maximum consolidated leverage ratio, and as of the end of each fiscal quarter thereafter, of less than (y) 0.65:1.00 for each fiscal quarter ending prior to October 1, 2019 and (z) thereafter, 0.60:1.00, (ii) a minimum fixed charge coverage ratio of 1.50:1.00, (iii) a minimum net worth of \$119,781 plus 75% of all net proceeds raised through subsequent equity offerings and (iv) a ratio of total secured recourse debt to total asset value of not greater than 0.10:1.00. As of June 30, 2018 and December 31, 2017, the outstanding Revolving Credit Facility balance was \$288.4 and \$164.9 million, respectively.

On August 7, 2018, the Company amended its Revolving Credit Facility to (i) increase the overall capacity of the facility from \$340 million to \$350 million, consisting of a \$250 million revolving credit facility (the “Revolver”) and a \$100 million, five-year term loan (the “Term Loan”), (ii) extend the term of the Revolver to August 2022, with a one-year extension option, and (iii) implement a new pricing matrix. The facility includes an accordion feature to increase the capacity to an aggregate of \$500 million. Additionally, the Company hedged its interest rate risk on the Term Loan by entering into an interest rate swap agreement, with a notional amount of \$100 million and a term of five years, which will effectively fix the LIBOR component on the Term Loan at 2.88%. The new pricing matrix is as follows:

Total Leverage Ratio	Revolver LIBOR Margin	Term Loan LIBOR Margin
≤ 45%	1.40%	1.35%
> 45% and ≤ 50%	1.65%	1.60%
> 50% and ≤ 55%	1.90%	1.85%
> 55%	2.15%	2.10%

On August 25, 2017, the Company and the Operating Partnership entered into separate Sales Agreements (the “Sales Agreements”) with each of Cantor Fitzgerald & Co. and FBR Capital Markets & Co. (the “Agents”), pursuant to which the Company may issue and sell, from time to time, its common shares having an aggregate offering price of up to \$50 million, through the Agents (the “ATM Program”). In accordance with the Sales Agreements, the Company may offer and sell its common shares through either of the Agents, from time to time, by any method deemed to be an “at the market offering” as defined in Rule 415 under the Securities Act of 1933, as amended, which includes sales made directly on the New York Stock Exchange or other existing trading market, sales made to or through a market maker, sales made through negotiated transactions or any other method permitted by law. As of June 30, 2018, we had not made any sales of our common shares through the ATM Program.

With the exception of funds required to make additional property acquisitions, we believe we will be able to satisfy our short-term liquidity requirements through our existing cash and cash equivalents and cash flow from operating activities. In order to continue acquiring healthcare properties, we will need to continue to have access to debt and equity financing or have the ability to issue OP Units.

Our long-term liquidity needs consist primarily of funds necessary to pay for acquisitions, capital and tenant improvements at our properties, scheduled debt maturities, general and administrative expenses, operating expenses, management fees, and distributions. We expect to satisfy our long-term liquidity needs through cash flow from operations, debt financing, sales of additional equity securities, and, in connection with acquisitions of additional properties, the issuance of OP Units, and proceeds from select property dispositions and joint venture transactions. We currently do not expect to sell any of our properties to meet our liquidity needs, although we may do so in the future.

Cash Flow Information

Net cash provided by operating activities for the six months ended June 30, 2018 was \$14.9 million, compared with \$5.3 million for the same period in 2017. The increase during the 2018 period compared to the same period last year was primarily due to the increase in the size of our property portfolio at June 30, 2018 compared to June 30, 2017.

Net cash used in investing activities for the six months ended June 30, 2018 was \$125.6 million, compared with \$148.1 million for the same period in 2017. The decrease during the 2018 period compared to the same period last year was primarily the result of less real estate investment activity in the 2018 period compared to the same period in 2017.

Net cash provided by financing activities for the six months ended June 30, 2018 was \$109.7 million, compared with \$136.4 million for the same period in 2017. The decrease during the 2018 period compared to the same period last year was primarily the result of higher dividends paid during the 2018 period and the fact that the same period last year included net proceeds from the follow-on common stock offering, partially offset by higher net draws on the Revolving Credit Facility during the 2018 period.

Common Stock Dividends

Dividend activity for the six months ended June 30, 2018 is summarized in the following table:

Date Announced	Record Date	Applicable Quarter	Payment Date	Dividend Amount ⁽¹⁾	Dividends per Share
December 15, 2017	December 26, 2017	Q4 2017	January 10, 2018	\$ 4,552	\$ 0.20
March 7, 2018	March 22, 2018	Q1 2018	April 10, 2018	\$ 4,691	\$ 0.20
June 15, 2018	June 26, 2018	Q2 2018	July 11, 2018	\$ 4,786	\$ 0.20

⁽¹⁾Includes dividends on granted LTIP units and OP Units issued to third parties.

During the six months ended June 30, 2018 and 2017, the Company paid total dividends on its common stock, LTIP units and OP Units in the amount of \$9,288 and \$7,208, respectively.

The amount of the dividends paid to the Company's stockholders is determined by our Board and is dependent on a number of factors, including funds available for payment of dividends, the Company's financial condition and capital expenditure requirements except that, in accordance with the Company's organizational documents and Maryland law, the Company may not make dividend distributions that would: (i) cause it to be unable to pay its debts as they become due in the usual course of business; (ii) cause its total assets to be less than the sum of its total liabilities plus senior liquidation preferences; or (iii) jeopardize its ability to maintain its qualification as a REIT.

Preferred Stock Dividends

The holders of Series A Preferred Stock will be entitled to receive dividend payments only when, as and if declared by the Board (or a duly authorized committee of the Board). Any such dividends will accrue or be payable in cash from the original issue date, on a cumulative basis, quarterly in arrears on each dividend payment date. Additionally, the terms specify that dividends will be payable at a fixed rate per annum equal to 7.50% of the liquidation preference of \$25 per share (equivalent to \$1.875 per share on an annual basis). Dividends on the Series A Preferred Stock will be cumulative and will accrue whether or not funds are legally available for the payment of those dividends, whether or not the Company has earnings and whether or not those dividends are authorized.

The quarterly dividend payment dates on the Series A Preferred Stock are January 31, April 30, July 31 and October 31 of each year, commencing on October 31, 2017. During the six months ended June 30, 2018 and 2017, we paid preferred dividends of \$2,911 and zero, respectively.

Non-GAAP Financial Measures

Funds from operations ("FFO") and Adjusted funds from operations ("AFFO") are non-GAAP financial measures within the meaning of the rules of the SEC. The Company considers FFO and AFFO to be important supplemental measures of its operating performance and believes FFO is frequently used by securities analysts, investors, and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. In accordance with the National Association of Real Estate Investment Trusts' ("NAREIT") definition, FFO means net income or loss computed in accordance with GAAP before non-controlling interests of holders of operating partnership units and LTIP units, excluding gains (or losses) from sales of property and extraordinary items, plus real estate related depreciation and amortization (excluding amortization of deferred financing costs), and after adjustments for unconsolidated partnerships and joint ventures. The Company did not incur any gains or losses from the sales of property or record any adjustments for unconsolidated partnerships and joint ventures during the three and six months ended June 30, 2018 and 2017. Because FFO excludes real estate related depreciation and amortization (other than amortization of deferred financing costs), the Company believes that FFO provides a performance measure that, when compared period-over-period, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from the closest GAAP measurement, net income or loss.

AFFO is a non-GAAP measure used by many investors and analysts to measure a real estate company's operating performance by removing the effect of items that do not reflect ongoing property operations. Management calculates AFFO by modifying the NAREIT computation of FFO by adjusting it for certain cash and non-cash items and certain recurring and non-recurring items. For the Company these items include recurring acquisition and disposition costs, loss on the extinguishment of debt, recurring straight line deferred rental revenue, recurring stock-based compensation expense, recurring amortization of deferred financing costs, recurring capital expenditures, recurring lease commissions, recurring tenant improvements, and other items.

Management believes that reporting AFFO in addition to FFO is a useful supplemental measure for the investment community to use when evaluating the operating performance of the Company on a comparative basis. The Company's FFO and AFFO computations may not be comparable to FFO and AFFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, that interpret the NAREIT definition differently than the Company does or that compute FFO and AFFO in a different manner.

A reconciliation of FFO and AFFO for the three and six months ended June 30, 2018 and 2017 is as follows:

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(unaudited, in thousands except per share amounts)			
Net income (loss)	\$ 1,384	\$ (623)	\$ 3,285	\$ (1,941)
Less: Preferred stock dividends	(1,455)	-	(2,911)	-
Depreciation and amortization expense	4,371	2,310	8,042	4,000
Amortization of above (below) market leases	181	(3)	294	(11)
FFO	\$ 4,481	\$ 1,684	\$ 8,710	\$ 2,048
Acquisition fees	9	536	126	1,479
Straight line deferred rental revenue	(1,382)	(747)	(2,554)	(1,130)
Stock-based compensation expense	1,055	721	1,237	1,140
Amortization of deferred financing costs	553	341	983	500
AFFO	\$ 4,716	\$ 2,535	\$ 8,502	\$ 4,037
Net income (loss) attributable to common stockholders per share – basic and diluted	\$ 0.00	\$ (0.04)	\$ 0.02	\$ (0.11)
FFO per share	\$ 0.19	\$ 0.10	\$ 0.37	\$ 0.12
AFFO per share	\$ 0.20	\$ 0.14	\$ 0.36	\$ 0.23
Weighted Average Shares and Units Outstanding – basic and diluted	23,951	17,644	23,635	17,625
Reconciliation of Weighted Average Shares and Units Outstanding:				
Weighted Average Common Shares	21,631	17,644	21,631	17,625
Weighted Average OP Units	1,736	-	1,492	-
Weighted Average LTIP Units	584	-	512	-
Weighted Average Shares and Units Outstanding – basic and diluted	<u>23,951</u>	<u>17,644</u>	<u>23,635</u>	<u>17,625</u>

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect or change on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. The term “off-balance sheet arrangement” generally means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with us is a party, under which we have (i) any obligation arising under a guarantee contract, derivative instrument or variable interest; or (ii) a retained or contingent interest in assets transferred to such entity or similar arrangement that serves as credit, liquidity or market risk support for such assets.

Inflation

Historically, inflation has had a minimal impact on the operating performance of our healthcare facilities. Many of our triple-net lease agreements contain provisions designed to mitigate the adverse impact of inflation. These provisions include clauses that enable us to receive payment of increased rent pursuant to escalation clauses which generally increase rental rates during the terms of the leases. These escalation clauses often provide for fixed rent increases or indexed escalations (based upon the consumer price index or other measures). However, some of these contractual rent increases may be less than the actual rate of inflation. Most of our triple-net lease agreements require the tenant-operator to pay an allocable share of operating expenses, including common area maintenance costs, real estate taxes and insurance. This requirement reduces our exposure to increases in these costs and operating expenses resulting from inflation.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

We may be exposed to the effects of interest rate changes primarily as a result of debt used to acquire healthcare facilities, including borrowings under the Revolving Credit Facility. The analysis below presents the sensitivity of the market value of our financial instruments to selected changes in market interest rates. The range of changes chosen reflects our view of changes which are reasonably possible over a one-year period.

As of June 30, 2018, we had \$288.4 million outstanding under the Revolving Credit Facility, which bears interest at a variable rate, and \$38.6 million outstanding, net of unamortized debt discount of \$0.9 million, on our third-party debt. See the "Liquidity and Capital Resources" section of our "Management's Discussion and Analysis of Financial Condition and Results of Operations" section for a detailed discussion of our Revolving Credit Facility. At June 30, 2018, LIBOR on our outstanding borrowings was 2.06%. Assuming no increase in the amount of our variable interest rate debt, if LIBOR increased 100 basis points, our cash flow would decrease by approximately \$2.9 million annually. Assuming no increase in the amount of our variable rate debt, if LIBOR were reduced 100 basis points, our cash flow would increase by approximately \$2.9 million annually. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower overall borrowing costs. To achieve our objectives, we may borrow at fixed rates or variable rates. We also may enter into derivative financial instruments such as interest rate swaps and caps in order to mitigate our interest rate risk on a related financial instrument. We will not enter into derivative transactions for speculative purposes.

In addition to changes in interest rates, the value of our investments is subject to fluctuations based on changes in local and regional economic conditions and changes in the creditworthiness of tenants/operators and borrowers, which may affect our ability to refinance our debt if necessary.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act that are designed to ensure that information required to be disclosed in our reports filed or submitted to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and that information is accumulated and communicated to management, including the principal executive and financial officer as appropriate, to allow timely decisions regarding required disclosures. Our principal executive officer and principal financial officer evaluated the effectiveness of disclosure controls and procedures as of June 30, 2018 pursuant to Rule 13a-15(b) under the Exchange Act. Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this Report, the Company's disclosure controls and procedures were effective to ensure that information required to be included in our periodic SEC filings is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms.

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

Changes in Internal Control over Financial Reporting

No changes were made to our internal control over financial reporting during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

We are not involved in any pending legal proceeding or litigation and, to the best of our knowledge, no governmental authority is contemplating any proceeding to which we are a party or to which any of our properties is subject, which would reasonably be likely to have a material adverse effect on our financial condition or results of operations. From time to time, we may become involved in litigation relating to claims arising out of our operations in the normal course of business. There can be no assurance that these matters that arise in the future, individually or in the aggregate, will not have a material adverse effect on our financial condition or results of operations in any future period.

Item 1A. Risk Factors

During the six months ended June 30, 2018, except as provided below, there were no material changes to the risk factors that were disclosed in Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the United States Securities and Exchange Commission on March 12, 2018.

The derivative instruments that we use to hedge against interest rate fluctuations may not be successful in mitigating our risks associated with interest rates and could reduce the overall stockholder returns.

We use derivative instruments to hedge exposure to changes in interest rates on certain of our variable rate loans, but no hedging strategy can protect us completely. We cannot assure our stockholders that our hedging strategy and the derivatives that we use will adequately offset the risk of interest rate volatility or that our hedging of these transactions will not result in losses. Additionally, a counterparty may fail to honor its obligations under an arrangement or a court could rule that such an agreement is not legally enforceable. Any settlement charges incurred to terminate unused derivative instruments may result in increased interest expense, which may reduce the overall return on our investments. These instruments may also generate income that may not be treated as qualifying REIT income for purposes of the 75% or 95% REIT income tests.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

The following disclosure would have otherwise been filed on a Current Report on Form 8-K under Item 1.01 Entry into a Material Definitive Agreement and Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On August 7, 2018, the Company, the Operating Partnership, as borrower, and certain subsidiaries of the Operating Partnership (such subsidiaries, the "Subsidiary Guarantors") entered into an amended and restated credit facility (the "A&R Credit Facility") with BMO Harris Bank N.A., as Administrative Agent, which contains the following material amendments to the Company's previous Revolving Credit Facility:

- increased the aggregate capacity of the facility from \$340 million to \$350 million, consisting of a \$250 million, four-year revolving credit facility, with a one-year extension option (the "Revolver") and a \$100 million, five-year term loan (the "Term Loan"); and
- implemented the following LIBOR margins for the Revolver and Term Loan:

Total Leverage Ratio	Revolver LIBOR Margin	Revolver Base Rate Margin	Term Loan LIBOR Margin	Term Loan Base Rate Margin
≤ 45%	1.40%	0.40%	1.35%	0.35%
> 45% and ≤ 50%	1.65%	0.65%	1.60%	0.60%
> 50% and ≤ 55%	1.90%	0.90%	1.85%	0.85%
> 55%	2.15%	1.15%	2.10%	1.10%

The A&R Credit Facility includes an accordion feature to increase the capacity to an aggregate of \$500 million. The Subsidiary Guarantors and the Company are guarantors of the obligations under the A&R Credit Facility. The amount available to borrow from time to time under the A&R Credit Facility is limited according to a quarterly borrowing base valuation of certain properties owned by the Subsidiary Guarantors.

The above description of the terms and conditions of the A&R Credit Facility is only a summary of the material amendments to the Company's prior senior Revolving Credit Facility and is not intended to be a complete description of the terms and conditions. All of the terms and conditions of the A&R Credit Facility are set forth in the A&R Credit Facility, which is filed as an exhibit to this Quarterly Report on Form 10-Q.

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description
<u>3.1*</u>	<u>Restated Articles of Incorporation of Global Medical REIT, Inc.</u>
<u>10.1</u>	<u>Lease Agreement, dated December 27, 2010, by and between 601 Plaza L.L.C. and Marietta Memorial Hospital and amendments and addendums (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the Commission on April 24, 2018).</u>
<u>10.2</u>	<u>Lease Agreement, dated December 19, 2012, by and between Belpre II, LLC and Marietta Memorial Hospital and addendums (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K as filed with the Commission on April 24, 2018).</u>
<u>10.3</u>	<u>Lease Agreement, dated March 16, 2015, by and between Belpre III, LLC and Marietta Memorial Hospital and amendment (incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K as filed with the Commission on April 24, 2018).</u>
<u>10.4</u>	<u>Lease Agreement, dated June 11, 2013, by and between Belpre IV, LLC and Marietta Memorial Hospital and amendment (incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K as filed with the Commission on April 24, 2018).</u>
<u>10.5*</u>	<u>Amended and Restated Credit Facility Agreement, dated August 7, 2018 by and among Global Medical REIT L.P., Global Medical REIT Inc., the certain Subsidiaries from time to time party thereto as Guarantors, and BMO Harris Bank N.A., as Administrative Agent.</u>
<u>31.1*</u>	<u>Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
<u>31.2*</u>	<u>Certification of Principal Financial and Accounting Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
<u>32.1*</u>	<u>Certification of Principal Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
<u>99.1*</u>	<u>First Amendment and Addendum to Contribution and Sale Agreement, dated April 5, 2018 by and among Minnite Family, LLC, Belpre I, LLC, Belpre II, LLC, Belpre III, LLC, and Belpre IV, LLC, and GMR Belpre, LLC.</u>
101.INS *	XBRL Instance Document
101.SCH *	XBRL Taxonomy Schema
101.CAL *	XBRL Taxonomy Calculation Linkbase
101.DEF *	XBRL Taxonomy Definition Linkbase
101.LAB *	XBRL Taxonomy Label Linkbase
101.PRE *	XBRL Taxonomy Presentation Linkbase

† The Restated Articles of Incorporation reflect all articles of amendment, articles supplementary and certificates of correction to the Articles of Incorporation previously filed.

* Filed herewith

SIGNATURES

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

GLOBAL MEDICAL REIT INC.

Dated: August 8, 2018

By: /s/ Jeffrey M. Busch
Jeffrey M. Busch
Chief Executive Officer (Principal Executive Officer)

Dated: August 8, 2018

By: /s/ Robert J. Kiernan
Robert J. Kiernan
Chief Financial Officer (Principal Financial and Accounting Officer)

**GLOBAL MEDICAL REIT INC.
ARTICLES OF RESTATEMENT**

Global Medical REIT Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The Corporation desires to restate its charter (the "Charter") as currently in effect.

SECOND: The charter of the Corporation is hereby restated in its entirety to read as set forth in Exhibit A attached hereto, and the provisions set forth in these Articles of Restatement are all of the provisions of the Charter currently in effect.

THIRD: The restatement of the Charter has been approved by a majority of the entire Board of Directors of the Corporation.

FOURTH: The Charter is not amended by these Articles of Restatement. These Articles of Restatement do not change the authorized capital stock of the Corporation or the aggregate par value thereof. The aggregate par value of all of the authorized capital stock of the Corporation is \$510,000.

FIFTH: The current address of the principal office of the Corporation is as set forth in Article IV of Exhibit A attached hereto.

SIXTH: The name and address of the Corporation's current resident agent are as set forth in Article IV of Exhibit A attached hereto.

SEVENTH: The number of directors of the Corporation and the names of those currently in office are as set forth in Section 5.1 of Exhibit A attached hereto.

EIGHTH: The Articles of Amendment effecting the reverse stock split referred to in Section 6.7 were accepted for record on, and the Effective Date referred to therein was, November 12, 2014.

NINTH: The undersigned acknowledges these Articles of Restatement to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Restatement to be executed under seal in its name and on its behalf by its Chief Executive Officer, and attested to by its Secretary and General Counsel, on this 6th day of August, 2018.

ATTEST:

GLOBAL MEDICAL REIT INC.

By: /s/ Jamie A. Barber
Name: Jamie A. Barber
Title: Secretary

By: /s/ Jeffrey M. Busch
Name: Jeffrey M. Busch
Title: Chief Executive Officer

EXHIBIT A

**ARTICLE I
INCORPORATOR**

The undersigned, Conn Flanigan, whose address is P.O. Box 61037, Denver, Colorado 80206, being at least 18 years of age, by these Articles of Incorporation and by Articles of Conversion effective as of January 15, 2014, does hereby convert Scoop Media, Inc., a Nevada corporation formed on March 18, 2011 (the "Converting Corporation"), into a corporation formed under the general laws of the State of Maryland.

**ARTICLE II
NAME**

The name of the corporation (the "Corporation") is:

Global Medical REIT Inc.

**ARTICLE III
PURPOSE**

The purposes for which the Corporation is formed are to engage in any lawful act or activity (including, without limitation or obligation, engaging in business as a REIT (as hereinafter defined) under the Internal Revenue Code of 1986, as amended, or any successor statute (the "Code")) for which corporations may be organized under the general laws of the State of Maryland as now or hereafter in force. For purposes of these Articles of Restatement of the Corporation (the "Charter"), "REIT" means a real estate investment trust under Sections 856 through 860 of the Code.

**ARTICLE IV
PRINCIPAL OFFICE IN MARYLAND AND RESIDENT AGENT**

The address of the principal office of the Corporation in the State of Maryland is 2 Bethesda Metro Center, Suite 440. Bethesda, Maryland 20814. The name and address of the resident agent of the Corporation in the State of Maryland is The Corporation Trust. Incorporated, 2405 York Road Suite 201, Lutherville Timonium, Maryland 21093. The resident agent is a Maryland corporation.

**ARTICLE V
PROVISIONS FOR DEFINING, LIMITING AND REGULATING CERTAIN POWERS OF THE CORPORATION AND OF THE STOCKHOLDERS AND DIRECTORS**

Section 5.1 Number of Directors. The business and affairs of the Corporation shall be managed under the direction of the board of directors of the Corporation (the "Board of Directors"). The number of directors of the Corporation is nine, which number may be increased or decreased only by the Board of Directors pursuant to the Bylaws of the Corporation (the "Bylaws"), but shall never be less than the minimum number required by the MGCL. The names of the current directors serving until the next annual meeting of stockholders and until their successors are duly elected and qualified are:

1. Jeffrey Busch
2. Henry Cole
3. Paula Crowley
4. Matthew Cypher
5. Zhang Huiqi
6. Zhang Jingguo
7. Ronald Marston
8. Dr. Roscoe Moore
9. Lori B. Wittman

Any vacancy on the Board of Directors may be filled in the manner provided in the Bylaws. The Corporation elects, at such time as it becomes eligible to make the election provided for under Section 3-802(b) of the MGCL, that, except as may be provided by the Board of Directors in setting the terms of any class or series of Preferred Stock (as defined in Section 6.1), any and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which such vacancy occurred and until his or her successor is duly elected and qualifies.

Section 5.2 Extraordinary Actions. Except as specifically provided in Section 5.8 (relating to removal of directors) and in the last sentence of Article VIII, notwithstanding any provision of law permitting or requiring any action to be taken or approved by the affirmative vote of the holders of shares entitled to cast a greater number of votes, any such action shall be effective and valid if declared advisable by the Board of Directors and taken or approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter.

Section 5.3 Authorization by Board of Stock Issuance. The Board of Directors may authorize the issuance from time to time of shares of stock of the Corporation of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of its stock of any class or series, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the Charter or the Bylaws.

Section 5.4 Preemptive Rights and Appraisal Rights. Except as may be provided by the Board of Directors in setting the terms of classified or reclassified shares of stock pursuant to Section 6.4 or as may otherwise be provided by a contract approved by the Board of Directors, no holder of shares of stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation which it may issue or sell. Holders of shares of stock shall not be entitled to exercise any rights of an objecting stockholder provided for under Title 3, Subtitle 2 of the MGCL or any successor statute unless the Board of Directors, upon affirmative vote of a majority of the Board of Directors, shall determine that such rights apply, with respect to all or any shares of all or any classes or series of stock, to one or more transactions occurring after the date of such determination in connection with which holders of such shares would otherwise be entitled to exercise such rights. Notwithstanding the foregoing, in the event the Corporation is subject to the Maryland Control Share Acquisition Act, holders of shares of stock of the Corporation shall be entitled to exercise rights of an objecting stockholder under Section 3-708(a) of the MGCL.

Section 5.5 Indemnification. (a) The Corporation shall have the power, to the maximum extent permitted by Maryland law in effect from time to time, to obligate itself to indemnify, and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding without requiring a preliminary determination of the ultimate entitlement to indemnification to, (i) any individual who is a present or former director or officer of the Corporation or (ii) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, partnership, joint venture, trust, limited liability company, employee benefit plan or any other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by reason of his or her service in any of the foregoing capacities. The Corporation shall have the power, with the approval of the Board of Directors, to provide such indemnification and advancement of expenses to a person who served a predecessor of the Corporation in any of the capacities described in (i) or (ii) above and to any employee or agent of the Corporation or a predecessor of the Corporation.

(b) The Corporation may, to the fullest extent permitted by law, purchase and maintain insurance on behalf of any person described in the preceding paragraph against any liability which may be asserted against such person.

(c) The indemnification provided herein shall not be deemed to limit the right of the Corporation to indemnify any other person for any such expenses to the maximum extent permitted by law, nor shall it be deemed exclusive of any other rights to which any person seeking indemnification from the Corporation may be entitled under any agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

Section 5.6 Determinations by Board. The determination as to any of the following matters, made by or pursuant to the direction of the Board of Directors consistent with the Charter, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of its stock: the amount of the net income of the Corporation for any period and the amount of assets at any time legally available for the payment of dividends, redemption of its stock or the payment of other distributions on its stock; the amount of paid-in surplus, net assets, other surplus, annual or other net profit, cash flow, funds from operations, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); any interpretation or resolution of any ambiguity with respect to any provision in the Charter (including any of the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of any class or series of stock of the Corporation) or of the Bylaws; the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Corporation or of any shares of stock of the Corporation; the number of shares of stock of any class or series of the Corporation; any matter relating to the acquisition, holding and disposition of any assets by the Corporation; or any other matter relating to the business and affairs of the Corporation or required or permitted by applicable law, the Charter or the Bylaws or otherwise to be determined by the Board of Directors.

Section 5.7 REIT Qualification. The Board of Directors, without any action by the stockholders of the Corporation, shall have the authority to cause the Corporation to elect to be taxed as a REIT for federal income tax purposes. Following any such election, if the Board of Directors determines that it is no longer in the best interests of the Corporation to continue to be taxed as a REIT for federal income tax purposes, the Board of Directors, without any action by the stockholders of the Corporation, may revoke or otherwise terminate the Corporation's REIT election pursuant to Section 856(g) of the Code. In addition, the Board of Directors, without any action by the stockholders of the Corporation, shall have and may exercise, on behalf of the Corporation, without limitation, the power to determine that compliance with any restriction or limitation on stock ownership and transfers set forth in Article VII of the Charter is no longer required in order for the Corporation to qualify as a REIT.

Section 5.8 Removal of Directors. Subject to the rights of holders of one or more classes or series of Preferred Stock to elect or remove one or more directors, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause, and then only by the affirmative vote of holders of shares entitled to cast at least two-thirds of all the votes entitled to be cast generally in the election of directors. For the purpose of this paragraph, "cause" shall mean, with respect to any particular director, conviction of a felony or a final judgment of a court of competent jurisdiction holding that such director caused demonstrable, material harm to the Corporation through bad faith or active and deliberate dishonesty.

Section 5.9 Advisor Agreements. The Board of Directors may authorize the execution and performance by the Corporation of one or more agreements with any person, corporation, association, company, trust, partnership (limited or general) or other organization whereby, subject to the supervision and control of the Board of Directors, any such other person, corporation, association, company, trust, partnership (limited or general) or other organization shall render or make available to the Corporation managerial, investment, advisory and/or related services, office space and other services and facilities (including, if deemed advisable by the Board of Directors, the management or supervision of the investments of the Corporation) upon such terms and conditions as may be provided in such agreement or agreements (including, if deemed fair and equitable by the Board of Directors, the compensation payable thereunder by the Corporation).

ARTICLE VI
STOCK

Section 6.1 Authorized Shares. The Corporation has authority to issue 510,000,000 shares of stock, consisting of 500,000,000 shares of Common Stock, \$0.001 par value per share ("Common Stock"), and 10,000,000 shares of Preferred Stock, \$0.001 par value per share ("Preferred Stock"). If shares of one class of stock are classified or reclassified into shares of another class of stock pursuant to Sections 6.2, 6.3 or 6.4 of this Article VI, the number of authorized shares of the former class shall be automatically decreased and the number of shares of the latter class shall be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of stock of all classes that the Corporation has authority to issue shall not be more than the total number of shares of stock set forth in the first sentence of this paragraph. The Board of Directors, with the approval of a majority of the entire Board of Directors, and without any action by the stockholders of the Corporation, may amend the Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Corporation has authority to issue.

Section 6.2 Common Stock. Subject to the provisions of Article VII and except as may otherwise be specified in the Charter, each share of Common Stock shall entitle the holder thereof to one vote. The Board of Directors may reclassify any unissued shares of Common Stock from time to time into one or more classes or series of stock.

Section 6.3 Preferred Stock. The Board of Directors may classify any unissued shares of Preferred Stock and reclassify any previously classified but unissued shares of Preferred Stock of any series from time to time, into one or more classes or series of stock.

Section 6.4 Classified or Reclassified Shares. Prior to issuance of classified or reclassified shares of any class or series, the Board of Directors by resolution shall: (a) designate that class or series to distinguish it from all other classes and series of stock of the Corporation; (b) specify the number of shares to be included in the class or series; (c) set or change, subject to the provisions of Article VII and subject to the express terms of any class or series of stock of the Corporation outstanding at the time, the preferences, conversion or other rights, voting powers (including voting rights exclusive to such class or series), restrictions (including, without limitation, restrictions on transferability), limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each class or series; and (d) cause the Corporation to file articles supplementary with the SDAT. Any of the terms of any class or series of stock set or changed pursuant to clause (c) of this Section 6.4 may be made dependent upon facts or events ascertainable outside the Charter (including determinations by the Board of Directors or other facts or events within the control of the Corporation) and may vary among holders thereof, provided that the manner in which such facts, events or variations shall operate upon the terms of such class or series of stock is clearly and expressly set forth in the articles supplementary or other Charter document.

Section 6.5 Distributions. The Board of Directors from time to time may authorize and the Corporation may pay to its stockholders such dividends or other distributions in cash or other property, including in shares of one class of the Corporation's stock payable to holders of shares of another class of stock of the Corporation, as the Board of Directors in its discretion shall determine.

Section 6.6 Charter and Bylaws. The rights of all stockholders and the terms of all stock are subject to the provisions of the Charter and the Bylaws.

Section 6.7 Reverse Stock Split. On the Effective Date of the Articles of Amendment, this Corporation will effect a Reverse Stock Split pursuant to which every four hundred (400) issued and outstanding shares of the Corporation's previously authorized common stock, par value \$0.001 per share (the "Old Common Stock") shall be reclassified and converted into one (1) validly issued, fully paid and non-assessable share of common stock, par value \$0.001 (the "New Common Stock"). Each certificate representing shares of Old Common Stock shall thereafter represent the number of shares of New Common Stock into which the shares of Old Common Stock represented by such certificate were reclassified and converted hereby. No cash will be paid or distributed as a result of aforementioned Reverse Stock Split of the Corporation's common stock, and no fractional shares will be issued. All fractional shares which would otherwise be required to be issued as a result of the Reverse Stock Split will be rounded up to a whole share.

Section 6.8 7.50% Series A Cumulative Redeemable Preferred Stock. The terms of the Corporation's 7.50% Series A Cumulative Redeemable Preferred Stock, as originally set forth in Articles Supplementary accepted for record on September 14, 2017, are set forth in Annex A hereto.

ARTICLE VII

RESTRICTION ON TRANSFER AND OWNERSHIP OF SHARES

Section 7.1 Definitions. For the purpose of this Article VII, the following terms shall have the following meanings:

Beneficial Ownership. The term "Beneficial Ownership" shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Sections 856(h)(1)(B) and 856(h)(3)(A) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

Benefit Plan Investor. The term "Benefit Plan Investor" shall mean any holder of Equity Shares that is a "benefit plan investor" within the meaning of Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Business Day. The term "Business Day" shall mean any day, other than a Saturday or a Sunday that is neither a legal holiday nor a day on which banking institutions in the State of New York are authorized or required by law, regulation or executive order to close.

Capital Stock. The term "Capital Stock" shall mean all classes or series of stock of the Corporation, including, without limitation, Common Stock and Preferred Stock.

Charitable Beneficiary. The term “Charitable Beneficiary” shall mean one or more beneficiaries of the Charitable Trust as determined pursuant to Section 7.3.6, provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Charitable Trust. The term “Charitable Trust” shall mean any trust provided for in Section 7.3.1.

Constructive Ownership. The term “Constructive Ownership” shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms “Constructive Owner,” “Constructively Owns” and “Constructively Owned” shall have the correlative meanings.

Controlling Person. The term “Controlling Person” shall mean a Person who has discretionary authority or control with respect to the assets of the Trust or who provides investment advice for a fee (direct or indirect) with respect to such assets, and any affiliate of such Person.

Domestically-Controlled Initial Date. The term “Domestically-Controlled Initial Date” shall mean the date on which the Board of Directors determines, in its sole discretion, that the restrictions in Sections 7.2.1(a)(viii) and (ix) of this Article VII should commence and set forth in a certificate of notice filed with the SDAT.

Excepted Holder. The term “Excepted Holder” shall mean a Person for whom an Excepted Holder Limit is created by the Charter or by the Board of Directors pursuant to Section 7.2.7.

Excepted Holder Limit. The term “Excepted Holder Limit” shall mean, provided that the affected Excepted Holder agrees to comply with the requirements established by the Charter or by the Board of Directors pursuant to Section 7.2.7 and subject to adjustment pursuant to Section 7.2.8, the percentage limit established for an Excepted Holder by the Charter or by the Board of Directors pursuant to Section 7.2.7.

Initial Date. The term “Initial Date” shall mean the date on which the Board of Directors determines, in its sole discretion, that the restrictions in this Article VII other than the restrictions in Sections 7.2.1(a)(viii) and (ix) should commence and set forth in a certificate of notice filed with the SDAT.

Insignificant Participation Exception. The term “Insignificant Participation Exception” shall mean the exception to the Plan Asset Regulations which provides that a Benefit Plan Investor’s assets will not include any of the underlying assets of an entity in which it invests if at all times less than 25% of the value of each class of equity interests in the entity is held by Benefit Plan Investors, disregarding equity interests held by Controlling Persons (other than Controlling Persons which are Benefit Plan Investors).

Market Price. The term “Market Price” on any date shall mean, with respect to any class or series of outstanding shares of Capital Stock, the Closing Price for such Capital Stock on such date. The “Closing Price” on any date shall mean the last reported sale price for such Capital Stock, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such Capital Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the NYSE or, if such Capital Stock is not listed or admitted to trading on the NYSE, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such Capital Stock is listed or admitted to trading or, if such Capital Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the principal automated quotation system that may then be in use or, if such Capital Stock is not quoted by any such system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Capital Stock selected by the Board of Directors or, in the event that no trading price is available for such Capital Stock, the fair market value of the Capital Stock, as determine Non-U.S. Event. The term “Non-U.S. Event” shall have the meaning given in Section 7.2.1(a)(ix) hereof.

Non-U.S. Person. The term “Non-U.S. Person” shall mean a Person other than a U.S. Person named by the Board of Directors.

NYSE. The term “NYSE” shall mean the New York Stock Exchange or any successor stock exchange thereto.

One Hundred Shareholders Date. The term “One Hundred Shareholders Date” shall mean the first date on which Capital Stock is beneficially owned by 100 or more Persons within the meaning of Section 856(a)(5) of the Code without regard to Section 856(h)(2) of the Code.

Person. The term “Person” shall mean an individual, corporation, partnership, limited liability company, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a “group” as that term is used for purposes of Rule 13d-5(b) or Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, and a group to which an Excepted Holder Limit applies.

Plan Asset Regulations. The term “Plan Asset Regulations” shall mean Section 2510.3-101 of the regulations of the Department of Labor, as amended.

Prohibited Owner. The term “Prohibited Owner” shall mean, with respect to any purported Transfer (or other event), any Person who, but for the provisions of Section 7.2.1, would Beneficially Own or Constructively Own shares of Capital Stock in violation of the provisions of Section 7.2.1(a), and if appropriate in the context, shall also mean any Person who would have been the record owner of the shares of Capital Stock that the Prohibited Owner would have so owned.

Publicly Offered Securities. The term “Publicly Offered Securities” shall have the meaning provided in Section 2510.3-101(b)(2) of the Plan Asset Regulations, or any successor regulation thereto.

Restriction Termination Date. The term “Restriction Termination Date” shall mean the first day after the Initial Date on which the Board of Directors determines pursuant to Section 5.7 of the Charter that it is no longer in the best interests of the Corporation to be taxed as a REIT for federal income tax purposes or that compliance with the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfers of shares of Capital Stock set forth herein is no longer required in order for the Corporation to qualify as a REIT.

Stock Ownership Limit. The term “Stock Ownership Limit” shall mean nine and eight-tenths percent (9.8%) in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of Capital Stock of the Corporation excluding any outstanding shares of Capital Stock not treated as outstanding for federal income tax purposes, or such other percentage determined from time to time by the Board of Directors in accordance with Section 7.2.8 of the Charter.

TRS. The term “TRS” shall mean a taxable REIT subsidiary (as defined in Section 856(l) of the Code) of the Corporation.

Transfer. The term “Transfer” shall mean any issuance, sale, transfer, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire or change such Person’s percentage of Beneficial Ownership or Constructive Ownership, or any agreement to take any such actions or cause any such events, of Capital Stock or the right to vote or receive dividends on Capital Stock, including (a) the granting or exercise of any option (or any disposition of any option), (b) any disposition of any securities or rights convertible into or exchangeable for Capital Stock or any interest in Capital Stock or any exercise of any such conversion or exchange right, and (c) Transfers of interests in other entities that result in changes in Beneficial Ownership or Constructive Ownership of Capital Stock; in each case, whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms “Transferring” and “Transferred” shall have the correlative meanings.

Trustee. The term “Trustee” shall mean the Person unaffiliated with both the Corporation and a Prohibited Owner that is appointed by the Corporation to serve as trustee of the Charitable Trust.

U.S. Person. The term “U.S. Person” means a Person defined as a “United States Person” in Section 7701(a)(30) of the Code.

Section 7.2 Capital Stock.

Section 7.2.1 Ownership Limitations.

(a) Basic Restrictions.

(i) During the period commencing on the Initial Date and prior to the Restriction Termination Date, but subject to Section 7.4 and except as provided in Section 7.2.7 hereof, no Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Stock Ownership Limit. No Excepted Holder shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Excepted Holder Limit for such Excepted Holder.

(ii) During the period commencing on the Initial Date and prior to the Restriction Termination Date, but subject to Section 7.4 and except as provided in Section 7.2.7 hereof, no Person shall Beneficially Own shares of Capital Stock to the extent that such Beneficial Ownership of Capital Stock would result in the Corporation being “closely held” within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year).

(iii) During the period commencing on the One Hundred Shareholders Date and prior to the Restriction Termination Date, but subject to Section 7.4 and except as provided in Section 7.2.7 hereof, any Transfer of shares of Capital Stock that, if effective, would result in the Capital Stock being beneficially owned by less than one hundred (100) Persons (determined under the principles of Section 856(a)(5) of the Code) shall be void ab initio, and the intended transferee shall acquire no rights in such Capital Stock.

(iv) During the period commencing on the Initial Date and prior to the Restriction Termination Date, but subject to Section 7.4 and except as provided in Section 7.2.7 hereof, no Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent such Beneficial Ownership or Constructive Ownership would cause the Corporation to Constructively Own ten percent (10%) or more of the ownership interests in a tenant (other than a TRS) of the Corporation’s real property within the meaning of Section 856(d)(2)(B) of the Code.

(v) During the period commencing on the Initial Date and prior to the Restriction Termination Date, but subject to Section 7.4 no Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership would otherwise cause the Corporation to fail to qualify as a REIT under the Code, including, but not limited to, as a result of any “eligible independent contractor” (as defined in Section 856(d)(9)(A) of the Code) that operates a “qualified health care property” (as defined in Section 856(e)(6)(D) of the Code) on behalf of a TRS failing to qualify as such.

(vi) Subject to Section 7.4 and except as provided in Section 7.2.7 hereof, during the period commencing on the Initial Date and prior to the date that either (i) each outstanding class of Capital Stock of the Corporation qualifies as a class of Publicly-Offered Securities or (ii) the Corporation qualifies for another exception to the Plan Asset Regulations (other than the Insignificant Participation Exception), Benefit Plan Investors shall not Beneficially Own twenty-five percent or more of any class of Equity Shares of the Corporation, disregarding any shares held by Controlling Persons (other than Controlling Persons that are Benefit Plan Investors).

(vii) Subject to Section 7.4 and except as provided in Section 7.2.7 hereof, during the period commencing on the Initial Date and prior to the date that either (i) each outstanding class of Capital Stock of the Corporation qualifies as a class of Publicly-Offered Securities or (ii) the Corporation qualifies for another exception to the Plan Asset Regulations (other than the Insignificant Participation Exception), no Person shall Transfer Capital Stock unless such Person obtains from its transferee a representation and agreement that (A) its transferee is not (and will not be), and is not acting on behalf of, a Benefit Plan Investor and (B) such transferee will obtain from its transferee the representation and agreement set forth in this sentence (including without limitation clauses (A) and (B)).

(viii) During the period commencing on the Domestically-Controlled Initial Date but subject to Section 7.4, any Transfer of Capital Stock shall be void ab initio as to the Transfer of such Capital Stock if, as a result of such Transfer, the fair market value of Capital Stock owned directly or indirectly by Non-U.S. Persons would comprise 50% or more of the fair market value of the issued and outstanding Capital Stock of the Corporation; and such Non-U.S. Person shall acquire no rights in such Capital Stock.

(ix) During the period commencing on the Domestically-Controlled Initial Date but subject to Section 7.4, if there is an event other than those described in Section 7.2.1(a)(viii) (a "Non-U.S. Event") that would result in the fair market value of Capital Stock owned directly or indirectly by Non-U.S. Persons comprising 50% or more of the fair market value of the issued and outstanding Capital Stock of the Corporation, then Capital Stock owned directly or indirectly by Non-U.S. Persons shall be transferred to a Charitable Trust as described in Section 7.2.1(b) to the extent necessary to eliminate such excess ownership. Such transfer shall be effective as of the close of business on the business day prior to the date of the Non-U.S. Event. In determining which share of Capital Stock are transferred to a Charitable Trust, Capital Stock owned directly or indirectly by any Non-U.S. Person who caused the Non-U.S. Event to occur shall be transferred before any Capital Stock not so held is transferred. If similarly situated Persons exist, the exchange shall be pro rata. If the Non-U.S. Event was not caused by a Non-U.S. Person, Capital Stock owned directly or indirectly by Non-U.S. Persons shall be chosen by random lot and transferred to a Charitable Trust until Non-U.S. Persons do not own directly or indirectly 50% or more of the issued and outstanding Capital Stock.

(b) Transfer in Trust/Transfer Void Ab Initio. If any Transfer of shares of Capital Stock (or other event) occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning shares of Capital Stock in violation of Section 7.2.1(a)(i), (ii), (iv), (v), (vi), (vii) or (ix).

(i) then that number of shares of the Capital Stock the Beneficial Ownership or Constructive Ownership of which otherwise would cause such Person to violate Section 7.2.1(a)(i), (ii), (iv), (v), (vi), (vii) or (ix) (rounded up to the nearest whole share) shall be automatically transferred to a Charitable Trust for the benefit of a Charitable Beneficiary, as described in Section 7.3, effective as of the close of business on the Business Day prior to the date of such Transfer (or other event), and such Person shall acquire no rights in such shares of Capital Stock; or

(ii) if the transfer to the Charitable Trust described in clause (i) of this Section 7.2.1(b) would not be effective for any reason to prevent the violation of Section 7.2.1(a)(i), (ii), (iv), (v), (vi), (vii) or (ix), then the Transfer of that number of shares of Capital Stock that otherwise would cause any Person to violate Section 7.2.1(a)(i), (ii), (iv), (v), (vi), (vii) or (ix) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock.

Section 7.2.2 Remedies for Breach. If the Board of Directors shall at any time determine that a Transfer or other event has taken place that results in a violation of Section 7.2.1 or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any shares of Capital Stock in violation of Section 7.2.1 (whether or not such violation is intended), the Board of Directors or a committee thereof or other designees if permitted by the MGCL shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including, without limitation, causing the Corporation to redeem shares of Capital Stock, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer or other event; provided, however, that any Transfer or attempted Transfer or other event in violation of Section 7.2.1 shall automatically result in the transfer to the Charitable Trust described above, or, where applicable, such Transfer (or other event) shall be void ab initio as provided above irrespective of any action (or non-action) by the Board of Directors or a committee thereof or other designee if permitted by the MGCL.

Section 7.2.3 Notice of Restricted Transfer. Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of shares of Capital Stock that will or may violate Section 7.2.1(a) or any Person who would have owned shares of Capital Stock that resulted in a transfer to the Charitable Trust pursuant to the provisions of Section 7.2.1(b) shall immediately give written notice to the Corporation of such event or, in the case of such a proposed or attempted transaction, give at least fifteen (15) days prior written notice, and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer on the Corporation's status as a REIT.

Section 7.2.4 Owners Required To Provide Information From the Initial Date and prior to the Restriction Termination Date:

(a) Every Person that Beneficially Owns more than five percent (5%) (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) in number or value of the outstanding shares of Capital Stock, within thirty (30) days after the end of each taxable year, shall give written notice to the Corporation stating (i) the name and address of such owner; (ii) the number of shares of Capital Stock Beneficially Owned and (iii) a description of the manner in which such shares are held. Each such owner shall provide to the Corporation such additional information as the Corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the Corporation's status as a REIT and to ensure compliance with the Stock Ownership Limit; and

(b) Each Person who is a Beneficial Owner or Constructive Owner of Capital Stock and each Person (including the stockholder of record) who is holding Capital Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information as the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT and to comply with requirements of any taxing authority or governmental authority or to determine such compliance and to ensure compliance with the Stock Ownership Limit.

Section 7.2.5 Remedies Not Limited. Nothing contained in this Section 7.2 shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to (i) subject to Section 5.7 of the Charter, protect the Corporation and the interests of its stockholders in preserving the Corporation's status as a REIT or (ii) avoid having the assets of the Corporation being considered to be "plan assets" (within the meaning of the Plan Asset Regulations) of any stockholder.

Section 7.2.6 Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Article VII, including any definition contained in Section 7.1 of this Article VII, the Board of Directors shall have the power to determine the application of the provisions of this Article VII with respect to any situation based on the facts known to it at such time. In the event Section 7.2 or 7.3 requires an action by the Board of Directors and the Charter fails to provide specific guidance with respect to such action, the Board of Directors shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of Sections 7.1, 7.2 or 7.3. Absent a decision to the contrary by the Board of Directors (which the Board of Directors may make in its sole and absolute discretion), if a Person would have (but for the remedies set forth in Sections 7.2.1 and 7.2.2) acquired Beneficial Ownership or Constructive Ownership of Capital Stock in violation of Section 7.2.1, such remedies (as applicable) shall apply first to the shares of Capital Stock which, but for such remedies, would have been actually owned by such Person, and second to shares of Capital Stock which, but for such remedies, would have been Beneficially Owned or Constructively Owned (but not actually owned) by such Person, pro rata among the Persons who actually own such shares of Capital Stock based upon the relative number of the shares of Capital Stock held by each such Person.

Section 7.2.7 Exceptions.

(a) (i) The Board of Directors, in its sole discretion, may exempt (prospectively or retroactively) a Person from the restrictions contained in Section 7.2.1(a)(i), (ii), (iv), (vi) or (vii) as the case may be, and may establish or increase an Excepted Holder Limit for such Person if the Board of Directors obtains such representations, covenants and undertakings as the Board of Directors may deem appropriate in order to conclude that granting the exemption and/or establishing or increasing the Excepted Holder Limit, as the case may be, will not cause the Corporation to lose its status as a REIT in the case of an exemption or Excepted Holder Limit relating to Section 7.2.1(a)(i), (ii) and (iv) or cause any assets of the Corporation to be deemed "plan assets" for purposes of ERISA or the Plan Asset Regulations in the case of an exemption relating to Section 7.2.1(a)(vi) and (vii).

(b) Prior to granting any exception pursuant to Section 7.2.7(a), the Board of Directors may require a ruling from the Internal Revenue Service or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in its sole discretion, as it may deem necessary or advisable in order to (i) determine or ensure the Corporation's status as a REIT or (ii) in the case of an exception from Section 7.2.1(a)(vi) or (vii), determine that the Corporation will not fail to qualify for the Insignificant Participation Exception or another applicable exception to avoid having the assets of the Corporation be deemed "plan assets" for the purposes of ERISA or the Plan Asset Regulations. Notwithstanding the receipt of any ruling or opinion, the Board of Directors may impose such conditions or restrictions as it deems appropriate in connection with granting such exception.

(c) Subject to Section 7.2.1(a)(ii), (iv) and (v), an underwriter, placement agent or initial purchaser that participates in a public offering, a private placement or other private offering of Capital Stock (or securities convertible into or exchangeable for Capital Stock) may Beneficially Own or Constructively Own shares of Capital Stock (or securities convertible into or exchangeable for Capital Stock) in excess of the Stock Ownership Limit, but only to the extent necessary to facilitate such public offering, private placement or immediate resale of such Capital Stock and provided that the restrictions contained in Section 7.2.1(a) will not be violated following the distribution by such underwriter, placement agent or initial purchaser of such shares of Capital Stock.

Section 7.2.8 Change in Stock Ownership Limit and Excepted Holder Limits. (a) The Board of Directors may from time to time increase or decrease the Stock Ownership Limit; provided, however, that a decreased Stock Ownership Limit will not be effective for any Person whose percentage ownership of Capital Stock is in excess of such decreased Stock Ownership Limit until such time as such Person's percentage of Capital Stock equals or falls below the decreased Stock Ownership Limit, but until such time as such Person's percentage of Capital Stock falls below such decreased Stock Ownership Limit, any further acquisition of Capital Stock will be in violation of the Stock Ownership Limit and, provided further, that the new Stock Ownership Limit would not allow five or fewer individuals (taking into account all Excepted Holders) to Beneficially Own more than forty-nine and nine-tenths percent (49.9%) in value of the outstanding Capital Stock.

(b) The Board of Directors may only reduce the Excepted Holder Limit for an Excepted Holder: (1) with the written consent of such Excepted Holder at any time, or (2) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder. No Excepted Holder Limit shall be reduced to a percentage that is less than the then existing Stock Ownership Limit.

Section 7.2.9 Legend. Each certificate, if any, or any notice in lieu of any certificate, for shares of Capital Stock shall bear a legend summarizing the restrictions on ownership and transfer contained herein. Instead of a legend, the certificate, if any, may state that the Corporation will furnish a full statement about certain restrictions on transferability to a stockholder on request and without charge.

Section 7.3 Transfer of Capital Stock in Trust.

Section 7.3.1 Ownership in Trust. Upon any purported Transfer or other event described in Section 7.2.1(b) that would result in a transfer of shares of Capital Stock to a Charitable Trust, such shares of Capital Stock shall be deemed to have been transferred to the Trustee as trustee for the exclusive benefit of one or more Charitable Beneficiaries. Such transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Charitable Trust pursuant to Section 7.2.1(b). The Trustee shall be appointed by the Corporation and shall be a Person unaffiliated with the Corporation and any Prohibited Owner. Each Charitable Beneficiary shall be designated by the Corporation as provided in Section 7.3.6.

Section 7.3.2 Status of Shares Held by the Trustee. Shares of Capital Stock held by the Trustee shall continue to be issued and outstanding shares of Capital Stock of the Corporation. The Prohibited Owner shall have no rights in the Capital Stock held by the Trustee. The Prohibited Owner shall not benefit economically from ownership of any shares held in trust by the Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the shares held in the Charitable Trust. The Prohibited Owner shall have no claim, cause of action, or any other recourse whatsoever against the purported transferor of such Capital Stock.

Section 7.3.3 Dividend and Voting Rights. The Trustee shall have all voting rights and rights to dividends or other distributions with respect to shares of Capital Stock held in the Charitable Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid to a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee shall be paid with respect to such shares of Capital Stock by the Prohibited Owner to the Trustee upon demand and any dividend or other distribution authorized but unpaid shall be paid when due to the Trustee. Any dividends or other distributions so paid over to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to shares held in the Charitable Trust and, subject to Maryland law, effective as of the date that the shares of Capital Stock have been transferred to the Charitable Trust, the Trustee shall have the authority (at the Trustee's sole discretion) (i) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee and (ii) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary; provided, however, that if the Corporation has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article VII, until the Corporation has received notification that shares of Capital Stock have been transferred into a Charitable Trust, the Corporation shall be entitled to rely on its share transfer and other stockholder records for purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of stockholders.

Section 7.3.4 Sale of Shares by Trustee. Within twenty (20) days of receiving notice from the Corporation that shares of Capital Stock have been transferred to the Charitable Trust, the Trustee of the Charitable Trust shall sell the shares held in the Charitable Trust to a person, designated by the Trustee, whose ownership of the shares will not violate the ownership limitations set forth in Section 7.2.1(a). Upon such sale, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 7.3.4. The Prohibited Owner shall receive the lesser of (1) the price paid by the Prohibited Owner for the shares or, if the Prohibited Owner did not give value for the shares in connection with the event causing the shares to be held in the Charitable Trust (e.g., in the case of a gift, devise or other such transaction), the Market Price of the shares on the day of the event causing the shares to be held in the Charitable Trust and (2) the price per share received by the Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the shares held in the Charitable Trust. The Trustee may reduce the amount payable to the Prohibited Owner by the amount of dividends and other distributions paid to the Prohibited Owner and owed by the Prohibited Owner to the Trustee pursuant to Section 7.3.3 of this Article VII. Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to the Charitable Beneficiary. If, prior to the discovery by the Corporation that shares of Capital Stock have been transferred to the Trustee, such shares are sold by a Prohibited Owner, then (i) such shares shall be deemed to have been sold on behalf of the Charitable Trust and (ii) to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 7.3.4, such excess shall be paid to the Trustee upon demand.

Section 7.3.5 Purchase Right in Stock Transferred to the Trustee. Shares of Capital Stock transferred to the Trustee shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in such transfer to the Charitable Trust (or, in the case of a devise or gift, the Market Price at the time of such devise or gift) and (ii) the Market Price on the date the Corporation, or its designee, accepts such offer. The Corporation may reduce the amount payable to the Prohibited Owner by the amount of dividends and other distributions paid to the Prohibited Owner and owed by the Prohibited Owner to the Trustee pursuant to Section 7.3.3 of this Article VII. The Corporation may pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary. The Corporation shall have the right to accept such offer until the Trustee has sold the shares held in the Charitable Trust pursuant to Section 7.3.4. Upon such a sale to the Corporation, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and any dividends or other distributions held by the Trustee shall be paid to the Charitable Beneficiary.

Section 7.3.6 Designation of Charitable Beneficiaries. By written notice to the Trustee, the Corporation shall designate one or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Charitable Trust such that (i) the shares of Capital Stock held in the Charitable Trust would not violate the restrictions set forth in Section 7.2.1(a) in the hands of such Charitable Beneficiary and (ii) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under one of Sections 170(b)(1)(A), 2055 and 2522 of the Code. Neither the failure of the Corporation to make such designation nor the failure of the Corporation to appoint the Trustee before the automatic transfer provided for in Section 7.2.1(b)(i) shall make such transfer ineffective, provided that the Corporation thereafter makes such designation and appointment.

Section 7.4 NYSE Transactions. Nothing in this Article VII shall preclude the settlement of any transaction entered into through the facilities of the NYSE or any other national securities exchange or automated inter-dealer quotation system. The fact that the settlement of any transaction occurs shall not negate the effect of any other provision of this Article VII and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article VII.

Section 7.5 Deemed ERISA Representations. Each purchaser and subsequent transferee of Capital Stock after the date upon which a registration statement with respect to the Capital Stock becomes effective, will be deemed to have represented and warranted that its purchase of Capital Stock will not constitute (i) a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or (ii) a violation of any other federal, state, local, non-U.S. or other laws or regulations applicable to such purchaser that contain one or more provisions that are substantially similar to the prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code.

Section 7.6 Enforcement. The Corporation is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article VII.

Section 7.7 Non-Waiver. No delay or failure on the part of the Corporation or the Board of Directors in exercising any right hereunder shall operate as a waiver of any right of the Corporation or the Board of Directors, as the case may be, except to the extent specifically waived in writing.

Section 7.8 Severability. If any provision of this Article VII or any application of any such provision is determined to be invalid by any federal or state court having jurisdiction over the issues, the validity of the remaining provisions shall not be affected and other applications of such provisions shall be affected only to the extent necessary to comply with the determination of such court.

ARTICLE VIII

AMENDMENTS

The Corporation reserves the right from time to time to make any amendment to the Charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the Charter, of any shares of outstanding stock. All rights and powers conferred by the Charter on stockholders, directors and officers are granted subject to this reservation. Except as otherwise provided in the Charter and except for those amendments permitted to be made without stockholder approval under Maryland law or by specific provision in the Charter, any amendment to the Charter shall be valid only if declared advisable by the Board of Directors and approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter. However, any amendment to Section 5.8 and Article VII or to this sentence of the Charter shall be valid only if declared advisable by the Board of Directors and approved by the affirmative vote of holders of shares entitled to cast at least two-thirds of all the votes entitled to be cast on the matter.

ARTICLE IX

LIMITATION OF LIABILITY

To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers of a corporation, no present or former director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this Article IX, nor the adoption or amendment of any other provision of the Charter or the Bylaws inconsistent with this Article IX, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

ANNEX A

7.50% Series A Cumulative Redeemable Preferred Stock

(1) *Designation and Number.* A series of Preferred Stock, designated as the “7.50% Series A Cumulative Redeemable Preferred Stock” (the “Series A Preferred Stock”), is hereby established. The par value of the Series A Preferred Stock is \$0.001 per share. The number of shares of Series A Preferred Stock shall be 3,105,000.

(2) *Maturity.* The Series A Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption.

(3) *Ranking.* The Series A Preferred Stock will, with respect to rights to receive dividends and to participate in distributions or payments upon any voluntary or involuntary liquidation, dissolution or winding up of the Company (a “Liquidation Event”), rank (a) senior to the Common Stock and any other class or series of equity securities, now or hereafter issued and outstanding, the terms of which provide that such equity securities rank, as to dividend payments and the distribution of assets upon a Liquidation Event, junior to such Series A Preferred Stock (“Junior Equity Securities”), (b) on parity with any other preferred or convertible preferred securities, the terms of which provide for cumulative dividends, of the Company, now or hereafter issued and outstanding other than the securities referred to in clauses (a) and (c) (“Parity Equity Securities”); and (c) junior to all equity securities issued by the Company with terms specifically providing that such equity securities rank senior to the Series A Preferred Stock with respect to rights of dividend payments and the distribution of assets upon a Liquidation Event (“Senior Equity Securities”). For the avoidance of doubt, the term “equity securities” does not include convertible or exchangeable debt securities, which debt securities would rank senior to the Series A Preferred Stock.

(4) *Dividends.*

(a) Dividends on each outstanding share of Series A Preferred Stock shall be cumulative from and including September 15, 2017 (the "Original Issue Date") and shall be payable (i) for the period from the Original Issue Date to, but excluding October 31, 2017 on October 31, 2017, to holders of record as of October 15, 2017, and (ii) for each quarterly distribution period thereafter, quarterly in equal amounts in arrears on January 31, April 30, July 31 and October 31 of each year, commencing on January 31, 2018 (each such day being hereinafter called a "Series A Dividend Payment Date") at the then applicable annual rate; *provided, however*, that if any Series A Dividend Payment Date falls on any day other than a Business Day (as defined herein), the dividend that would otherwise have been payable on such Series A Dividend Payment Date may be paid on the next succeeding Business Day (as defined herein) with the same force and effect as if paid on such Series A Dividend Payment Date, and no interest or other sums shall accrue on the amount so payable from such Series A Dividend Payment Date to such next succeeding Business Day (as defined herein). Each dividend is payable quarterly in arrears to holders of record as they appear on the share records of the Company at 5:00 p.m., New York time, on the record date, which shall be January 15, April 15, July 15 or October 15 immediately preceding the applicable Series A Dividend Payment Date (each such date, a "Record Date"). Dividends shall accrue and be cumulative from the most recent Series A Dividend Payment Date to which dividends have been paid in full (a "Prior Dividend Payment Date") (or if no Prior Dividend Payment Date, from the Original Issue Date). The dividends payable on any Series A Dividend Payment Date shall include dividends accumulated to, but excluding, such Series A Dividend Payment Date. Dividends on the Series A Preferred Stock will accumulate whether or not in any such dividend period or periods there shall be funds legally available for the payment of such dividends, whether the Company has earnings or whether such dividends are authorized. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on the Series A Preferred Stock that may be in arrears. Holders of the Series A Preferred Stock shall not be entitled to any dividends, whether payable in cash, property or shares, in excess of full cumulative dividends, as herein provided, on the Series A Preferred Stock. Dividends payable on the Series A Preferred Stock for any period greater or less than a full dividend period will be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months. Dividends payable on the Series A Preferred Stock for each full dividend period will be computed by dividing Per Annum Amount (as defined herein) by four. After full cumulative distributions on the Series A Preferred Stock have been paid or declared and funds therefor set aside for payment with respect to a dividend period, the holders of Series A Preferred Stock will not be entitled to any further distributions with respect to that dividend period.

(b) On and after the Original Issue Date, holders of the then outstanding shares of Series A Preferred Stock shall be entitled to receive, when, as and if authorized by the Board and declared by the Company, out of funds legally available for payment of dividends, cumulative cash dividends at the rate of 7.50% per annum on the \$25.00 liquidation preference of each share of Series A Preferred Stock (equivalent to \$1.875 per annum per share (the "Per Annum Amount")).

(c) The Board shall not authorize and declare, and the Company shall not pay or set apart for payment, any dividends on the Series A Preferred Stock at such time as the terms and provisions of any agreement of the Company, including any agreement relating to the Company's indebtedness, prohibits such declaration, payment or setting apart for payment or provides that such declaration, payment or setting apart for payment would constitute a breach thereof, or a default thereunder, or if such declaration or payment shall be restricted or prohibited by law.

(d) If, for any taxable year, the Company elects to designate as a “capital gain dividend” (as defined in Section 857 of the Internal Revenue Code of 1986, as amended) any portion (the “Capital Gains Amount”) of the dividends (as determined for federal income tax purposes) paid or made available for the year to holders of all classes of the Company’s equity securities (the “Total Dividends”), then, except as otherwise required by applicable law, that portion of the Capital Gains Amount that shall be allocable to the holders of Series A Preferred Stock shall be in proportion to the amount that the total dividends (as determined for federal income tax purposes) paid or made available to the holders of the Series A Preferred Stock for the year bears to the Total Dividends. Except as otherwise required by applicable law, the Company will make a similar allocation with respect to any undistributed long-term capital gains of the Company which are to be included in its stockholders’ long-term capital gains, based on the allocation of the Capital Gains Amount which would have resulted if such undistributed long-term capital gains had been distributed as “capital gains dividends” by the Company to its stockholders.

(e) So long as any shares of Series A Preferred Stock are outstanding, the Board shall not authorize and declare, and the Company shall not pay or set apart for payment, except as described in the immediately following sentence, any dividends on any series or class or classes of Parity Equity Securities for any period unless full cumulative dividends have been declared and paid or are contemporaneously declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Series A Preferred Stock for all prior dividend periods. When dividends are not paid (or duly provided for) on any dividend payment date (or, in the case of parity equity shares (as defined below) having dividend payment dates different from the dividend payment dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related dividend period for Series A Preferred Stock) in full upon the Series A Preferred Stock and any shares of parity equity shares, all dividends declared upon the Series A Preferred Stock and all such parity equity shares payable on such dividend payment date (or, in the case of parity equity shares having dividend payment dates different from the dividend payment dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related dividend period for the Series A Preferred Stock) shall be declared *pro rata* so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per share on the Series A Preferred Stock and all parity equity shares payable on such dividend payment date (or, in the case of parity equity shares having dividend payment dates different from the dividend payment dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related dividend period for the Series A Preferred Stock) bear to each other.

(f) So long as any shares of Series A Preferred Stock are outstanding, the Board shall not authorize and declare, and the Company shall not pay or set apart for payment, any dividends (other than dividends or distributions paid solely in Junior Equity Securities of, or in options, warrants or rights to subscribe for or purchase, Junior Equity Securities) or other distribution upon Junior Equity Securities, nor shall any Junior Equity Securities be redeemed, purchased or otherwise acquired (other than a redemption, purchase or other acquisition of shares of Common Stock made for purposes of and in compliance with requirements of an employee incentive or benefit plan of the Company or any subsidiary, or a conversion into or exchange for Junior Equity Securities or redemptions for the purpose of qualifying the Company as, or preserving the Company’s qualification as, a REIT), for any consideration (or any monies to be paid to or made available for a sinking fund for the redemption of any such shares) by the Company, directly or indirectly (except by conversion into or exchange for Junior Equity Securities), unless in each case all cumulative dividends on all outstanding shares of Series A Preferred Stock and any Parity Equity Securities at the time such dividends are payable shall have been paid or set apart for payment for all past dividend periods with respect to the Series A Preferred Stock and all past dividend periods with respect to such Parity Equity Securities.

(g) Any dividend payment made on the Series A Preferred Stock, including any Capital Gains Amounts, shall first be credited against the earliest accrued but unpaid dividend due with respect to such shares which remains payable.

(h) As used herein, the term "Business Day" shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close.

(i) As used herein, the term "dividend" does not include dividends payable solely in Junior Equity Securities on Junior Equity Securities, or in options, warrants or rights to holders of Junior Equity Securities to subscribe for or purchase any Junior Equity Securities.

(5) *Liquidation Preference.*

(a) In the event of any Liquidation Event, before any payment or distribution of the assets of the Company shall be made to or set apart for the holders of Junior Equity Securities, the holders of the Series A Preferred Stock shall be entitled to receive (i) a liquidating distribution in the amount of \$25.00 per share, plus (ii) an amount per share of Series A Preferred Stock equal to all dividends (whether or not authorized or declared) accrued and unpaid thereon to, but excluding, the date of final distribution to such holders (the "Liquidation Preference"); but such holders of the Series A Preferred Stock shall not be entitled to any further payment.

(b) If, upon any Liquidation Event, the assets of the Company, or proceeds thereof, distributable among the holders of the Series A Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other Parity Equity Securities, then such assets, or the proceeds thereof, shall be distributed among the holders of such Series A Preferred Stock and any such other Parity Equity Securities ratably in accordance with the respective amounts that would be payable on such Series A Preferred Stock and any such other Parity Equity Securities if all amounts payable thereon were paid in full. For the purposes of this paragraph (5), none of (i) a consolidation or merger of the Company with one or more other entities, (ii) a statutory share exchange or (iii) a voluntary sale, transfer or conveyance of all or substantially all of the Company's assets, properties or business shall be deemed to be a Liquidation Event of the Company.

(c) Subject to the rights of the holders of Parity Equity Securities, upon any liquidation, dissolution or winding up of the Company, after payment shall have been made in full to the holders of the Series A Preferred Stock, as provided in this paragraph (5), any series or class or classes of Junior Equity Securities shall, subject to any respective terms and provisions applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series A Preferred Stock shall not be entitled to share therein.

(d) Written notice of any such liquidation, dissolution or winding up of the Company, stating the payment date or dates when, and the place or places where the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage pre-paid, not less than thirty (30) nor more than sixty (60) days prior to the payment date stated therein, to each record holder of the Series A Preferred Stock at the respective addresses of such holders as the same shall appear on the share transfer records of the Company.

(e) In determining whether any distribution (other than upon voluntary or involuntary dissolution) by dividend, redemption or other acquisition of shares of stock or otherwise is permitted under the Maryland General Corporation Law, amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of the holders of the Series A Preferred Stock will not be added to the Company's total liabilities.

(6) *Redemption.* The Series A Preferred Stock is not redeemable except as provided in this paragraph (6).

(a) *Redemption at the Option of the Company.* (i) Except as otherwise permitted by the Charter and paragraph (6)(c) hereof, the Company may not redeem the Series A Preferred Stock until after September 15, 2022 except in limited circumstances relating to the Company qualifying and maintaining its qualification as a REIT as set forth in Article V of the Charter and pursuant to the Special Redemption Right (as defined herein). Any time after September 15, 2022, the Company, at its option, upon giving notice as provided below, may redeem some or all of the Series A Preferred Stock from time to time, at any time, for cash at a redemption price equal to \$25.00 per share, plus any accumulated and unpaid dividends (whether or not authorized or declared), if any, to, but excluding, the date fixed for redemption (the "Regular Redemption Right").

(ii) The following provisions set forth the procedures for redemption pursuant to the Regular Redemption Right:

(A) A notice of redemption (which may be contingent upon the occurrence of a future event) shall be mailed, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, addressed to the holders of record of the Series A Preferred Stock at their addresses as they appear on the Company's share transfer records (*provided* that, if the Series A Preferred Stock is held in book-entry form through The Depository Company, or "DTC", the Company may give such notice in any manner permitted by DTC). A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the redemption of any Series A Preferred Stock except as to the holder to whom notice was defective or not given. In addition to any information required by law or by the applicable rules of any exchange upon which the Series A Preferred Stock may be listed for trading, each notice shall state: (1) the redemption date; (2) the number of shares of Series A Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where the certificates, if any, evidencing the shares of Series A Preferred Stock are to be surrendered for payment of the redemption price. In the case of any redemption of only part of the Series A Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or by lot.

(B) Upon any redemption of Series A Preferred Stock, the Company shall pay any accrued and unpaid dividends in arrears for any dividend period ending on or prior to the redemption date. If a redemption date falls after a Record Date for a Series A Preferred Stock dividend payment and prior to the corresponding Series A Dividend Payment Date, then each holder of the Series A Preferred Stock at the close of business on such Record Date shall be entitled to the dividend payable on such Series A Preferred Stock on the corresponding Series A Dividend Payment Date notwithstanding the redemption of such Series A Preferred Stock before such Series A Dividend Payment Date. Except as provided above, the Company shall make no payment or allowance for unpaid dividends, whether or not in arrears, on any Series A Preferred Stock called for redemption.

(C) If full cumulative dividends on the Series A Preferred Stock and any other series or class or classes of Parity Equity Securities have not been paid or declared and set apart for payment, except as otherwise permitted under the Charter, the Company may not purchase, redeem or otherwise acquire Series A Preferred Stock or any Parity Equity Securities (other than a redemption, purchase or other acquisition of shares of Common Stock made for purposes of and in compliance with requirements of an employee incentive or benefit plan of the Company or any subsidiary, or a conversion into or exchange for Junior Equity Securities or redemptions for the purpose of qualifying the Company as, or preserving the Company's qualification as, a REIT).

(D) On and after the date fixed for redemption, provided that the Company has made available at the office of the registrar and transfer agent a sufficient amount of cash to effect the redemption, dividends shall cease to accrue on the Series A Preferred Stock called for redemption (except that, in the case of a redemption date after a Record Date and prior to the related Series A Dividend Payment Date, holders of Series A Preferred Stock on the applicable Record Date will be entitled on such Series A Dividend Payment Date to receive the dividend payable on such shares on the corresponding Series A Dividend Payment Date), such shares shall no longer be deemed to be outstanding and all rights of the holders of such shares as holders of Series A Preferred Stock shall cease except the right to receive the cash payable upon such redemption, without interest from the date of such redemption.

(b) *Special Redemption Right Upon a Change of Control* (i) Upon the occurrence of a Change of Control (as defined herein), the Company shall have the option, upon giving notice to the holders of the Series A Preferred Stock as provided below, to redeem all or any part of the Series A Preferred Stock at any time within one hundred twenty (120) days after the date on which the Change of Control has occurred (the "Special Redemption Right"), for cash equal to the \$25.00 per share, plus any accumulated and unpaid dividends (whether or not authorized or declared), if any, to, but excluding, the redemption date (the "Special Redemption Price"). If, prior to the Change of Control Conversion Date (as defined herein), the Company exercises its Regular Redemption Right or Special Redemption Right in connection with a Change of Control, holders of Series A Preferred Stock shall not be permitted to exercise their Change of Control Conversion Right (as defined herein).

A "Change of Control" shall be deemed to have occurred at such time after the Original Issue Date when the following have occurred and are continuing:

(A) the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger, conversion or other acquisition transaction or series of purchases, mergers, conversions or other acquisition transactions, of shares of our stock entitling that person to exercise more than 50% of the total voting power of all outstanding shares of our stock entitled to vote generally in the election of directors (except that the person will be deemed to have beneficial ownership of all securities that the person has the right to acquire, whether the right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

(B) following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common equity securities listed on the NYSE, the NYSE MKT LLC or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, NYSE MKT LLC or NASDAQ.

(ii) The following provisions set forth the procedures for redemption pursuant to the Special Redemption Right:

(A) A notice of redemption shall be mailed, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, addressed to the holders of record of the Series A Preferred Stock at their addresses as they appear on the Company's share transfer records. A failure to give such notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the redemption of any Series A Preferred Stock except as to the holder to whom notice was defective or not given. In addition to any information required by law or by the applicable rules of any exchange upon which the Series A Preferred Stock may be listed or admitted to trading, each notice shall state: (1) the redemption date; (2) the special redemption price; (3) a statement setting forth the calculation of such special redemption price in accordance with paragraph (6)(b); (4) the number of shares of Series A Preferred Stock to be redeemed; (5) the place or places where the certificates, if any, evidencing the Series A Preferred Stock are to be surrendered for payment of the redemption price; (6) procedures for surrendering noncertificated shares of Series A Preferred Stock for payment of the redemption price; (7) that dividends on the Series A Preferred Stock to be redeemed will cease to accrue on such redemption date except as otherwise provided herein and unless the Company shall fail to pay the redemption price on such date; (8) that payment of the redemption price and any accrued and unpaid dividends will be made upon presentation and surrender of such Series A Preferred Stock; (9) that the shares of Series A Preferred Stock are being redeemed pursuant to the Special Redemption Right in connection with the occurrence of a Change of Control and a brief description of the transaction or transactions constituting such Change of Control; and (10) that the holders of the Series A Preferred Stock to which the notice relates will not be able to tender such Series A Preferred Stock for conversion in connection with the Change of Control and each share of Series A Preferred Stock tendered for conversion that is selected, prior to the Change of Control Conversion Date (as defined herein), for redemption shall be redeemed on the related redemption date instead of converted on the Change of Control Conversion Date.

(B) Upon the redemption of the Series A Preferred Stock, the Company shall pay any accrued and unpaid dividends in arrears for any dividend period ending on or prior to the redemption date. If the redemption date falls after a Record Date for a Series A Preferred Stock dividend payment and prior to the corresponding Series A Dividend Payment Date, then each holder of the Series A Preferred Stock at the close of business on such Record Date shall be entitled to the dividend payable on such Series A Preferred Stock on the corresponding Series A Dividend Payment Date notwithstanding the redemption of such Series A Preferred Stock before such Series A Dividend Payment Date. Except as provided above, the Company shall make no payment or allowance for unpaid dividends, whether or not in arrears, on any Series A Preferred Stock called for redemption.

(C) If full cumulative dividends on the Series A Preferred Stock and any other series or class or classes of Parity Equity Securities have not been paid or declared and set apart for payment, except as otherwise permitted under the Charter, the Company may not purchase, redeem or otherwise acquire Series A Preferred Stock or any Parity Equity Securities (other than a redemption, purchase or other acquisition of shares of Common Stock made for purposes of and in compliance with requirements of an employee incentive or benefit plan of the Company or any subsidiary, or a conversion into or exchange for Junior Equity Securities or redemptions for the purpose of qualifying the Company as, or preserving the Company's qualification as, a REIT).

(D) On and after the date fixed for redemption, provided that the Company has made available at the office of the registrar and transfer agent a sufficient amount of cash to effect the redemption, dividends shall cease to accrue on the Series A Preferred Stock called for redemption (except that, in the case of a redemption date after a Record Date and prior to the related Series A Dividend Payment Date, holders of shares of Series A Preferred Stock on the applicable Record Date will be entitled on such Series A Dividend Payment Date to receive the dividend payable on such shares on the corresponding Series A Dividend Payment Date), such shares shall no longer be deemed to be outstanding and all rights of the holders of such shares as holders of Series A Preferred Stock shall cease except the right to receive the cash payable upon such redemption, without interest from the date of such redemption.

(c) *Status of Redeemed Series A Preferred Stock* Any shares of Series A Preferred Stock that shall at any time have been redeemed (whether by the Regular Redemption Right or the Special Redemption Right) shall, after such redemption, have the status of authorized but unissued Preferred Stock, without designation as to series until such shares are once more designated as part of a particular series by the Board.

(7) *Voting Rights.* Except as otherwise set forth herein or as required by applicable law, the Series A Preferred Stock shall not have any relative, participating, optional or other voting rights or powers, and the consent of the holders thereof shall not be required for the taking of any action by the Company. In any matter in which the holders of Series A Preferred Stock are entitled to vote, each such holder shall have the right to one vote for each share of Series A Preferred Stock held by such holder.

(a) *Right to Elect Two Directors After Extended Dividend Arrearages.*

(i) If and whenever six (6) or more quarterly dividends (whether or not consecutive) payable on the Series A Preferred Stock are in arrears, whether or not authorized or declared, the number of directors then constituting the Board shall be increased by two and the holders of Series A Preferred Stock, voting together as a single class with the holders of any other series of Parity Equity Securities upon which like voting rights have been conferred and are exercisable (any such other series, the "Voting Preferred Stock"), shall have the right to elect two (2) additional directors (each, a "Preferred Stock Director") at a special meeting of the holders of the Series A Preferred Stock called upon the request of at least ten percent (10%) of such holders, or at the Company's next annual meeting and at each subsequent annual meeting of stockholders until all unpaid dividends with respect to the Series A Preferred Stock and such other Voting Preferred Stock have been paid. Whenever all dividend arrearages on the Series A Preferred Stock and the Voting Preferred Stock then outstanding have been paid, then the right of the holders of the Series A Preferred Stock and the Voting Preferred Stock to elect two (2) Preferred Stock Directors will cease, the terms of office of the Preferred Stock Directors shall terminate immediately and the number of directors shall be reduced accordingly; provided, however, the right of the holders of the Series A Preferred Stock and the Voting Preferred Stock to elect the additional directors will again vest if and whenever six (6) quarterly dividends are in arrears, as described above.

(ii) A Preferred Stock Director shall be elected by a vote of holders of record (as of the record date for the special or annual meeting, as the case may be) of a plurality of votes cast. Any of the Preferred Stock Directors elected by holders of the Voting Preferred Stock may be removed at any time with or without cause by the vote of, and may not be removed otherwise than by the vote of, holders of record (as of the record date for the special or annual meeting, as the case may be) of a majority of the outstanding Voting Preferred Stock. So long as a dividend arrearage continues, any vacancy in the office of any Preferred Stock Director may be filled by written consent of the Preferred Stock Director remaining in office, or if none remains in office, by a vote of the holders of the Voting Preferred Stock. In no event shall the holders of Series A Preferred Stock be entitled pursuant to these voting rights to elect a director that would cause the Company to fail to satisfy a requirement relating to director independence of any national securities exchange on which any class or series of the Company's shares are listed. In class votes with other Voting Preferred Stock, Preferred Stock of different series shall vote in proportion to the liquidation preference of the Preferred Stock.

(iii) Special meetings pursuant to this paragraph (7)(a) shall be in accordance with the procedures for "Stockholder-Requested Special Meetings" in the Company's Bylaws; except that (a) the request of at least ten percent (10%) of the holders of the Series A Preferred Stock is required to call the meeting, as set forth above and (b) the Company, rather than the holders of Series A Preferred Stock, shall pay all costs and expenses of calling and holding such meeting, including without limitation, the costs of preparing and mailing or delivering notice of such meeting, of renting meeting space for such meeting to be held and of collecting and tabulating votes.

(iv) The provisions of this paragraph (7)(a) shall supersede anything inconsistent contained in the Charter or bylaws of the Company.

(b) *Supermajority Voting Rights.* So long as any Series A Preferred Stock are outstanding, the approval of two-thirds of the votes entitled to be cast by the holders of outstanding shares of Series A Preferred Stock, voting together as a single class with the Voting Preferred Stock, either at a meeting of shareholders or by written consent, is required (i) to authorize, create, issue or increase the number of authorized or issued shares of any class or series of Senior Equity Securities, or to reclassify any authorized equity securities of the Company into such Senior Equity Securities, or to create, authorize or issue any obligation or security convertible into or evidencing the right to purchase such Senior Equity Securities, or (ii) to amend, alter or repeal any provisions of the Charter (including these Articles Supplementary), whether by merger, consolidation or otherwise, to affect materially and adversely the voting powers, rights or preferences of the holders of the Series A Preferred Stock, unless in connection with any such amendment, alteration or repeal, the Series A Preferred Stock remain outstanding without the terms thereof being materially changed in any respect adverse to the holders thereof or is converted into or exchanged for Preferred Stock of the surviving entity having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption thereof that are substantially similar to those of the Series A Preferred Stock (provided that if such amendment materially and adversely affects the rights, preferences, privileges or voting powers of the Series A Preferred Stock disproportionately relative to other classes or series of Voting Preferred Stock, then the consent of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock (voting as a separate class) is required). However, the Company may create additional classes of Parity Equity Securities and Junior Equity Securities, amend the Charter and these Articles Supplementary to increase the authorized number of Parity Equity Securities (including the Series A Preferred Stock) and Junior Equity Securities and issue additional series of Parity Equity Securities and Junior Equity Securities without the consent of any holder of Series A Preferred Stock.

(c) *Effect of Redemption Upon Voting Rights.* The foregoing voting provisions shall not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series A Preferred Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been deposited in trust to effect such redemption.

(8) *Information Rights.* During any period in which the Company is not subject to Section 13 or 15(d) of the Exchange Act, and any shares of Series A Preferred Stock are outstanding, the Company will (i) transmit by mail (or other permissible means under the Exchange Act) to all holders of Series A Preferred Stock, as their names and addresses appear in the record books of the Company and without cost to such holders, copies of the annual reports and quarterly reports that the Company would have been required to file with the Securities and Exchange Commission (the “SEC”) pursuant to Section 13 or 15(d) of the Exchange Act if the Company were subject thereto (other than any exhibits that would have been required) and (ii) promptly, upon request, supply copies of such reports to any prospective holder of Series A Preferred Stock. The Company will mail (or otherwise provide) the information to the holders of Series A Preferred Stock within fifteen (15) days after the respective dates by which an annual report on Form 10-K or quarterly report on Form 10-Q, as the case may be, would be due if the Company were subject to Section 13 or 15(d) of the Exchange Act and was required to file such reports with the SEC.

(9) *Other Limitations; Ownership and Transfer.* The shares of Series A Preferred Stock constitute equity securities of the Company and are governed by and issued subject to all the limitations, terms and conditions of the Charter applicable to equity securities generally, including but not limited to the terms and conditions (including exceptions and exemptions) of Article VII of the Charter applicable to equity securities. The foregoing sentence shall not be construed to limit the applicability to the Series A Preferred Stock of any other term or provision of the Charter.

(10) *Conversion.* The Series A Preferred Stock is not convertible into or exchangeable for any other property or securities of Company, except as provided in this paragraph (10).

(a) *Conversion upon a Change of Control.*

(i) Upon the occurrence of a Change of Control, each holder of the Series A Preferred Stock shall have the right, subject to the Special Redemption Right of the Company, to convert some or all of the Series A Preferred Stock held by such holder (the “Change of Control Conversion Right”) on the relevant Change of Control Conversion Date (as defined herein) into a number of shares of Common Stock per share of Series A Preferred Stock (the “Common Stock Conversion Consideration”) equal to the lesser of (A) the quotient obtained by dividing (i) the sum of (x) the liquidation preference amount of \$25.00 per share of Series A Preferred Stock, plus (y) any accrued and unpaid dividends thereon (whether or not declared) to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series A Preferred Stock dividend payment for which dividends have been declared and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum and such declared dividend will instead be paid, on such dividend payment date, to the holder of record of the Series A Preferred Stock to be converted as of 5:00 p.m. New York City time, on such record date) by (ii) the Common Stock Price (as defined herein) (such quotient, the “Conversion Rate”), and (B) 5.3419 (the “Share Cap”), subject to the following:

(A) The Share Cap shall be subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of shares of Common Stock), subdivisions or combinations (in each case, a “Share Split”) with respect to the Common Stock as follows: the adjusted Share Cap as the result of a Share Split shall be the number of shares of Common Stock that is equivalent to the product of (i) the Share Cap in effect immediately prior to such Share Split multiplied by (ii) a fraction, the numerator of which is the number of shares of Common Stock outstanding after giving effect to such Share Split and the denominator of which is the number of shares of Common Stock outstanding immediately prior to such Share Split.

(B) In the case of a Change of Control as a result of which holders of Common Stock are entitled to receive consideration other than solely Common Stock, including other securities, other property or assets (including cash or any combination thereof) with respect to or in exchange for shares of Common Stock (the “Alternative Form Consideration”), a holder of Series A Preferred Stock shall be entitled thereafter to convert (subject to the Company’s Special Redemption Right) such Series A Preferred Stock not into Common Stock but solely into the kind and amount of Alternative Form Consideration which the holder of Series A Preferred Stock would have owned or been entitled to receive upon such Change of Control as if such holder of Series A Preferred Stock then held the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the “Alternative Conversion Consideration,” and the Common Stock Conversion Consideration or the Alternative Conversion Consideration, as may be applicable to a Change of Control, shall be referred to herein as the “Conversion Consideration”).

(C) If the holders of Common Stock have the opportunity to elect the form of consideration to be received in such Change of Control, the Conversion Consideration shall be deemed to be the kind and amount of consideration actually received by holders of a majority of shares of Common Stock that voted for such an election (if electing between two types of consideration) or holders of a plurality of shares of Common Stock that voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of Common Stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in the Change of Control.

(D) As used herein, the term “Common Stock Price” shall mean (i) if the consideration to be received in the Change of Control by holders of the Common Stock is solely cash, the amount of cash consideration per share of Common Stock or (ii) if the consideration to be received in the Change of Control by holders of the Common Stock is other than solely cash, (x) the average of the closing price per share of Common Stock (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) for the ten (10) consecutive trading days immediately preceding, but not including, the effective date of the Change of Control as reported on the principal U.S. securities exchange on which the Common Stock is then traded, or (y) the average of the last quoted bid prices for the Common Stock in the over-the-counter market as reported by OTC Markets Group, Inc. or similar organization for the ten (10) consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if the Common Stock is not then listed for trading on a U.S. securities exchange.

(ii) Within fifteen (15) days following the occurrence of a Change of Control, the Company shall provide to holders of Series A Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right (“Change of Control Notice”). A failure to give such Change of Control Notice or any defect in the notice or in its mailing shall not affect the validity of the proceedings for the conversion of any Series A Preferred Stock except as to the holder to whom the Change of Control Notice was defective or not given. Each Change of Control Notice shall state the following: (A) the events constituting the Change of Control; (B) the date of the Change of Control; (C) the last date and time by which the holders of Series A Preferred Stock may exercise their Change of Control Conversion Right, which shall be the Change of Control Conversion Date; (D) the method and period for calculating the Common Stock Price; (E) the Change of Control Conversion Date; (F) that if, prior to the Change of Control Conversion Date, the Company has provided or provides notice of its election to redeem all or any portion of the Series A Preferred Stock, holders shall not be able to convert Series A Preferred Stock designated for redemption and such shares shall be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right; (G) if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series A Preferred Stock; (H) the name and address of the paying agent and the conversion agent; and (I) the procedures that the holders of Series A Preferred Stock must follow to exercise the Change of Control Conversion Right.

(iii) The Company shall issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if such organizations are not in existence at the time of issuance of such press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post notice on the Company’s website, in any event prior to the opening of business on the first Business Day following any date on which the Company provides a Change of Control Notice to the holders of Series A Preferred Stock.

(iv) In order to exercise the Change of Control Conversion Right, a holder of Series A Preferred Stock shall be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) or book entries evidencing the Series A Preferred Stock to be converted, duly endorsed for transfer (if certificates are delivered), together with a completed written conversion notice, to the transfer agent. Such conversion notice shall state: (A) the relevant Change of Control Conversion Date; (B) the number of shares of Series A Preferred Stock to be converted; and (C) that the Series A Preferred Stock are to be converted pursuant to the applicable provisions of the Series A Preferred Stock. Notwithstanding the foregoing, if the shares of Series A Preferred Stock are held in global form, such notice shall comply with applicable procedures of the Depository Company ("DTC"). The "Change of Control Conversion Date" shall be a Business Day selected by the Company set forth in the Change of Control Notice that is no less than twenty (20) days nor more than thirty-five (35) days after the date on which the Company gives such notice.

(v) Holders of Series A Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to the Company's transfer agent prior to 5:00 PM Eastern time on the Business Day prior to the Change of Control Conversion Date. The notice of withdrawal must state: (i) the number of withdrawn shares of Series A Preferred Stock; (ii) if certificated shares of Series A Preferred Stock have been issued, the certificate numbers of the withdrawn shares of Series A Preferred Stock; and (iii) the number of shares of Series A Preferred Stock, if any, which remain subject to the conversion notice. Notwithstanding the foregoing, if the shares of Series A Preferred Stock are held in global form, the notice of withdrawal shall comply with applicable DTC procedures.

(vi) Series A Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn shall be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date.

(vii) In connection with the exercise of any Change of Control Conversion Right, the Company shall comply with all U.S. federal and state securities laws and stock exchange rules in connection with any conversion of Series A Preferred Stock into Common Stock. Notwithstanding anything to the contrary contained herein, no holder of Series A Preferred Stock shall be entitled to convert such Series A Preferred Stock for Common Stock to the extent that receipt of such shares of Common Stock would cause such holder (or any other person) to Beneficially Own, within the meaning of the Charter, shares of Common Stock of the Company in excess of the Ownership Limit, as such term is defined in the Charter.

(viii) No fractional shares of Common Stock shall be issued upon the conversion of the Series A Preferred Stock (whether such conversion occurs by conversion at the option of the Company as set forth in paragraph (10)(a) or (c) hereof or by the Change of Control Conversion Right). In lieu of fractional shares, holders of the Series A Preferred Stock shall be entitled to receive the cash value of such fractional shares based on the Common Stock Price.

(ix) The Company will deliver all shares of Common Stock, cash (including, without limitation, cash in lieu of fractional shares of Common Stock) and any other property owing upon conversion no later than the Company's (4th) Business Day following the Change of Control Conversion Date. Notwithstanding the foregoing, the persons entitled to receive any Common Stock or other securities delivered upon conversion will be deemed to have become the holders of record thereof as of the Change of Control Conversion Date.

(11) *Record Holders.* The Company and the transfer agent for the Series A Preferred Stock may deem and treat the record holder of any Series A Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Company nor the transfer agent shall be affected by any notice to the contrary.

(12) *Miscellaneous.*

(a) *Preemptive Rights.* No holder of Series A Preferred Stock, as such, shall have any preemptive or preferential right to subscribe for or to purchase any additional shares of any class or series of equity securities of the Company or any securities convertible into or exercisable or exchangeable for shares of any class or series of equity securities of the Company.

(b) *Tax Withholding.* The Company may withhold from or pay on behalf of or with respect to each holder of Series A Preferred Stock any amount of U.S. federal, state, local, or foreign taxes that the Company reasonably determines that it was or is required to withhold or pay with respect to any cash or property distributable, allocable or otherwise transferred to such holder pursuant to these Articles Supplementary, including, without limitation, any taxes required to be withheld or paid by the Company pursuant to Section 1441, 1442, or 1445 of the Internal Revenue Code of 1986, as amended.

(c) *Office or Agency.* The Company will at all times maintain an office or agency in one of the 48 contiguous states of the United States of America where Series A Preferred Stock may be surrendered for payment (including upon redemption), registration of transfer or exchange.

(d) *Severability.* If any preference, conversion or other right, voting power, restriction, limitation as to dividends or other distributions, qualification, term or condition of redemption or other term of the Series A Preferred Stock is invalid, unlawful or incapable of being enforced by reason of any rule of law or public policy, then, to the extent permitted by law, all other preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, terms or conditions of redemption and other terms of the Series A Preferred Stock which can be given effect without the invalid, unlawful or unenforceable preference, conversion or other right, voting power, restriction, limitation as to dividends or other distributions, qualification, term or condition of redemption or other term of the Series A Preferred Stock shall remain in full force and effect and shall not be deemed dependent upon any other such preference, conversion or other right, voting power, restriction, limitation as to dividends or other distributions, qualification, term or condition of redemption or other term of the Series A Preferred Stock unless so expressed herein.

(e) *Terms of the Series A Preferred Stock.* All references to the “terms” of the Series A Preferred Stock (and all similar references) shall include all of the preferences, conversion and other rights, voting powers, restrictions and limitations as to dividends and other distributions, qualifications, terms and conditions of redemption and other terms and provisions set forth in paragraphs (1) through (12), inclusive, hereof.

Amended and Restated Credit Agreement

Dated as of August 7, 2018

among

Global Medical REIT L.P.,
as Borrower

the Guarantors from time to time party hereto,

the Lenders from time to time party hereto,

and

BMO Harris Bank N.A.,
as Administrative Agent

BMO Capital Markets,
Citizens Bank, N.A.,
SunTrust Robinson Humphrey, Inc.,
and

KeyBank National Association
as Co-Syndication Agents, Joint Lead Arrangers and Joint Book Runners

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Amended and Restated Credit Agreement

This Amended and Restated Credit Agreement (this "*Agreement*") is entered into as of August 7, 2018 by and among Global Medical REIT L.P., a Delaware limited partnership (the "*Borrower*"), Global Medical REIT Inc., a Maryland corporation (the "*Parent*" or "*Global Medical REIT*"), the certain Subsidiaries from time to time party to this Agreement as Guarantors, the several financial institutions from time to time party to this Agreement, as Lenders, and BMO Harris Bank N.A., as Administrative Agent as provided herein. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in Section 5.1 hereof.

Preliminary Statement

Whereas, the Borrower and certain Material Subsidiaries of the Borrower, as Guarantors, the financial institutions party thereto as "Lenders" and BMO Harris Bank N.A., as Administrative Agent, Swing Line Lender and the L/C Issuer, previously entered into a Credit Agreement dated as of December 2, 2016 (as heretofore extended, renewed, amended, modified, amended and restated or supplemented, the "*Prior Credit Agreement*").

Whereas, the Borrower has requested that, among other things, (i) a term loan facility be added, (ii) the Revolving Credit Termination Date be extended, (iii) certain financial covenants be revised to increase the thresholds provided therein, (iv) the Applicable Margins be revised, and (v) certain other amendments be made to the Prior Credit Agreement, and the Administrative Agent, the L/C Issuer and the Lenders have agreed to such requests on the terms and conditions set forth in this Agreement, which, for the sake of clarity and convenience, amends and restates the Prior Credit Agreement in its entirety.

Now, Therefore, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. The Credit Facilities.

Section 1.1. Commitments. (a) *Revolving Credit Commitments.* Subject to the terms and conditions hereof, each Lender, by its acceptance hereof, severally agrees to make a loan or loans (individually a "*Revolving Loan*" and collectively for all the Lenders the "*Revolving Loans*") in U.S. Dollars to the Borrower from time to time on a revolving basis up to the amount of such Lender's Revolving Credit Commitment, subject to any reductions thereof pursuant to the terms hereof, before the Termination Date. The sum of the aggregate principal amount of Revolving Loans, Swing Loans and L/C Obligations at any time outstanding shall not exceed the lesser of (i) the Revolving Credit Commitments of all Lenders in effect at such time and (ii) the Borrowing Base as then determined and computed minus the then outstanding principal balance of the Term Loans and Incremental Term Loans. Each Borrowing of Revolving Loans shall be made ratably by the Lenders in proportion to their respective Revolver Percentages. As provided in Section 1.6(a) hereof, the Borrower may elect that each Borrowing of Revolving Loans be either Base Rate Loans or Eurodollar Loans. Revolving Loans may be repaid and the principal amount thereof reborrowed before the Termination Date, subject to the terms and conditions hereof.

(b) *Term Loan Commitments.* Subject to the terms and conditions hereof, each Lender, by its acceptance hereof, severally agrees to make a loan (individually, a "Term Loan" and collectively for all the Lenders, the "Term Loans") in U.S. Dollars to the Borrower in the amount of such Lender's Term Loan Commitment. The Term Loans shall be advanced in a single Borrowing on the Restatement Effective Date and shall be made ratably by the Lenders in proportion to their respective Term Loan Percentages, at which time the Term Loan Commitments shall expire. As provided in Section 1.6(a) hereof, the Borrower may elect that the Term Loans be outstanding as Base Rate Loans or Eurodollar Loans. No amount repaid or prepaid on any Term Loan may be borrowed again.

Section 1.2. Swing Loans. (a) *Generally.* Subject to the terms and conditions hereof, as part of the Revolving Credit, the Swing Line Lender may make loans in U.S. Dollars to the Borrower under the Swing Line (individually a "Swing Loan" and collectively the "Swing Loans") which shall not in the aggregate at any time outstanding exceed the Swing Line Sublimit. Swing Loans may be availed of from time to time and borrowings thereunder may be repaid and used again during the period ending on the Termination Date. Each Swing Loan shall be in a minimum amount of \$100,000 or such greater amount which is an integral multiple of \$50,000 (or such other minimum amounts as may be agreed to by the Swing Line Lender and the Borrower).

(b) *Interest on Swing Loans.* Each Swing Loan shall bear interest until maturity (whether by acceleration or otherwise) at a rate per annum equal to (i) the sum of the Base Rate plus the Applicable Margin for Base Rate Loans under the Revolving Credit as from time to time in effect (computed on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days elapsed) or (ii) the Swing Line Lender's Quoted Rate (computed on the basis of a year of 360 days for the actual number of days elapsed). Interest on each Swing Loan shall be due and payable by the Borrower on each Interest Payment Date and at maturity (whether by acceleration or otherwise).

(c) *Requests for Swing Loans.* The Borrower shall give the Administrative Agent prior notice (which may be written or oral) no later than 2:00 p.m. (Chicago time) on the date upon which the Borrower requests that any Swing Loan be made, of the amount and date of such Swing Loan, and, if applicable, the Interest Period requested therefor. The Administrative Agent shall promptly advise the Swing Line Lender of any such notice received from the Borrower. After receiving such notice, the Swing Line Lender shall in its discretion quote an interest rate to the Borrower at which the Swing Line Lender would be willing to make such Swing Loan available to the Borrower for the Interest Period so requested (the rate so quoted for a given Interest Period being herein referred to as "Swing Line Lender's Quoted Rate"). The Borrower acknowledges and agrees that the interest rate quote is given for immediate and irrevocable acceptance. If the Borrower does not so immediately accept the Swing Line Lender's Quoted Rate for the full amount requested by the Borrower for such Swing Loan, the Swing Line Lender's Quoted Rate shall be deemed immediately withdrawn and such Swing Loan shall bear interest at the rate per annum determined by adding the Applicable Margin for Base Rate Loans under the Revolving Credit to the Base Rate as from time to time in effect. Subject to the terms and conditions hereof, the proceeds of each Swing Loan extended to the Borrower shall be deposited or otherwise wire transferred to an account of the Borrower's maintained with the Administrative Agent or its Affiliate or as the Borrower, the Administrative Agent, and the Swing Line Lender may otherwise agree. Anything contained in the foregoing to the contrary notwithstanding, the undertaking of the Swing Line Lender to make Swing Loans shall be subject to all of the terms and conditions of this Agreement (provided that the Swing Line Lender shall be entitled to assume that the conditions precedent to an advance of any Swing Loan have been satisfied unless notified to the contrary by the Administrative Agent or the Required Lenders).

(d) *Refunding Loans.* In its sole and absolute discretion, the Swing Line Lender may at any time (and shall no later than the ninth Business Day after each Swing Line Loan is advanced if such Loan has not been sooner repaid), on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to act on its behalf for such purpose) and with notice to the Borrower and the Administrative Agent, request each Lender to make a Revolving Loan in the form of a Base Rate Loan in an amount equal to such Lender's Percentage of the amount of the Swing Loans outstanding on the date such notice is given (which Loans shall thereafter bear interest as provided for in Section 1.4(a) hereof). Unless an Event of Default described in Section 9.1(j) or 9.1(k) exists, regardless of the existence of any other Event of Default, each Lender shall make the proceeds of its requested Revolving Loan available to the Administrative Agent for the account of the Swing Line Lender in immediately available funds, at the Administrative Agent's office in Chicago, Illinois (or such other location designated by the Administrative Agent), before 12:00 Noon (Chicago time) on the Business Day following the day such notice is given. The Administrative Agent shall promptly remit the proceeds of such Borrowing to the Swing Line Lender to repay the outstanding Swing Loans.

(e) *Participations.* If any Lender refuses or otherwise fails to make a Revolving Loan when requested by the Swing Line Lender pursuant to Section 1.2(d) above (because an Event of Default described in Section 9.1(j) or 9.1(k) exists with respect to the Borrower or otherwise), such Lender will, by the time and in the manner such Revolving Loan was to have been funded to the Swing Line Lender, purchase from the Swing Line Lender an undivided participating interest in the outstanding Swing Loans in an amount equal to its Percentage of the aggregate principal amount of Swing Loans that were to have been repaid with such Revolving Loans. From and after the date of any such purchase, such Swing Loans shall thereafter bear interest as provided for in Section 1.2(b)(i) above. Each Lender that so purchases a participation in a Swing Loan shall thereafter be entitled to receive its Percentage of each payment of principal received on the Swing Loan and of interest received thereon accruing from the date such Lender funded to the Swing Line Lender its participation in such Loan. The several obligations of the Lenders under this Section shall be absolute, irrevocable, and unconditional under any and all circumstances whatsoever and shall not be subject to any set-off, counterclaim or defense to payment which any Lender may have or have had against the Borrower, any other Lender, or any other Person whatsoever. Without limiting the generality of the foregoing, such obligations shall not be affected by any Default or Event of Default or by any reduction or termination of the Commitments of any Lender, and each payment made by a Lender under this Section shall be made without any offset, abatement, withholding, or reduction whatsoever.

Section 1.3. Letters of Credit. (a) *General Terms.* Subject to the terms and conditions hereof, as part of the Revolving Credit, the L/C Issuer shall issue standby letters of credit (each a "Letter of Credit") or amend or extend Letters of Credit issued by it for the account of the Borrower or for the account of the Borrower and one or more of its Subsidiaries in an aggregate undrawn face amount up to the L/C Sublimit. Each Letter of Credit shall be issued by the L/C Issuer, but each Lender shall be obligated to reimburse the L/C Issuer for such Lender's Revolver Percentage of the amount of each drawing thereunder and, accordingly, each Letter of Credit shall constitute usage of the Revolving Credit Commitment of each Lender pro rata in an amount equal to its Revolver Percentage of the L/C Obligations then outstanding.

(b) *Applications.* At any time prior to thirty (30) days before the Termination Date, the L/C Issuer shall, at the request of the Borrower, issue one or more Letters of Credit in U.S. Dollars, in a form reasonably satisfactory to the L/C Issuer, with expiration dates no later than the earlier of 12 months from the date of issuance (or which are cancelable not later than 12 months from the date of issuance and each renewal) or thirty (30) days prior to the Termination Date (subject to the sentence below in respect of Letters of Credit with expiration dates that are automatically extended), in an aggregate face amount up to the L/C Sublimit, upon the receipt of an application duly executed by the Borrower and, if such Letter of Credit is for the account of one of its Subsidiaries, such Subsidiary for the relevant Letter of Credit in the form then customarily prescribed by the L/C Issuer for the Letter of Credit requested (each an "Application"); *provided, however*, that the L/C Issuer may issue Letters of Credit with expiration dates later than the date that is thirty (30) days prior to the Termination Date if the Borrower and the L/C Issuer enter into arrangements for the Cash Collateralization or backstop of such Letters of Credit in a manner reasonably satisfactory to the L/C Issuer. Notwithstanding anything contained in any Application to the contrary: (i) the Borrower shall pay fees in connection with each Letter of Credit as set forth in Section 2.1 hereof, (ii) except as otherwise provided in Section 1.8 or Section 1.14 hereof, unless an Event of Default is then continuing, the L/C Issuer will not call for the funding by the Borrower of any amount under a Letter of Credit before being presented with a drawing thereunder, and (iii) if the L/C Issuer is not timely reimbursed for the amount of any drawing under a Letter of Credit on the date such drawing is paid, unless a Loan shall be made on such date in the amount of the Reimbursement Obligations and the proceeds thereof applied to pay such Reimbursement Obligations as contemplated by the last sentence of Section 1.3(c) hereof, the Reimbursement Obligations for the amount of such drawing shall bear interest (which the Borrower hereby promises to pay) from and after the date such drawing is paid at a rate per annum equal to the sum of the Applicable Margin plus the Base Rate from time to time in effect (computed on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed). If the L/C Issuer issues any Letter of Credit with an expiration date that is automatically extended unless the L/C Issuer gives notice that the expiration date will not so extend beyond its then scheduled expiration date, then the L/C Issuer will, unless the Administrative Agent and the Required Lenders instruct the L/C Issuer otherwise, give such notice of non-renewal before the time necessary to prevent such automatic extension if before such required notice date: (i) the expiration date of such Letter of Credit if so extended would be after the date that is thirty (30) days prior to the Termination Date unless such Letter of Credit is addressed in accordance with the provisions of the proviso of the final sentence of this Section 1.3(b), (ii) the Revolving Credit Commitments have been terminated, or (iii) a Default or an Event of Default is then continuing and the Required Lenders (or the Administrative Agent at their direction) have given the L/C Issuer instructions not to so permit the extension of the expiration date of such Letter of Credit. The L/C Issuer agrees to issue amendments to the Letter(s) of Credit increasing the amount, or extending the expiration date, thereof at the request of the Borrower subject to the conditions of Section 7 hereof and the other terms of this Section 1.3. Notwithstanding anything contained herein to the contrary, the L/C Issuer shall be under no obligation to issue, extend or amend any Letter of Credit if a default of any Lender's obligations to fund under Section 1.3(c) exists or any Lender is at such time a Defaulting Lender hereunder, unless the L/C Issuer has entered into arrangements with Borrower or such Lender satisfactory to the L/C Issuer to eliminate the L/C Issuer's risk with respect to such Lender.

(c) *The Reimbursement Obligations.* Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall promptly notify the Borrower and the Administrative Agent thereof. Subject to Section 1.3(b) hereof, the obligation of the Borrower to reimburse the L/C Issuer for all drawings under a Letter of Credit (a "*Reimbursement Obligation*") shall be governed by the Application related to such Letter of Credit, except that reimbursement shall be made by no later than 1:00 p.m. (Chicago time) on the date when each drawing is to be paid if the Borrower has been informed of such drawing by the L/C Issuer on or before 11:00 a.m. (Chicago time) on the date when such drawing is to be paid or, if notice of such drawing is given to the Borrower after 11:00 a.m. (Chicago time) on the date when such drawing is to be paid, by no later than 1:00 p.m. (Chicago time) on the following Business Day, in immediately available funds at the Administrative Agent's principal office in Chicago, Illinois or such other office as the Administrative Agent may designate in writing to the Borrower, and the Administrative Agent (who shall thereafter cause to be distributed to the L/C Issuer such amount(s) in like funds). If the Borrower does not make any such reimbursement payment on the date due and the Participating Lenders fund their participations therein in the manner set forth in Section 1.3(e) below, then all payments thereafter received by the Administrative Agent in discharge of any of the relevant Reimbursement Obligations shall be distributed in accordance with Section 1.3(e) below.

(d) *Obligations Absolute.* The Borrower's obligation to reimburse L/C Obligations as provided in subsection (c) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement and the relevant Application under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the L/C Issuer under a Letter of Credit against presentation of a draft or other document that does not strictly comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder, except, in each case, to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable Legal Requirements) suffered by the Borrower that are caused by the L/C Issuer's gross negligence, bad faith or willful misconduct on the part of the L/C Issuer (as determined by a court of competent jurisdiction by final and non-appealable judgment). None of the Administrative Agent, the Lenders, or the L/C Issuer shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the L/C Issuer; *provided* that the foregoing shall not be construed to excuse the L/C Issuer from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable Legal Requirements) suffered by the Borrower that are caused by the L/C Issuer's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence, bad faith or willful misconduct on the part of the L/C Issuer (as determined by a court of competent jurisdiction by final and non-appealable judgment), the L/C Issuer shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the L/C Issuer may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(c) *The Participating Interests.* Each Lender (other than the Lender acting as L/C Issuer in issuing the relevant Letter of Credit), by its acceptance hereof, severally agrees to purchase from the L/C Issuer, and the L/C Issuer hereby agrees to sell to each such Lender (a "*Participating Lender*"), an undivided percentage participating interest (a "*Participating Interest*"), to the extent of its Revolver Percentage, in each Letter of Credit issued by, and each Reimbursement Obligation owed to, the L/C Issuer. Upon any failure by the Borrower to pay any Reimbursement Obligation at the time required on the date the related drawing is to be paid, as set forth in Section 1.3(e) above, or if the L/C Issuer is required at any time to return to the Borrower or to a trustee, receiver, liquidator, custodian or other Person any portion of any payment of any Reimbursement Obligation, each Participating Lender shall, not later than the Business Day it receives a certificate in the form of Exhibit A hereto from the L/C Issuer (with a copy to the Administrative Agent) to such effect, if such certificate is received before 1:00 p.m. (Chicago time), or not later than 1:00 p.m. (Chicago time), on the following Business Day, if such certificate is received after such time, pay to the Administrative Agent for the account of the L/C Issuer an amount equal to such Participating Lender's Revolver Percentage of such unpaid or recaptured Reimbursement Obligation together with interest on such amount accrued from the date the related payment was made by the L/C Issuer to the date of such payment by such Participating Lender at a rate per annum equal to: (i) from the date the related payment was made by the L/C Issuer to the date two (2) Business Days after payment by such Participating Lender is due hereunder, the Federal Funds Rate for each such day and (ii) from the date two (2) Business Days after the date such payment is due from such Participating Lender to the date such payment is made by such Participating Lender, the Base Rate in effect for each such day. Each such Participating Lender shall thereafter be entitled to receive its Revolver Percentage of each payment received in respect of the relevant Reimbursement Obligation and of interest paid thereon, with the L/C Issuer retaining its Revolver Percentage thereof as a Lender hereunder. The several obligations of the Participating Lenders to the L/C Issuer under this Section 1.3 shall be absolute, irrevocable, and unconditional under any and all circumstances whatsoever and shall not be subject to any set-off, counterclaim or defense to payment which any Participating Lender may have or have had against the Borrower, the L/C Issuer, the Administrative Agent, any Lender or any other Person whatsoever. Without limiting the generality of the foregoing, such obligations shall not be affected by any Default or Event of Default or by any reduction or termination of any Commitment of any Lender, and each payment by a Participating Lender under this Section 1.3 shall be made without any offset, abatement, withholding or reduction whatsoever.

(f) *Indemnification.* The Participating Lenders shall, to the extent of their respective Revolver Percentages, indemnify the L/C Issuer (to the extent not reimbursed by the Borrower) against any cost, expense (including reasonable counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from such L/C Issuer's gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and non-appealable judgment) that the L/C Issuer may suffer or incur in connection with any Letter of Credit issued by it. The obligations of the Participating Lenders under this Section 1.3(f) and all other parts of this Section 1.3 shall survive termination of this Agreement and of all Applications, Letters of Credit, and all drafts and other documents presented in connection with drawings thereunder.

(g) *Manner of Requesting a Letter of Credit.* The Borrower shall provide at least five (5) Business Days' advance written notice to the Administrative Agent of each request for the issuance of a Letter of Credit, such notice in each case to be accompanied by an Application for such Letter of Credit properly completed and executed by the Borrower and, in the case of an extension or amendment or an increase in the amount of a Letter of Credit, a written request therefor, in a form reasonably acceptable to the Administrative Agent and the L/C Issuer, in each case, together with the fees called for by this Agreement. The Administrative Agent shall promptly notify the L/C Issuer of the Administrative Agent's receipt of each such notice (and the L/C Issuer shall be entitled to assume that the conditions precedent to any such issuance, extension, amendment or increase have been satisfied unless notified to the contrary by the Administrative Agent or the Required Lenders) and the L/C Issuer shall promptly notify the Administrative Agent and the Lenders of the issuance of the Letter of Credit so requested.

(h) *Replacement of the L/C Issuer.* The L/C Issuer may be replaced at any time by any other Lender or an Affiliate of any Lender by written agreement among the Borrower, the Administrative Agent, the replaced L/C Issuer and the successor L/C Issuer. The Administrative Agent shall notify the Lenders of any such replacement of the L/C Issuer. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced L/C Issuer. From and after the effective date of any such replacement (i) the successor L/C Issuer shall have all the rights and obligations of the L/C Issuer under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "L/C Issuer" shall be deemed to refer to such successor or to any previous L/C Issuer, or to such successor and all previous L/C Issuers, as the context shall require. After the replacement of a L/C Issuer hereunder, the replaced L/C Issuer shall remain a party hereto and shall continue to have all the rights and obligations of a L/C Issuer under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

Section 1.4. Applicable Interest Rates. (a) *Base Rate Loans.* Each Base Rate Loan made or maintained by a Lender shall bear interest (computed on the basis of a year of 365 or 366 days, as the case may be, and the actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced, or created by conversion from a Eurodollar Loan, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin plus the Base Rate from time to time in effect, payable by the Borrower on each Interest Payment Date and at maturity (whether by acceleration or otherwise).

“*Base Rate*” means, for any day, the rate per annum equal to the greatest of: (a) the rate of interest announced or otherwise established by the Administrative Agent from time to time as its prime commercial rate, or its equivalent, for U.S. Dollar loans to borrowers located in the United States as in effect on such day, with any change in the Base Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate (it being acknowledged and agreed that such rate may not be the Administrative Agent’s best or lowest rate), (b) the sum of (i) the Federal Funds Rate for such day, *plus* (ii) 1/2 of 1%, and (c) the LIBOR Quoted Rate for such day *plus* 1.00%. As used herein, the term “*LIBOR Quoted Rate*” means, for any day, the rate per annum equal to the quotient of (i) the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a one-month interest period as reported on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) as of 11:00 a.m. (London, England time) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) divided by (ii) one (1) minus the Eurodollar Reserve Percentage, *provided* that in no event shall the “*LIBOR Quoted Rate*” be less than 0.00%.

(b) *Eurodollar Loans*. Each Eurodollar Loan made or maintained by a Lender shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced or continued, or created by conversion from a Base Rate Loan, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin plus the Adjusted LIBOR applicable for such Interest Period, payable by the Borrower on each Interest Payment Date and at maturity (whether by acceleration or otherwise).

“*Adjusted LIBOR*” means, for any Borrowing of Eurodollar Loans, a rate per annum determined in accordance with the following formula:

$$\text{Adjusted LIBOR} = \frac{\text{LIBOR}}{1 - \text{Eurodollar Reserve Percentage}}$$

“*Eurodollar Reserve Percentage*” means the maximum reserve percentage, expressed as a decimal, at which reserves (including, without limitation, any emergency, marginal, special, and supplemental reserves) are imposed by the Board of Governors of the Federal Reserve System (or any successor) on “*eurocurrency liabilities*”, as defined in such Board’s Regulation D (or any successor thereto), subject to any amendments of such reserve requirement by such Board or its successor, taking into account any transitional adjustments thereto. For purposes of this definition, the relevant Loans shall be deemed to be “*eurocurrency liabilities*” as defined in Regulation D without benefit or credit for any prorations, exemptions or offsets under Regulation D. The Eurodollar Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any such reserve percentage.

“LIBOR” means, for an Interest Period for a Borrowing of Eurodollar Loans, (a) the LIBOR Index Rate for such Interest Period, if such rate is available, and (b) if the LIBOR Index Rate cannot be determined, the arithmetic average of the rates of interest per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) at which deposits in U.S. Dollars in immediately available funds are offered to the Administrative Agent at 11:00 a.m. (London, England time) two (2) Business Days before the beginning of such Interest Period by three (3) or more major banks in the interbank eurodollar market selected by the Administrative Agent for delivery on the first day of and for a period equal to such Interest Period and in an amount equal or comparable to the principal amount of the Eurodollar Loan scheduled to be made as part of such Borrowing, subject to Section 10.2 in the event that the Administrative Agent shall conclude that it shall not be possible to determine such interpolated rate (which conclusion shall be conclusive and binding absent manifest error); provided that in no event shall “LIBOR” be less than 0.00%.

“*LIBOR Index Rate*” means, for any Interest Period, the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a period equal to such Interest Period, as reported on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) as of 11:00 a.m. (London, England time) on the day two (2) Business Days before the commencement of such Interest Period.

(c) *Rate Determinations.* The Administrative Agent shall determine each interest rate applicable to the Loans and the Reimbursement Obligations hereunder and shall promptly, upon each such determination, notify the Borrower thereof, and its good faith determination thereof shall be conclusive and binding except in the case of manifest error.

Section 1.5. Minimum Borrowing Amounts; Maximum Eurodollar Loans. Each Borrowing of Base Rate Loans advanced under a Credit shall be in an amount not less than \$100,000. Each Borrowing of Eurodollar Loans advanced, continued or converted to under a Credit shall be in an amount equal to \$500,000 or such greater amount which is an integral multiple of \$100,000. Without the Administrative Agent’s consent, there shall not be more than seven (7) Borrowings of Eurodollar Loans outstanding hereunder.

Section 1.6. Manner of Borrowing Loans and Designating Applicable Interest Rates. (a) *Notice to the Administrative Agent.* The Borrower shall give notice to the Administrative Agent by no later than 2:00 p.m. (Chicago time): (i) at least three (3) Business Days before the date on which the Borrower requests the Lenders to advance a Borrowing of Eurodollar Loans and (ii) one Business Day before the date the Borrower requests the Lenders to advance a Borrowing of Base Rate Loans. The Loans included in each Borrowing shall bear interest initially at the type of rate specified in such notice of a new Borrowing. Thereafter, subject to the terms and conditions hereof, the Borrower may from time to time elect to change or continue the type of interest rate borne by each Borrowing or, subject to the minimum amount requirement for each outstanding Borrowing set forth in Section 1.5 hereof, a portion thereof, as follows: (i) if such Borrowing is of Eurodollar Loans, on the last day of the Interest Period applicable thereto, the Borrower may continue part or all of such Borrowing as Eurodollar Loans or convert part or all of such Borrowing into Base Rate Loans or (ii) if such Borrowing is of Base Rate Loans, on any Business Day, the Borrower may convert all or part of such Borrowing into Eurodollar Loans for an Interest Period or Interest Periods specified by the Borrower. The Borrower shall give all such notices requesting the advance, continuation or conversion of a Borrowing to the Administrative Agent by telephone, teletype, or other telecommunication device acceptable to the Administrative Agent (which notice shall be irrevocable once given and, if by telephone, shall be promptly confirmed in writing), substantially in the form attached hereto as Exhibit B (Notice of Borrowing) or Exhibit C (Notice of Continuation/Conversion), as applicable, or in such other form acceptable to the Administrative Agent. Notice of the continuation of a Borrowing of Eurodollar Loans for an additional Interest Period or of the conversion of part or all of a Borrowing of Base Rate Loans into Eurodollar Loans must be given by no later than 2:00 p.m. (Chicago time) at least three (3) Business Days before the date of the requested continuation or conversion. All such notices concerning the advance, continuation or conversion of a Borrowing shall specify the date of the requested advance, continuation or conversion of a Borrowing (which shall be a Business Day), the amount of the requested Borrowing to be advanced, continued or converted, the type of Loans to comprise such new, continued or converted Borrowing and, if such Borrowing is to be comprised of Eurodollar Loans, the Interest Period applicable thereto. Upon the election of the Required Lenders, no Borrowing of Eurodollar Loans shall be advanced, continued, or created by conversion during the continuance of an Event of Default. The Borrower agrees that the Administrative Agent may rely on any such telephonic, teletype or other telecommunication notice given by any person the Administrative Agent in good faith believes is an Authorized Representative without the necessity of independent investigation, and in the event any such notice by telephone conflicts with any written confirmation such telephonic notice shall govern if the Administrative Agent has acted in reliance thereon.

(b) *Notice to the Lenders.* The Administrative Agent shall give prompt telephonic, teletype or other telecommunication notice to each Lender of any notice from the Borrower received pursuant to Section 1.6(a) above and, if such notice requests the Lenders to make Eurodollar Loans, the Administrative Agent shall give notice to the Borrower and each Lender by like means of the interest rate applicable thereto promptly after the Administrative Agent has made such determination.

(c) *Borrower's Failure to Notify.* If the Borrower fails to give notice pursuant to Section 1.6(a) above of the continuation or conversion of any outstanding principal amount of a Borrowing of Eurodollar Loans before the last day of its then current Interest Period within the period required by Section 1.6(a) and such Borrowing is not prepaid in accordance with Section 1.8(a), such Borrowing shall automatically be continued as a Borrowing of Eurodollar Loans with an Interest Period of one (1) month. In the event the Borrower fails to give notice pursuant to Section 1.6(a) above of a Borrowing equal to the amount of a Reimbursement Obligation and has not notified the Administrative Agent by 2:00 p.m. (Chicago time) on the day such Reimbursement Obligation becomes due that it intends to repay such Reimbursement Obligation through funds not borrowed under this Agreement, the Borrower shall be deemed to have requested a Borrowing of Base Rate Loans under the Revolving Credit (or, at the option of the Swing Line Lender, under the Swing Line) on such day in the amount of the Reimbursement Obligation then due, which Borrowing shall be applied to pay the Reimbursement Obligation then due.

(d) *Disbursement of Loans.* Not later than 1:00 p.m. (Chicago time) on the date of any requested advance of a new Borrowing, subject to Section 7 hereof, each Lender shall make available its Loan comprising part of such Borrowing in funds immediately available at the principal office of the Administrative Agent in Chicago, Illinois (or at such other location as the Administrative Agent shall designate). The Administrative Agent shall make the proceeds of each new Borrowing available to the Borrower on the date of such Borrowing as instructed by the Borrower.

(c) *Administrative Agent Reliance on Lender Funding.* Unless the Administrative Agent shall have been notified by a Lender prior to (or, in the case of a Borrowing of Base Rate Loans, by 1:00 p.m. (Chicago time) on) the date on which such Lender is scheduled to make payment to the Administrative Agent of the proceeds of a Loan (which notice shall be effective upon receipt) that such Lender does not intend to make such payment, the Administrative Agent may assume that such Lender has made such payment when due and the Administrative Agent may in reliance upon such assumption (but shall not be required to) make available to the Borrower the proceeds of the Loan to be made by such Lender and, if any Lender has not in fact made such payment to the Administrative Agent, such Lender shall, on demand, pay to the Administrative Agent the amount made available to the Borrower attributable to such Lender together with interest thereon in respect of each day during the period commencing on the date such amount was made available to the Borrower and ending on (but excluding) the date such Lender pays such amount to the Administrative Agent at a rate per annum equal to: (i) from the date the related advance was made by the Administrative Agent to the date two (2) Business Days after payment by such Lender is due hereunder, the Federal Funds Rate for each such day and (ii) from the date two (2) Business Days after the date such payment is due from such Lender to the date such payment is made by such Lender, the Base Rate in effect for each such day. If such amount is not received from such Lender by the Administrative Agent immediately upon demand, the Borrower will, on demand, repay to the Administrative Agent the proceeds of the Loan attributable to such Lender with interest thereon at a rate per annum equal to the interest rate applicable to the relevant Loan, but without such payment being considered a payment or prepayment of a Loan under Section 1.11 hereof so that the Borrower will have no liability under such Section with respect to such payment. Nothing in this Section 1.6(e) shall be deemed to relieve any Lender from its obligation to make Loans hereunder or to prejudice any rights which the Borrower may have against any Lender as a result of any failure by such Lender to make Loans hereunder.

Section 1.7. Maturity of Loans. Each Term Loan and each Revolving Loan, including both the outstanding principal balance thereof and any accrued but unpaid interest thereon, shall mature and be due and payable by the Borrower on the Termination Date.

Section 1.8. Prepayments. (a) *Optional.* The Borrower may prepay in whole or in part (but, if in part, only in an amount (x) not less than \$50,000 and (y) such that the minimum amount required for a Borrowing pursuant to Section 1.2 or 1.5 hereof remains outstanding) any Borrowing (i) in the case of a Borrowing of Eurodollar Loans, at any time upon three (3) Business Days prior written notice by the Borrower to the Administrative Agent or (ii) in the case of a Borrowing of Base Rate Loans, upon written notice delivered by the Borrower to the Administrative Agent no later than 12:00 noon (Chicago time) on the date of prepayment (or, in any case, such shorter period of time then agreed to by the Administrative Agent), each such prepayment to be made by the payment of the principal amount to be prepaid and, in the case of any Eurodollar Loans or Swing Loans, accrued interest thereon to the date fixed for prepayment plus, in the case of any Eurodollar Loans or Swing Loans bearing interest at the Swing Line Lender's Quoted Rate, any amounts due the Lenders under Section 1.11 hereof.

(b) *Mandatory.*

(i) If at any time the sum of the unpaid principal balance of the Term Loans, the Incremental Term Loans (if any), the Revolving Loans, Swing Loans and the L/C Obligations then outstanding shall be in excess of the Borrowing Base as determined and computed in the most recent Borrowing Base Certificate delivered in accordance with Section 8.5(d) hereof, the Borrower shall, within three (3) Business Days, and without notice or demand pay over the amount of the excess to the Administrative Agent for the account of the Lenders as and for a mandatory prepayment on such Obligations, with each such prepayment first to be applied to the Revolving Loans until paid in full, then to the Term Loans and the Incremental Term Loans (if any) on a combined ratable basis with respect to all such Loans until such Loans are paid in full, with any remaining balance to be held by the Administrative Agent in the Collateral Account as security for the Obligations owing with respect to the Letters of Credit.

(ii) Unless the Borrower otherwise directs, prepayments of Loans under this Section 1.8(b) shall be applied first to Borrowings of Base Rate Loans until payment in full thereof with any balance applied to Borrowings of Eurodollar Loans in the order in which their Interest Periods expire. Each prepayment of Loans under this Section 1.8(b) shall be made by the payment of the principal amount to be prepaid and, in the case of any Eurodollar Loans or Swing Loans, accrued interest thereon to the date of prepayment together with any amounts due the Lenders under Section 1.11 hereof. Each prefunding of L/C Obligations shall be made in accordance with Section 9.4 hereof.

(c) *Borrowings.* Any amount of Revolving Loans paid or prepaid before the Termination Date may, subject to the terms and conditions of this Agreement, be borrowed, repaid and borrowed again. No amount of Term Loans or Incremental Term Loans paid or prepaid may be reborrowed.

Section 1.9. Default Rate. Notwithstanding anything to the contrary contained herein, while any Event of Default is continuing or after acceleration of the Obligations as a result of an Event of Default, the Borrower shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the principal amount of all outstanding Loans and Reimbursement Obligations and other amounts of outstanding Obligations, and shall pay letter of credit fees, in each case, at a rate per annum equal to:

(a) for any Base Rate Loan or any Swing Loan bearing interest based on the Base Rate, the sum of 2.0% *plus* the Applicable Margin *plus* the Base Rate from time to time in effect;

(b) for any Eurodollar Loan or any Swing Loan bearing interest at the Swing Line Lender's Quoted Rate, the sum of 2.0% *plus* the rate of interest in effect thereon at the time of such default until the end of the Interest Period applicable thereto and, thereafter, at a rate per annum equal to the sum of 2.0% *plus* the Applicable Margin for Base Rate Loans *plus* the Base Rate from time to time in effect;

(c) for any Reimbursement Obligation, the sum of 2.0% *plus* the amounts due under Section 1.3(b)(iii) with respect to interest on such Reimbursement Obligation;

(d) for any Letter of Credit, the sum of 2.0% *plus* the amounts due under this Agreement with respect to such Letter of Credit (for the avoidance of doubt, this shall not affect the Borrower's obligation to pay a letter of credit fee due under Section 2.1 with respect to such Letter of Credit); and

(e) for any other amount owing hereunder not covered by clauses (a) through (d) above, the sum of 2.0% *plus* the Applicable Margin for Base Rate Loans *plus* the Base Rate from time to time in effect;

provided, however, that in the absence of an acceleration of the Obligations as a result of an Event of Default, any adjustments pursuant to this Section 1.9 shall be made at the election of the Administrative Agent, acting at the request or with the consent of the Required Lenders, with written notice to the Borrower. Interest accruing pursuant to this Section 1.9 shall be paid on demand of the Administrative Agent at the request or with the consent of the Required Lenders.

Section 1.10. Evidence of Indebtedness. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall also maintain accounts in which it will record (i) the amount of each Loan made hereunder, the type thereof and the Interest Period with respect thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(c) The entries maintained in the accounts maintained pursuant to paragraphs (a) and (b) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; *provided, however*, that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(d) Any Lender may request that its Loans be evidenced by a promissory note or notes in the forms of Exhibit D-1 (each a "*Revolving Note*" and collectively, the "*Revolving Notes*"), Exhibit D-2 (the "*Swing Note*"), Exhibit D-3 (each, a "*Term Note*" and collectively, the "*Term Notes*"), or Exhibit D-4 (each, an "*Incremental Term Note*" and collectively, the "*Incremental Term Notes*"), as applicable (the *Revolving Notes*, *Swing Notes*, *Term Note* and *Incremental Term Notes* being hereinafter referred to collectively as the "*Notes*" and individually as a "*Note*"). In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to such Lender or its registered assigns in the amount of the relevant Term Loan, Incremental Term Loan, Revolving Credit Commitment or Swing Line Sublimit, as applicable. Thereafter, the Loans evidenced by such Note or Notes and interest thereon shall at all times (including after any assignment pursuant to Section 12.12) be represented by one or more Notes payable to the order of the payee named therein or any assignee pursuant to Section 12.12, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in subsections (a) and (b) above.

Section 1.11. Funding Indemnity. If any Lender shall incur any loss, cost or expense (including, without limitation, any loss, cost or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by such Lender to fund or maintain any Eurodollar Loan or Swing Loan bearing interest at the Swing Line Lender's Quoted Rate or the relending or reinvesting of such deposits or amounts paid or prepaid to such Lender) as a result of:

- (a) any payment, prepayment or conversion of a Eurodollar Loan or such Swing Loan on a date other than the last day of its Interest Period,
- (b) any failure (because of a failure to meet the conditions of Section 7 or otherwise) by the Borrower to borrow or continue a Eurodollar Loan or such Swing Loan, or to convert a Base Rate Loan into a Eurodollar Loan or such Swing Loan, on the date specified in a notice given pursuant to Section 1.2 or 1.6(a) hereof,
- (c) any failure by the Borrower to make any payment of principal on any Eurodollar Loan or such Swing Loan when due (whether by acceleration or otherwise), or
- (d) any acceleration of the maturity of a Eurodollar Loan or such Swing Loan as a result of the occurrence of any Event of Default hereunder,

then, upon the demand of such Lender, the Borrower shall pay to such Lender such amount as will reimburse such Lender for such loss, cost or expense. If any Lender makes such a claim for compensation, it shall provide to the Borrower, with a copy to the Administrative Agent, a certificate setting forth the amount of such loss, cost or expense in reasonable detail (including an explanation of the basis for and the computation of such loss, cost or expense) and the amounts shown on such certificate shall be deemed *prima facie* correct absent manifest error.

Section 1.12. Commitment Terminations. (a) *Optional Revolving Credit Terminations.* The Borrower shall have the right at any time and from time to time, upon five (5) Business Days prior written notice to the Administrative Agent (or such shorter period of time agreed to by the Administrative Agent), to terminate the Revolving Credit Commitments without premium or penalty and in whole or in part, any partial termination to be (i) in an amount not less than \$5,000,000 and (ii) allocated ratably among the Lenders in proportion to their respective Revolver Percentages, provided that the Revolving Credit Commitments may not be reduced to an amount less than the sum of the aggregate principal amount of Revolving Loans, Swing Loans and L/C Obligations then outstanding. Any termination of the Revolving Credit Commitments below the L/C Sublimit or the Swing Line Sublimit then in effect shall reduce the L/C Sublimit and the Swing Line Sublimit, as applicable, by a like amount. The Administrative Agent shall give prompt notice to each Lender of any such termination of the Revolving Credit Commitments.

- (b) *Reinstatement.* Any termination of the Commitments pursuant to this Section 1.12 may not be reinstated.

Section 1.13. Substitution of Lenders. In the event (a) the Borrower receives a claim from any Lender for compensation under Section 10.3 or 12.1 hereof, (b) the Borrower receives notice from any Lender of any illegality pursuant to Section 10.1 hereof, (c) any Lender is then a Defaulting Lender, or (d) a Lender fails to consent to an amendment or waiver requested under Section 12.13 hereof requiring the consent of all Lenders at a time when the Required Lenders have approved such amendment or waiver (any such Lender referred to in clause (a), (b), (c), or (d) above being hereinafter referred to as an "Affected Lender"), the Borrower may, in addition to any other rights the Borrower may have hereunder or under applicable Legal Requirements, require, at its expense, any such Affected Lender to assign, at par, without recourse, all of its interest, rights, and obligations hereunder (including all of its Commitments and the Loans and participation interests in Letters of Credit and other amounts at any time owing to it hereunder and the other Loan Documents) to an Eligible Assignee specified by the Borrower, *provided* that (i) such assignment shall not conflict with or violate any law, rule or regulation or order of any court or other Governmental Authority, (ii) the Borrower shall have paid to the Affected Lender all monies (together with amounts due such Affected Lender under Section 1.11 hereof as if the Loans owing to it were prepaid rather than assigned) other than such principal owing to it hereunder, and (iii) the assignment is entered into in accordance with, and subject to the consents required by, Section 12.12 hereof (provided any assignment fees and reimbursable expenses due thereunder shall be paid by the Borrower).

Section 1.14. Defaulting Lenders. (a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable Legal Requirements:

(i) *Waivers and Amendments.* Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 12.13 hereof.

(ii) *Defaulting Lender Waterfall.* Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 9 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 12.7 hereto shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any L/C Issuer or the Swing Line Lender hereunder; *third*, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 9.4; *fourth*, as the Borrower may request (so long as no Default or Event of Default is then continuing), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 9.4; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuer or the Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default is then continuing, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans or L/C Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 7.1 hereof were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Loans are held by the Lenders pro rata in accordance with their Percentages of the relevant Commitments without giving effect to Section 1.14(a)(iv) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 1.14(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) *Certain Fees.*

(A) No Defaulting Lender shall be entitled to receive any commitment fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive L/C Participation Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 9.4 hereof.

(C) With respect to any L/C Participation Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below.

(iv) *Reallocation of Participations to Reduce Fronting Exposure* All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Percentages of the relevant Commitments (calculated without regard to such Defaulting Lender's Commitments) but only to the extent that (x) the conditions set forth in Section 7.1 hereof are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Loans and interests in L/C Obligations and Swing Loans of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) *Cash Collateral; Repayment of Swing Loans.* If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to them hereunder or under law, (x) first, prepay Swing Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the L/C Issuer's Fronting Exposure in accordance with the procedures set forth in Section 9.4.

(b) *Defaulting Lender Cure.* If the Borrower, the Administrative Agent, the Swing Line Lender and each L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Loans to be held pro rata by the Lenders in accordance with their respective Percentages of the relevant Commitments (without giving effect to Section 1.14(a)(iv) hereof), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) *New Swing Loans/Letters of Credit.* So long as any Lender is a Defaulting Lender, (i) the Swing Line Lender shall not be required to fund any Swing Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Loan and (ii) no L/C Issuer shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

(d) *Purchase of Defaulting Lender's Commitment.* During any period that a Lender is a Defaulting Lender, the Borrower may, by the Borrower giving written notice thereof to the Administrative Agent, such Defaulting Lender and the other Lenders, demand that such Defaulting Lender assign its Commitment and Loans to an Eligible Assignee subject and in accordance with the provisions of Section 12.12. No party hereto shall have any obligation whatsoever to initiate any such replacement or to assist in finding an Eligible Assignee. In addition, any Lender who is not a Defaulting Lender may, but shall not be obligated to, in its sole discretion, acquire the face amount of all or a portion of such Defaulting Lender's Commitment and Loans via an assignment subject to and in accordance with the provisions of Section 12.12. In connection with any such assignment, such Defaulting Lender shall promptly execute all documents reasonably requested to effect such assignment, including an appropriate Assignment and Acceptance and shall pay to the Administrative Agent an assignment fee in the amount of \$3,500. The exercise by the Borrower of its rights under this Section shall be at the Borrower's sole cost and expense and at no cost or expense to the Administrative Agent or any of the Lenders.

Section 1.15. Incremental Facilities. (a) *Incremental Facilities.* The Borrower may request, from time to time, on any Business Day prior to the date that is six (6) months prior to the Scheduled Termination Date or the Term Loan Termination Date, as applicable, by written notice to the Administrative Agent in the form attached hereto as Exhibit H or in such other form acceptable to the Administrative Agent (a “*Commitment Amount Increase Request*”) at least five (5) Business Days prior to the desired effective date of such increase (the “*Commitment Amount Increase*”) (i) an increase to the then existing Revolving Credit Commitments (any such increase, the “*Incremental Revolving Credit Commitments*”) and/or (ii) the establishment of one or more new term loan commitments (any such increase, the “*Incremental Term Loan Commitments*”), by an amount not in excess of \$150,000,000 in the aggregate so that the aggregate Commitments are not in excess of \$500,000,000 and not less than \$5,000,000 individually. Each such Commitment Amount Increase Request shall identify (x) the Business Day (each an “*Increased Amount Date*”) on which the Borrower proposes that the Incremental Revolving Credit Commitments or Incremental Term Loan Commitments, as applicable, shall be effective, and (y) the identity of each Lender, or other Person that is an Eligible Assignee (each, an “*Incremental Revolving Loan Lender*” or an “*Incremental Term Loan Lender*”, as applicable), to whom the Borrower proposes any portion of such Incremental Revolving Credit Commitments or Incremental Term Loan Commitments, as applicable, be allocated and the amount of such allocations; *provided* that Administrative Agent may elect or decline to arrange such Incremental Revolving Credit Commitments or Incremental Term Loan Commitments in its sole discretion and any Lender approached to provide all or a portion of the Incremental Revolving Credit Commitments or Incremental Term Loan Commitments may elect or decline, in its sole discretion, to provide an Incremental Revolving Credit Commitment or an Incremental Term Loan Commitment. Any Incremental Term Loans made on an Increased Amount Date shall be designated a separate series (each, a “*Series*”) of Incremental Term Loans for all purposes of this Agreement.

(b) *Conditions to Incremental Loans.* Such Incremental Revolving Credit Commitments or Incremental Term Loan Commitments shall become effective as of such Increased Amount Date; *provided* that (i) no Default or Event of Default shall have occurred and be continuing on such Increased Amount Date before or after giving effect to such Incremental Revolving Credit Commitments or Incremental Term Loan Commitments, as applicable; (ii) all representations and warranties contained in Section 6 hereof shall be true and correct in all material respects (where not already qualified by materiality or Material Adverse Effect, otherwise in all respects) at the time of such request and on the effective date of such Commitment Amount Increase (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (where not already qualified by materiality or Material Adverse Effect, otherwise in all respects) as of such date). The effective date of the Commitment Amount Increase shall be as set forth in the related Commitment Amount Increase Request. Upon the effectiveness thereof, the Increasing Lenders shall advance Loans in an amount sufficient such that after giving effect to its advance each Lender shall have outstanding its Percentage of Loans. It shall be a condition to such effectiveness that if any Eurodollar Loans are outstanding on the date of such effectiveness, such Eurodollar Loans shall be deemed to be prepaid on such date and the Borrower shall pay any amounts owing to the Lenders pursuant to Section 1.11 hereof. The Borrower agrees to pay any reasonable and documented, out-of-pocket expenses of the Administrative Agent relating to any Incremental Revolving Credit Commitments or Incremental Term Loan Commitments, as applicable, and arrangement fees related thereto as agreed upon in writing between Administrative Agent and the Borrower.

(c) *Incremental Revolving Loans.* On any Increased Amount Date on which Incremental Revolving Credit Commitments are effected, subject to the satisfaction of the terms and conditions expressed in the foregoing clauses (a) and (b), (i) each of the Lenders shall assign to each of the Incremental Revolving Loan Lenders, and each of the Incremental Revolving Loan Lenders shall purchase from each of the Lenders, at the principal amount thereof (together with accrued interest), Revolving Loans and interests in Letters of Credit outstanding on such Increased Amount Date as shall be necessary in order that, after giving effect to all such assignments and purchases, the Revolving Loans and interests in Letters of Credit will be held by the Lenders according to their then-existing Revolver Percentages after giving effect to the addition of such Incremental Revolving Credit Commitments to the Revolving Loan Commitments, (ii) the share of each respective Incremental Revolving Credit Commitment held by each respective Incremental Revolving Loan Lender shall be deemed for all purposes a Revolving Loan Commitment of such Lender and each Loan made thereunder (an "Incremental Revolving Loan") shall be deemed, for all purposes, a Revolving Loan and all references to the Loan Documents to Revolving Credit Commitments and Revolving Loans shall be deemed to include the Incremental Revolving Credit Commitments and Incremental Revolving Loans made pursuant to this Section and (iii) each Incremental Revolving Loan Lender with a Revolving Credit Commitment shall become a Lender with a Revolving Credit Commitment with respect to its respective share of the Incremental Revolving Credit Commitments and all matters relating thereto.

(d) *Incremental Term Loans.* On any Increased Amount Date on which any Incremental Term Loan Commitments of any Series are effective, subject to the satisfaction of the terms and conditions expressed in the foregoing clauses (a) and (b), (i) each Incremental Term Loan Lender of any Series shall make a Loan to the Borrower (an "Incremental Term Loan") in an amount equal to its Percentage of the Incremental Term Loan Commitment of such Series, and (ii) each Incremental Term Loan Lender of any Series shall become a Lender hereunder with respect to its Incremental Term Loan.

(e) *Incremental Loan Notices.* Administrative Agent shall notify the Lenders promptly upon receipt of the Borrower's Commitment Amount Increase and in respect thereof (i) the Incremental Revolving Credit Commitments and the Incremental Revolving Loan Lenders or the Series of Incremental Term Loan Commitments and the Incremental Term Loan Lenders of such Series, as applicable, and (ii) in the case of each notice to any Lender of Revolving Loans, the new Revolver Percentage for such Lender, in each case subject to the assignments contemplated by clause (c) of this section. Notwithstanding anything herein to the contrary, no Lender shall have any obligation to increase its Commitment and no Lender's Commitment shall be increased without its consent thereto, and each Lender may at its option, unconditionally and without cause, decline to increase its Commitment.

(f) *Terms and Provisions of Incremental Loans.* The terms and provisions of the Incremental Term Loans and Incremental Term Loan Commitments of any Series shall be identical to the Term Loans and the terms and provisions of the Incremental Revolving Loans shall be identical to the Revolving Loans. Each Commitment Amount Increase may, without the consent of any other Lenders, effect such amendments to this Agreement and any other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent to effect the provision of this Section 1.15.

(g) *Equal and Ratable Benefit.* The Incremental Revolving Loans, Incremental Revolving Credit Commitments, Incremental Term Loans and Incremental Term Loan Commitments established pursuant to this Section 1.15 shall constitute Loans and Credit under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratable with the other Obligations from the Guarantors.

Section 1.16. Extension of Termination Date. The Borrower may, by notice to the Administrative Agent (which shall promptly deliver a copy to each of the Lenders) given at least thirty (30) days and not more than ninety (90) days prior to the Initial Termination Date, request that Lenders extend the date on which the Revolving Credit Commitments are scheduled to expire hereunder to August 7, 2023 (the “*Extended Termination Date*”). On the Initial Termination Date, such extension will become effective subject to the Borrower’s timely delivery of such notice to the Administrative Agent and payment of the Extension Fee, and provided that both on the notice delivery date and on the Initial Termination Date (i) no Default or Event of Default shall have occurred and be continuing, (ii) all representations and warranties contained in Section 6 hereof shall be true and correct in all material respects (where not already qualified by materiality or Material Adverse Effect, otherwise in all respects) on the Initial Termination Date (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (where not already qualified by materiality or Material Adverse Effect, otherwise in all respects) as of such date), (iii) the Administrative Agent shall have received an Appraisal for any Borrowing Base Property for which an Appraisal has not been completed within the twelve (12) months preceding the Initial Termination Date, and (iv) Borrower shall have delivered to Administrative Agent a pro forma Borrowing Base Certificate which shall establish that, as of the Initial Termination Date, the sum of the aggregate principal amount of Revolving Loans, Swing Loans and L/C Obligations outstanding shall not exceed the Borrowing Base. Should such extension become effective, the terms and conditions of this Agreement will apply during the extension period, and from and after the date of such extension, the defined term “*Scheduled Termination Date*” shall mean August 7, 2023.

Section 2. Fees.

Section 2.1. Fees. (a) *Revolving Credit Commitment Fee.* The Borrower shall pay to the Administrative Agent for the ratable account of the Lenders in accordance with their Revolver Percentages a commitment fee on the average daily Unused Revolving Credit Commitments at a rate per annum equal to (x) 0.25% if the average daily Unused Revolving Credit Commitments are less than 50% of the Revolving Credit Commitments then in effect and (y) 0.20% if the average daily Unused Revolving Credit Commitments are greater than or equal to 50% of the Revolving Credit Commitments then in effect (in each case, computed on the basis of a year of 360 days and the actual number of days elapsed) and determined based on the average daily Unused Revolving Credit Commitments during such previous quarter. Such commitment fee shall be payable quarterly in arrears on the last day of each March, June, September, and December in each year (commencing September 30, 2018) and on the Termination Date, unless the Revolving Credit Commitments are terminated in whole on an earlier date, in which event the commitment fee for the period to the date of such termination in whole shall be calculated and paid on the date of such termination. Any such commitment fee for the first quarter ending after the Closing Date shall be prorated according to the number of days this Agreement was in effect during such quarter.

(b) *Letter of Credit Fees.* On the date of issuance or extension, or increase in the amount, of any Letter of Credit pursuant to Section 1.3 hereof, the Borrower shall pay to the L/C Issuer for its own account a fronting fee equal to 0.25% of the face amount of (or of the increase in the face amount of) such Letter of Credit. Quarterly in arrears, on the last day of each March, June, September, and December, commencing on the first such date occurring after the date hereof, the Borrower shall pay to the Administrative Agent, for the ratable benefit of the Lenders in accordance with their Revolver Percentages, a letter of credit fee (the “*L/C Participation Fee*”) at a rate per annum equal to the Applicable Margin for Eurodollar Loans (computed on the basis of a year of 360 days and the actual number of days elapsed) in effect during each day of such quarter applied to the daily average face amount of Letters of Credit outstanding during such quarter. In addition, the Borrower shall pay to the L/C Issuer for its own account the L/C Issuer’s customary issuance, drawing, negotiation, amendment, cancellation, assignment, and other administrative fees for each Letter of Credit as established by the L/C Issuer from time to time.

(c) *Administrative Agent and Other Fees.* The Borrower shall pay to the Administrative Agent, for its own use and benefit and for the benefit of the Lenders, as applicable, the fees agreed to between the Administrative Agent and the Borrower in a fee letter dated July 31, 2018, or as otherwise agreed to in writing between the Borrower and the Administrative Agent. The Borrower shall pay to the Lenders, for their own use and benefit, the fees agreed to between (i) Citizens Bank, N.A. and the Borrower in a fee letter dated August 6, 2018, (ii) SunTrust Bank and the Borrower in a fee letter dated August 3, 2018, and (iii) KeyBank National Association and the Borrower in a fee letter dated August 7, 2018, or as otherwise agreed to in writing between the Borrower and the Administrative Agent.

Section 3. Place and Application of Payments.

Section 3.1. Place and Application of Payments. All payments of principal of and interest on the Loans and the Reimbursement Obligations, and of all other Obligations payable by the Borrower under this Agreement and the other Loan Documents, shall be made by the Borrower to the Administrative Agent by no later than 1:00 p.m. (Chicago time) on the due date thereof at the office of the Administrative Agent in Chicago, Illinois (or such other location as the Administrative Agent may designate to the Borrower), for the benefit of the Lender(s) or L/C Issuer entitled thereto. Any payments received after such time shall be deemed to have been received by the Administrative Agent on the next Business Day. All such payments shall be made in U.S. Dollars, in immediately available funds at the place of payment, in each case without set-off or counterclaim. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest on Loans and on Reimbursement Obligations in which the Lenders have purchased Participating Interests ratably to the Lenders and like funds relating to the payment of any other amount payable to any Lender to such Lender, in each case to be applied in accordance with the terms of this Agreement; *provided*, that if the Administrative Agent does not distribute such funds to the Lenders on the date the Administrative Agent receives (or is deemed to receive) payment from the Borrower, the Administrative Agent shall promptly thereafter distribute such funds together with interest thereon in respect of each day during the period commencing on the date such payment from the Borrower was received by the Administrative Agent (or the date the Administrative Agent was deemed to receive such payment) and ending on (but excluding) the date the Administrative Agent distributes such funds to the Lenders, at a rate per annum equal to the Federal Funds Rate for each such day. If the Administrative Agent causes amounts to be distributed to the Lenders in reliance upon the assumption that the Borrower will make a scheduled payment and such scheduled payment is not so made, each Lender shall, on demand, repay to the Administrative Agent the amount distributed to such Lender together with interest thereon in respect of each day during the period commencing on the date such amount was distributed to such Lender and ending on (but excluding) the date such Lender repays such amount to the Administrative Agent, at a rate per annum equal to: (i) from the date the distribution was made to the date two (2) Business Days after payment by such Lender is due hereunder, the Federal Funds Rate for each such day and (ii) from the date two (2) Business Days after the date such payment is due from such Lender to the date such payment is made by such Lender, the Base Rate in effect for each such day.

Anything contained herein to the contrary notwithstanding (including, without limitation, Section 1.8(b) hereof), all payments and collections received in respect of the Obligations and all payments under or in respect of the Guaranties received, in each instance, by the Administrative Agent or any of the Lenders after acceleration or the final maturity of the Obligations or termination of the Commitments as a result of an Event of Default shall be remitted to the Administrative Agent and distributed as follows:

- (a) first, to the payment of any outstanding costs and expenses incurred by the Administrative Agent in protecting, preserving or enforcing rights under the Loan Documents, and in any event including all costs and expenses of a character which the Borrower has agreed to pay the Administrative Agent under Section 12.15 hereof (such funds to be retained by the Administrative Agent for its own account unless it has previously been reimbursed for such costs and expenses by the Lenders, in which event such amounts shall be remitted to the Lenders to reimburse them for payments theretofore made to the Administrative Agent);
- (b) second, to the payment of the Swing Loans, both for principal and accrued but unpaid interest;
- (c) third, to the payment of any outstanding interest and fees due under the Loan Documents to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof;
- (d) fourth, to the payment of principal on the Loans, unpaid Reimbursement Obligations, together with amounts to be held by the Administrative Agent as collateral security for any outstanding L/C Obligations pursuant to Section 9.4 hereof (until the Administrative Agent is holding an amount of cash equal to the then outstanding amount of all such L/C Obligations), Bank Product Obligations, and Hedging Liability, the aggregate amount paid to, or held as collateral security for, the Lenders and L/C Issuer and, in the case of Hedging Liability and Bank Product Obligations, their Affiliates to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof;

(e) fifth, to the payment of all other unpaid Obligations and all other indebtedness, obligations, and liabilities of the Borrower and the Guarantors evidenced by the Loan Documents to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof; and

(f) finally, to the Borrower or whoever else may be lawfully entitled thereto.

Section 3.2. Account Debit. The Borrower hereby irrevocably authorizes the Administrative Agent to, solely during the continuation of an Event of Default, charge any of the Borrower's deposit accounts maintained with the Administrative Agent for the amounts from time to time necessary to pay any then due Obligations; *provided* that the Borrower acknowledges and agrees that the Administrative Agent shall not be under an obligation to do so and the Administrative Agent shall not incur any liability to the Borrower or any other Person for the Administrative Agent's failure to do so.

Section 4. Guaranties.

Section 4.1. Guaranties. The payment and performance of the Obligations, Hedging Liability, and Bank Product Obligations shall at all times be guaranteed by Global Medical REIT and each wholly-owned Subsidiary of the Borrower that owns a Borrowing Base Property pursuant to Section 13 hereof or pursuant to one or more guaranty agreements in form and substance reasonably acceptable to the Administrative Agent, as the same may be amended, modified or supplemented from time to time (individually a "Guaranty" and collectively the "Guaranties"; and Global Medical REIT and each such wholly-owned Subsidiary executing and delivering this Agreement as a Guarantor or any such separate Guaranty being referred to herein as a "Guarantor" and collectively the "Guarantors").

Section 4.2. Further Assurances. In the event the Borrower desires to include any additional Eligible Property in the Borrowing Base after the Closing Date, to the extent that such Eligible Property is not owned by an existing Guarantor, as a condition to the inclusion of such Eligible Property in the Borrowing Base and in addition to the requirements set forth in Sections 7.3 and 8.25 hereof, the Borrower shall cause the Subsidiary which owns such Eligible Property to execute a Guaranty or an Additional Guarantor Supplement in the form of Exhibit G attached hereto (the "Additional Guarantor Supplement") as the Administrative Agent may then require, and the Borrower shall also deliver to the Administrative Agent, or cause such Subsidiary to deliver to the Administrative Agent, at the Borrower's cost and expense, such other instruments, documents, certificates, and opinions reasonably required by the Administrative Agent in connection therewith. Borrower and each Material Subsidiary (including any Material Subsidiary formed or acquired after the Closing Date) further agrees that it shall, from time to time at the request of the Administrative Agent, execute and deliver such documents and do such acts and things as the Administrative Agent may reasonably request in order to provide for or perfect or protect such Liens on the Collateral.

Section 4.3. Depository Bank. The Borrower shall maintain all of its Depository Accounts with the Administrative Agent (or one of its Affiliates, as designated in writing by the Administrative Agent to the Borrower).

Section 5. Definitions; Interpretation.

Section 5.1. Definitions. The following terms when used herein shall have the following meanings:

“Act” is defined in Section 12.24 hereof.

“Acquisition Cost” means the purchase price for such Real Property *plus* (i) any and all capitalized fees and expenses for such Real Property and (ii) amounts invested by the Borrower or any Subsidiary in capital improvements to such Real Property including, without limitation, Tenant improvements, Tenant improvement allowances, capital additions financed for a tenant, any obligations to purchase Tenant improvements made upon termination of a Lease and the purchase of any fee interest in Real Property under a Lease.

“Additional Guarantor Supplement” is defined in Section 4.2 hereof.

“Adjusted EBITDA” means, at any date of its determination, an amount equal to (i) EBITDA for the most recently completed Rolling Period or computed on an Annualized basis, as applicable, *plus* (ii) acquisition expenses with respect to any Real Property for the most recently completed Rolling Period or computed on an Annualized basis, as applicable, *minus* (iii) the Capital Reserve on such date.

“Adjusted LIBOR” is defined in Section 1.4(b) hereof.

“Adjusted FFO” means for any period, “funds from operations” as defined in accordance with resolutions adopted by the Board of Governors of the National Association of Real Estate Investment Trusts as in effect from time to time; *provided* that Adjusted FFO shall (i) be based on net income after payment of distributions to holders of preferred partnership units in Global Medical REIT and distributions necessary to pay holders of preferred stock of Global Medical REIT, and (ii) at all times exclude (a) charges for impairment losses from property sales, (b) stock-based compensation, (c) write-offs or reserves of straight-line rent related to sold assets, (d) amortization of debt costs, and (e) non-recurring charges, including, without limitation, acquisition expenses, non-cash charges related to the write-off of deferred equity and financing costs and one-time charges related to the transition to self-management

“Adjusted Property NOI” means, at any date of its determination, with respect to any Real Property, (a) with respect to Real Property owned or leased for less than one full Fiscal Quarter as of such date of calculation, the projected Fiscal Property NOI for the following Fiscal Quarter computed by the Borrower in good faith and multiplied by four, (b) with respect to Real Property owned or leased for at least one full Fiscal Quarter but less than four full Fiscal Quarters, the Property NOI for such completed Fiscal Quarter(s) computed by the Borrower in good faith on an Annualized basis, and (c) otherwise, the Property NOI for the most recently completed Rolling Period computed by the Borrower in good faith, in each case, *minus* (i) the Capital Reserve and (ii) the greater of (x) a management fee of 3% of Property Income for the most recently completed Fiscal Quarter computed on an annualized basis and (y) actual management fees paid in cash to third party managers for the most recently completed Fiscal Quarter computed on an annualized basis.

“*Administrative Agent*” means BMO Harris Bank N.A., in its capacity as administrative agent for the Revolving Credit hereunder, and any successor in such capacity pursuant to Section 11.7 hereof.

“*Administrative Questionnaire*” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“*Affected Lender*” is defined in Section 1.13 hereof.

“*Affiliate*” means any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise; *provided that*, in any event for purposes of this definition, any Person that owns, directly or indirectly, 10% or more of the securities having the ordinary voting power for the election of directors or governing body of a corporation or 10% or more of the partnership or other ownership interest of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person.

“*Agreement*” means this Amended and Restated Credit Agreement, as the same may be amended, modified, restated or supplemented from time to time pursuant to the terms hereof.

“*Annualized*” means, with respect to any calculation as of any date of determination, (a) if no more than one full Fiscal Quarter has passed since the Closing Date on such date of determination, such calculation performed for the completed Fiscal Quarter multiplied by four (4), (b) if no more than two full Fiscal Quarters have passed since the Closing Date on such date of determination, such calculation performed for the two completed Fiscal Quarters multiplied by two (2), and (c) if no more than three full Fiscal Quarters have passed since the Closing Date on such date of determination, such calculation performed for the three completed Fiscal Quarters multiplied by one and one-third (1⅓).

“*Anti-Corruption Law*” means the FCPA and any law, rule or regulation of any jurisdiction concerning or relating to bribery or corruption that are applicable to the Borrower or any Guarantor or any Subsidiary or Affiliate of the Borrower or any Guarantor.

“Applicable Margin” means, with respect to Loans, Reimbursement Obligations, and L/C Participation Fees:

(a) Until the first Pricing Date, the rates per annum shown opposite Level III in the schedule below.

(b) Thereafter, from one Pricing Date to the next, the rates per annum determined in accordance with the following schedule:

Level	Consolidated Leverage Ratio for Such Pricing Date	Applicable Margin for Base Rate Revolving Loans and Reimbursement Obligations shall be:	Applicable Margin for Eurodollar Revolving Loans and L/C Participation Fees Shall Be:	Applicable Margin for Base Rate Term Loans shall be:	Applicable Margin for Eurodollar Term Loans Shall Be:
I	Less than or equal to 0.45 to 1.00	0.40%	1.40%	0.35%	1.35%
II	Less than or equal to 0.50 to 1.00, but greater than 0.45 to 1.00	0.65%	1.65%	0.60%	1.60%
III	Less than or equal to 0.55 to 1.00, but greater than 0.50 to 1.00	0.90%	1.90%	0.85%	1.85%
IV	Greater than 0.55 to 1.00	1.15%	2.15%	1.10%	2.10%

For purposes hereof, the term “Pricing Date” means, for any Fiscal Quarter of the Borrower ending on or after September 30, 2018, the date on which the Administrative Agent is in receipt of the Borrower’s most recent Compliance Certificate and financial statements (and, in the case of the year-end financial statements, audit report) (the “Borrower Information”) for the Fiscal Quarter then ended, pursuant to Section 8.5 hereof. The Applicable Margin shall be established based on the Consolidated Leverage Ratio for the most recently completed Fiscal Quarter and the Applicable Margin established on a Pricing Date shall remain in effect until the next Pricing Date. If the Borrower has not delivered the Borrower Information by the date the same is required to be delivered under Section 8.5 hereof, then until such Borrower Information is delivered, the Applicable Margin shall be the highest Applicable Margin (i.e., Level IV shall apply); provided, the Administrative Agent will provide notice to Borrower when such highest Applicable Margin goes into effect. If the Borrower subsequently delivers such Borrower Information before the next Pricing Date, the Applicable Margin established by such late delivered Borrower Information shall take effect from the date of delivery until the next Pricing Date. In all other circumstances, the Applicable Margin established by such Borrower Information shall be in effect from the Pricing Date that occurs immediately after the end of the Fiscal Quarter covered by such Borrower Information until the next Pricing Date. Each determination of the Applicable Margin made by the Administrative Agent in accordance with the foregoing shall be conclusive and binding on the Borrower and the Lenders if reasonably determined. The parties understand that the Applicable Margin set forth herein shall be determined and may be adjusted from time to time based upon the Borrower Information. If it is subsequently determined that any such Borrower Information was incorrect (for whatever reason, including, without limitation, because of a subsequent restatement of earnings by the Borrower or Global Medical REIT) at the time it was delivered to the Administrative Agent and the Lenders, and if the applicable interest rate or fees calculated for any period were lower than they should have been had the correct information been timely provided, then such Applicable Margin for such period shall be automatically recalculated using the correct Borrower Information. The Administrative Agent shall promptly notify the Borrower in writing of any additional interest and fees due because of such recalculation, and the Borrower shall pay within five (5) Business Days of receipt of such written notice such additional interest or fees due to the Administrative Agent, for the account of each Lender holding Commitments and Loans at the time the additional interest and fee payment is received. Any recalculation of the Applicable Margin required by this provision shall survive the termination of this Agreement, and this provision shall not in any way limit any of the Administrative Agent’s or any Lender’s other rights under this Agreement.

“*Application*” is defined in Section 1.3(b) hereof.

“*Appraisal*” means an appraisal performed by an appraiser acceptable to the Administrative Agent according to FIRREA standards.

“*Appraised Value*” means, with respect to any Real Property, the “as-is” appraised value of such Real Property set forth in the most recent Appraisal prepared for the Administrative Agent by an appraiser, which appraisal report describes the fair market value of such Real Property and otherwise meets the requirements of applicable law for appraisals prepared for federally insured depository institutions and has been approved by the Administrative Agent.

“*Approved Fund*” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“*Asset Under Development*” means any Real Property under construction (excluding (i) any completed Real Property under minor renovation (including minor Tenant improvements in an existing building that are being made), (ii) any Real Property that is contiguous to and purchased simultaneously with any completed Real Property, and (iii) any Real Property that is substantially completed with an Occupancy Rate of at least 65%).

“*Assignment and Acceptance*” means an assignment and acceptance entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 12.12 hereof), and accepted by the Administrative Agent, in substantially the form of Exhibit F or any other form approved by the Administrative Agent.

“*Authorized Representative*” means those persons shown on the list of officers provided by the Borrower pursuant to Section 7.2 hereof or on any update of any such list provided by the Borrower to the Administrative Agent, or any further or different officers of the Borrower so named by any Authorized Representative of the Borrower in a written notice to the Administrative Agent.

“*Bail-In Action*” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“*Bail-In Legislation*” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“*Bankruptcy Event*” means, with respect to any Person, any event of the type described in clause (j) or (k) of Section 9.1 hereof with respect to such Person.

“*Bank Products*” means each and any of the following bank products and services provided to Borrower or any Guarantor by BMO Harris Bank N.A. or any Lender or any of their Affiliates: (a) credit or charge cards for commercial customers (including, without limitation, “commercial credit cards” and purchasing cards), (b) stored value cards, and (c) depository, cash management, and treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

“*Bank Product Obligations*” of the Borrower and Guarantors means any and all of their obligations, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Bank Products.

“*Base Rate*” is defined in Section 1.4(a) hereof.

“*Base Rate Loan*” means a Loan bearing interest at a rate specified in Section 1.4(a) hereof.

“*Beneficial Ownership Certification*” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation, in form and substance satisfactory to Administrative Agent.

“*Beneficial Ownership Regulation*” means 31 C.F.R. § 1010.230.

“*Borrower*” is defined in the introductory paragraph of this Agreement.

“*Borrowing*” means the total of Loans of a single type advanced, continued for an additional Interest Period, or converted from a different type into such type by the Lenders on a single date and, in the case of Eurodollar Loans, for a single Interest Period. Borrowings of Loans are made and maintained ratably from each of the Lenders under a Credit according to their Percentages of such Credit. A Borrowing is “*advanced*” on the day Lenders advance funds comprising such Borrowing to the Borrower, is “*continued*” on the date a new Interest Period for the same type of Loans commences for such Borrowing, and is “*converted*” when such Borrowing is changed from one type of Loans to the other, all as determined pursuant to Section 1.6 hereof. Borrowings of Swing Loans are made by the Swing Line Lender in accordance with the procedures set forth in Section 1.2 hereof.

“*Borrowing Base*” means, as of any date of determination, the sum of Borrowing Base Values of all Borrowing Base Properties.

“*Borrowing Base Certificate*” means the certificate in the form of Exhibit I hereto, or in such other form reasonably acceptable to the Administrative Agent, to be delivered to the Administrative Agent pursuant to Sections 7.2(j), 7.3, 8.5 and 8.21 hereof.

“*Borrowing Base Determination Date*” means each date on which the Borrowing Base is certified in writing to the Administrative Agent, which shall occur as follows:

(a) *Quarterly*. For quarterly certifications, as of the date on which a Borrowing Base Certificate is delivered pursuant to Section 8.5(d).

(b) *Property Adjustments*. Following each addition of an Eligible Property, the date on which a Borrowing Base Certificate is delivered pursuant to Section 7.3; following each deletion of an Eligible Property, promptly following such deletion.

“*Borrowing Base Property*” means, as at any date of determination, any Eligible Property which is taken into account in calculating the Borrowing Base.

“*Borrowing Base Requirements*” means with respect to the calculation of the Borrowing Base, collectively, that:

(a) there shall be not less than fifteen (15) Borrowing Base Properties at all times;

(b) the aggregate Appraised Value of all Borrowing Base Properties shall be not less than \$250,000,000 at all times;

(c) no more than 20% of the aggregate Borrowing Base Value may be composed of Borrowing Base Value attributable to any one Borrowing Base Property or multiple Borrowing Base Properties with the same Tenant (for the avoidance of doubt, an Eligible Property that exceeds this sublimit may be included in the calculation of the Borrowing Base, *provided* that any amount over 20% of the Borrowing Base attributable to such Borrowing Base Property is excluded from the calculation of the Borrowing Base);

(d) no more than 10% of the aggregate Borrowing Base Value may be composed of Borrowing Base Value attributable to Borrowing Base Properties subject to Qualified Ground Leases (for the avoidance of doubt, an Eligible Property that exceeds this sublimit may be included in the calculation of the Borrowing Base, *provided* that any amount over 10% of the aggregate Borrowing Base Value attributable to such Borrowing Base Property is excluded from the calculation of the Borrowing Base);

(e) the weighted average term of the Leases at Borrowing Base Properties shall be no less than five (5) years; and

(f) the minimum aggregate Occupancy Rate of all Borrowing Base Properties shall be no less than 90% at all times.

“*Borrowing Base Value*” means, with respect to each Borrowing Base Property, as at any date of its determination,

(a) an amount equal to the lesser of:

(x) (i) prior to the first anniversary of the Closing Date, 65%, and (ii) on and after the first anniversary of the Closing Date, 60%, *multiplied by* the lesser of (x) the Appraised Value of such Borrowing Base Property and (y) the Acquisition Cost of such Borrowing Base Property; and

(y) the maximum amount of Debt Service Indebtedness that could be incurred with respect to such Borrowing Base Property without causing the Implied Debt Service Coverage Ratio attributable to such Borrowing Base Property to be less than 1.50 to 1.00; *minus*

(b) any reserves required at such time by the Administrative Agent, in its reasonable discretion, for necessary repairs identified in the property condition report relating to such Borrowing Base Property.

“*Business Day*” means any day (other than a Saturday or Sunday) on which banks are not authorized or required to close in Chicago, Illinois and, if the applicable Business Day relates to the advance or continuation of, or conversion into, or payment of a Eurodollar Loan, on which banks are dealing in U.S. Dollar deposits in the interbank eurodollar market in London, England.

“*Capital Lease*” means any lease of Property which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

“*Capital Reserve*” means, as at any date of its determination, an amount equal to the product of (i) \$0.50 multiplied by (ii) the gross leasable square footage of such Real Property on such date.

“*Capitalized Lease Obligation*” means, for any Person, the principal amount of the liability shown on the balance sheet of such Person in respect of a Capital Lease determined in accordance with GAAP.

“*Cash Collateralize*” means, to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the L/C Issuer or Lenders, as collateral for L/C Obligations or obligations of Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances subject to a first priority perfected security interest in favor of the Administrative Agent or, if the Administrative Agent and each applicable L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and each applicable L/C Issuer. “*Cash Collateral*” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“*CERCLA*” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§9601 *et seq.*, and any future amendments.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith shall be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means the occurrence of any of the following: (a) the acquisition by any “*person*” or “*group*” (as such terms are used in sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) at any time of beneficial ownership of more than 35% of the outstanding capital stock or other equity interests of Global Medical REIT entitled to vote for members of the board of directors or equivalent governing body of Global Medical REIT on a fully-diluted basis; (b) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of Global Medical REIT cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body, or (c) the failure of Global Medical REIT to directly or indirectly (i) control the Borrower and (ii) own more than 51% of the total economic interest in the Equity Interests of the Borrower. A Person shall be deemed to control another Person for purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“Closing Date” means the date of this Agreement or such later Business Day upon which each condition described in Section 7.2 shall be satisfied or waived in a manner acceptable to the Administrative Agent in its discretion.

“Code” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

“Collateral” means all properties, rights, interests, and privileges from time to time subject to the Liens granted to the Administrative Agent, or any security trustee therefor, by the Collateral Documents.

“*Collateral Account*” is defined in Section 9.4 hereof.

“*Collateral Documents*” means the Omnibus Master Reaffirmation, Pledge Agreement, Mortgages (if any), and all other mortgages, deeds of trust, security agreements, pledge agreements, assignments, financing statements, control agreements, and other documents as shall from time to time secure the Obligations or any part thereof.

“*Commitment*” means the Revolving Credit Commitment and Term Loan Commitment.

“*Commitment Amount Increase Request*” is defined in Section 1.15 hereof.

“*Commodity Exchange Act*” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“*Compliance Certificate*” is defined in Section 8.5 hereof.

“*Connection Income Taxes*” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profit Taxes.

“*Consolidated Leverage Ratio*” means, as at any date of determination, the ratio of (i) Total Indebtedness as of such date to (ii) Total Asset Value as of such date.

“*Consolidated Secured Recourse Leverage Ratio*” means, as at any date of determination, the ratio of (i) Total Secured Recourse Indebtedness as of such date to (ii) Total Asset Value as of such date.

“*Controlled Group*” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414 of the Code.

“*Credit*” means any of the Revolving Credit, the Term Credit, the Incremental Revolving Credit and the Incremental Term Credit.

“*Credit Event*” means the advancing of any Loan, or the issuance of, or extension of the expiration date or increase in the amount of, any Letter of Credit.

“*Customary Recourse Exceptions*” means, with respect to any Indebtedness, personal recourse that is limited to fraud, misrepresentation, misapplication of cash, waste, Environmental Claims and liabilities, failure to pay taxes and insurance, bankruptcy, prohibited transfers, prohibited lease amendments or terminations by the relevant Loan Party, violations of single purpose entity covenants and other customary exceptions.

“*Debtor Relief Laws*” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Debt Service” means, with reference to any period, the sum of (a) Interest Expense for such period and (b) the greater of (i) zero or (ii) scheduled principal amortization paid on Total Indebtedness for such period (exclusive of any balloon payments or prepayments of principal paid on such Total Indebtedness).

“Debt Service Indebtedness” means, as at any date of determination, Indebtedness which (i) amortizes over a period of twenty-five (25) years with equal payments of principal and interest due and payable on a monthly basis, and (ii) bears interest at a per annum rate equal to the greater of (x) 6.00% per annum, and (y) the current yield on United States treasuries having the closest maturity date to the tenth (10th) anniversary of the date of determination, plus 2.50%.

“Default” means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“Defaulting Lender” means, subject to Section 1.14(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Loans) within two (2) Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent or any L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 1.14(b)) upon delivery of written notice of such determination to the Borrower, the L/C Issuer, the Swing Line Lender and each Lender.

“*Depository Account*” means the Borrower’s central operating account or any successor account thereto relating to the Borrowing Base Properties.

“*Disqualified Stock*” shall mean any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, or requires the payment of any cash dividend or any other scheduled payment constituting a return of capital, in each case at any time on or prior to the 91st day following the Scheduled Termination Date, or (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interest referred to in clause (a) above, in each case at any time prior to the 91st day following the Scheduled Termination Date as of the date on which such Equity Interest is issued; *provided, however*, that any Equity Interest of a Person that is issued with the benefit of provisions requiring a change of control offer to be made for such Equity Interest in the event of a change of control of such Person will not be deemed to be Disqualified Stock solely by virtue of such provisions.

“*EBITDA*” means, for any period, determined on a consolidated basis of Global Medical REIT and its Subsidiaries, in accordance with GAAP, the sum of net income (or loss) plus, to the extent included as an expense in the calculation of net income (or loss): (i) depreciation and amortization expense; (ii) Interest Expense; (iii) income tax expense; (iv) extraordinary, unrealized or non-recurring losses, including impairment charges and losses from the sale of assets; (v) fees and expenses incurred in connection with dispositions, the incurrence of Indebtedness or the issuance of Capital Stock (whether or not consummated); and (vi) non-cash losses, (provided that any cash payment made with respect to any such non-cash loss shall be subtracted in computing EBITDA during the period in which such cash payment is made) minus: (a) extraordinary, unrealized or non-recurring gains, including the write-up of assets and gain from the sale of assets; (b) non-cash gains (provided that any receipt of cash in respect of such non-cash gains shall be added in computing EBITDA during the period in which such cash was received); and (c) income tax benefits.

“*EEA Financial Institution*” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“*EEA Member Country*” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“*EEA Resolution Authority*” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“*Eligible Assignee*” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person) subject to and in accordance with the terms and provisions of Section 12.12 hereof.

“*Eligible Property*” means, (i) as of the date any Real Property first becomes a Borrowing Base Property, such Real Property has an Occupancy Rate of 80% and (ii) as of any Borrowing Base Determination Date, any Real Property owned or leased by a Material Subsidiary which satisfies the following conditions:

- (a) such Real Property is one hundred percent (100%) owned in fee simple or one hundred percent (100%) leased pursuant to a Qualified Ground Lease, individually or collectively, by the Borrower or a wholly-owned Subsidiary;
- (b) such Real Property is a medical office building, outpatient center, group medical practice clinic, ASC (hospital-sponsored or seasoned group practice-sponsored), specialty hospital (short-term stay surgery, IRH, oncology), acute care hospital, or selected post-acute/long-term care facility located in the United States (but none of its territories);
- (c) (i) neither the Borrower’s beneficial ownership interest in any such Subsidiary nor the Real Property is subject to any Lien (other than Permitted Liens) or to any negative pledge, (ii) the Borrower or the applicable Subsidiary has the unilateral right to sell, transfer or otherwise dispose of such Real Property and to create a Lien on such Real Property as security for Indebtedness, and (iii) any such Subsidiary shall have either executed this Agreement as a Guarantor or shall have delivered to the Administrative Agent (A) an Additional Guarantor Supplement or a separate Guaranty pursuant to Section 4.2 hereof, and (B) each of the documents required by Section 7.3 hereof;
- (d) such Real Property, is free of all material structural defects, material title defects, conditions that could give rise to a material Environmental Claim or other adverse physical matters not covered by insurance or for which no reserves have been established and which, individually or collectively, materially impair the value of such Real Property;
- (e) Tenants of such Real Property under Significant Leases, if any, are no more than 90 days in arrears on base rental or other similar payments due under their applicable Significant Leases and there exists no default (after the expiration of any applicable notice and/or cure period) under the applicable Significant Leases for such Real Property that would have a material adverse effect on the value of such Real Property;
- (f) No required rental payment (except for rental payments which are being contested in good faith which such contest prevents the termination of the Ground Lease), principal or interest payment, payments of Taxes (except Taxes which are being contested in good faith and for which adequate reserves have been established in accordance with GAAP) or payments of premiums of insurance policies, in each case, payable by the Borrower or the applicable Subsidiary with respect to such Real Property is past due beyond the applicable grace period with respect thereto, if any; and

(g) to the extent such Real Property (i) constitutes a Borrowing Base Property encumbered by a Mortgage in favor of the Administrative Agent as of the Closing Date and (ii) has not previously been deleted as a Borrowing Base Property pursuant to Section 7.3 hereof, such Real Property continues to be encumbered by the applicable Mortgage.

“Environmental Claim” means any investigation, notice, violation, demand, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding or claim (whether administrative, judicial or private in nature) arising (a) in connection with an actual or alleged violation of or liability under any Environmental Law, (b) in connection with any Hazardous Material, (c) from any abatement, removal, remedial, corrective or response action in connection with a Hazardous Material, Environmental Law or order of a Governmental Authority under Environmental Law or (d) from any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

“Environmental Law” means any current or future Legal Requirement pertaining to (a) the protection of health, safety and the indoor or outdoor environment, (b) the conservation, management or use of natural resources and wildlife, (c) the protection or use of surface water or groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Material or (e) pollution (including any Release to air, land, surface water or groundwater), and any amendment, rule, regulation, order or directive issued thereunder.

“Equity Interests” means with respect to any Person, any share of capital stock of (or other ownership or profit interests in) such Person, any warrant, option or other right for the purchase or other acquisition from such Person of any share of capital stock of (or other ownership or profit interests in) such Person whether or not certificated, any security convertible into or exchangeable for any share of capital stock of (or other ownership or profit interests in) such Person or warrant, right or option for the purchase or other acquisition from such Person of such shares (or such other interests), and any other ownership or profit interest in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized or otherwise existing on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“Eurodollar Loan” means a Loan bearing interest at the rate specified in Section 1.4(b) hereof.

“Eurodollar Reserve Percentage” is defined in Section 1.4(b) hereof.

“Event of Default” means any event or condition identified as such in Section 9.1 hereof.

“*Excluded Swap Obligation*” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason not to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

“*Excluded Taxes*” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 1.13 hereof) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 12.1 amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 12.1(g) or Section 12.1(j), and (d) any U.S. federal withholding Taxes imposed under FATCA.

“*Extended Termination Date*” is defined in Section 1.16 hereof.

“*Extension Fee*” means an extension fee payable by the Borrower to the Administrative Agent for the ratable benefit of the Lenders as a condition to the extension of the Initial Termination Date pursuant to Section 1.16 hereto in an amount equal to 0.15% of (i) the Revolving Credit Commitments then in effect and (ii) the aggregate amount of Term Loans then outstanding.

“*FATCA*” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b) of the Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code and any law or regulation adopted pursuant to any such intergovernmental agreement.

“*FCPA*” means the Foreign Corrupt Practices Act, 15 U.S.C. §§78dd-1, et seq.

“*Federal Funds Rate*” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent; *provided* that in no event shall the Federal Funds Rate be less than 0.00%.

“*FIRREA*” means the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended, and all regulations promulgated pursuant thereto.

“*Fiscal Quarter*” means each of the three-month periods ending on March 31, June 30, September 30 and December 31 of each Fiscal Year.

“*Fiscal Year*” means the twelve-month period ending on December 31 of each calendar year.

“*Fixed Charge Coverage Ratio*” means, as at any date of determination, the ratio of (i) Adjusted EBITDA for the Rolling Period then ended or computed on an Annualized basis, as applicable, to (ii) Fixed Charges for such Rolling Period or computed on an Annualized basis, as applicable.

“*Fixed Charges*” means, for any period of determination, (a) Debt Service for such period, plus (b) Dividends and required distributions on the Borrower’s preferred equity securities for such period plus (c) all income taxes (federal, state and local) paid by Borrower during such period.

“*Foreign Lender*” means a Lender that is not any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“*Fronting Exposure*” means, at any time there is a Defaulting Lender, (a) with respect to any L/C Issuer, such Defaulting Lender’s Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by such L/C Issuer other than L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender’s Percentage of outstanding Swing Loans made by the Swing Line Lender other than Swing Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders.

“*Fund*” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

"Global Medical REIT" is defined in the introductory paragraph of this Agreement.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Ground Lease" means a ground lease of Real Property where the owner of the fee interest thereunder is not an Affiliate of the Borrower and the fee interest is not pledged to secured the Obligations.

"guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; *provided*, that the term "guarantee" shall not include endorsements for collection or deposit in the ordinary course of business..

"Guarantor" and "Guarantors" are defined in Section 4.1 hereof.

"Guaranty" and "Guaranties" are defined in Section 4.1 hereof.

"Hazardous Material" means any substance, chemical, compound, product, solid, gas, liquid, waste, byproduct, pollutant, contaminant or material which is hazardous or toxic and is regulated under Environmental Law, and includes, without limitation, (a) asbestos, polychlorinated biphenyls and petroleum (including crude oil or any fraction thereof) and (b) any material classified or regulated as "hazardous" or "toxic" or words of like import pursuant to an Environmental Law.

"Hazardous Material Activity" means any activity, event or occurrence involving a Hazardous Material, including, without limitation, the manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation, handling of or corrective or response action to any Hazardous Material.

"Hedging Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; *provided* that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or its Subsidiaries shall be a Hedging Agreement.

"Hedging Liability" means the liability of the Borrower or any Guarantor to any counterparty in respect of any Hedging Agreement as the Borrower or such Guarantor, as the case may be, may from time to time enter into with any one or more of the Lenders party to this Agreement at the time such Hedging Agreement was entered into or their Affiliates, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor).

"Increased Amount Date" is defined in Section 1.15(a) hereof.

"Incremental Facilities" means the Incremental Revolving Credit and/or the Incremental Term Credit established hereunder after the Closing Date in accordance with Section 1.15 hereof.

"Incremental Revolving Credit" means the credit facility for making Incremental Revolving Loans described in Section 1.15 hereof.

"Incremental Revolving Credit Commitments" is defined in Section 1.15(a) hereof.

"Incremental Revolving Loan" is defined in Section 1.15(c) hereof, and, as so defined, includes a Base Rate Loan or an Eurodollar Loan, each of which is a type of Incremental Revolving Loan hereunder.

"Incremental Revolving Loan Lender" is defined in Section 1.15(a) hereof.

"Incremental Term Credit" means the credit facility for making Incremental Term Loans described in Section 1.15 hereof.

"Incremental Term Loan" is defined in Section 1.15(d) hereof, and, as so defined, includes a Base Rate Loan or an Eurodollar Loan, each of which is a type of Incremental Term Loan hereunder.

"Incremental Term Loan Commitments" is defined in Section 1.15(a) hereof.

"Incremental Term Loan Lender" as defined in Section 1.15(a) hereof.

"Incremental Term Loan Percentage" means for each Lender, with respect to each Series, the percentage of the aggregate Incremental Term Loan Commitments of such Series represented by such Lender's portion thereof or, if such Incremental Term Loan Commitments have been terminated, the percentage held by such Lender of the aggregate principal amount of all Incremental Term Loans of such Series then outstanding.

“Incremental Term Note” is defined in Section 1.10 hereof.

“Implied Debt Service” means, with reference to any period, the aggregate Debt Service that would be due and payable during such period on the Debt Service Indebtedness.

“Implied Debt Service Coverage Ratio” means, as of the last day of any Fiscal Quarter of the Borrower, the ratio of (i) the Adjusted Property NOI for such Borrowing Base Property to (ii) Implied Debt Service attributable to such Borrowing Base Property (computed for the Rolling Period ending on such day or on an annualized basis in accordance with the definition of “Adjusted Property NOI”, as applicable).

“Increasing Lenders” is defined in Section 1.15 hereof.

“Indebtedness” means for any Person (without duplication) (a) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including as evidenced by bonds, debentures, notes, loan agreements and other similar instruments), (b) all indebtedness for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business which are not more than one hundred eighty (180) days past due and which are being contested in good faith by appropriate proceedings diligently conducted), (c) all Capitalized Lease Obligations of such Person, (d) all direct or contingent obligations of such Person on or with respect to letters of credit, bankers’ acceptances, bank guarantees, surety bonds and other similar extensions of credit whether or not representing obligations for borrowed money, (e) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of Disqualified Stock, (f) guarantees of such Person in respect of obligations of the kind referred to in clauses (a) through (e) above, (g) the negative net mark-to-market value of interest rate swaps, and (h) all obligations of the kind referred to in clauses (a) through (g) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien upon Property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, but limited to the lesser of (1) the fair market value of the Property subject to such Lien and (2) the aggregate amount of the obligations so secured. Indebtedness of the type described in clause (g) will constitute Indebtedness solely for the purposes of determining whether an Event of Default arising from a default under other Indebtedness shall have occurred pursuant to Section 9.1(f).

“Indemnified Taxes” means (a) all Taxes other than Excluded Taxes and (b) to the extent not otherwise described in (a), Other Taxes.

“Ineligible Property” is defined in Section 8.21 hereof

“Initial Borrowing Base Properties” means, collectively, the Real Property listed on Schedule 1.1 and *“Initial Borrowing Base Property”* means any of such Real Property.

“Initial Termination Date” means August 7, 2022.

"Interest Expense" means, with respect to a Person for any period of time, the interest expense whether paid, accrued or capitalized (without deduction of consolidated interest income) of such Person for such period. Interest Expense shall exclude any amortization of (i) deferred financing fees, including the write-off of such fees relating to the early retirement of the related Indebtedness, and (ii) debt premiums and discounts.

"Interest Payment Date" means (a) with respect to any Eurodollar Loan, the last day of each Interest Period with respect to such Eurodollar Loan and, if the applicable Interest Period is longer than (3) three months, each day occurring every three (3) months after the commencement of such Interest Period, (b) with respect to any Base Rate Loan (other than Swing Loans), the last day of every calendar quarter, (c) with respect to any Eurodollar Loan and/or any Base Rate Loan, the Termination Date, and (d) as to any Swing Loan, (i) bearing interest by reference to the Base Rate, the last day of every calendar month, and on the Termination Date and (ii) bearing interest by reference to the Swing Line Lender's Quoted Rate, the last day of the Interest Period with respect to such Swing Loan, and on the Termination Date.

"Interest Period" means the period commencing on the date a Borrowing of Eurodollar Loans or Swing Loans (bearing interest at the Swing Line Lender's Quoted Rate) is advanced, continued, or created by conversion and ending (a) in the case of Eurodollar Loans, 1, 2, 3, or 6 months thereafter and (b) in the case of Swing Loans bearing interest at the Swing Line Lender's Quoted Rate, on the date one (1) to ten (10) Business Days thereafter as mutually agreed by the Borrower and the Swing Line Lender, *provided, however*, that:

(i) no Interest Period shall extend beyond the Termination Date;

(ii) whenever the last day of any Interest Period would otherwise be a day that is not a Business Day, the last day of such Interest Period shall be extended to the next succeeding Business Day, *provided* that, if such extension would cause the last day of an Interest Period for a Borrowing of Eurodollar Loans to occur in the following calendar month, the last day of such Interest Period shall be the immediately preceding Business Day; and

(iii) for purposes of determining an Interest Period for a Borrowing of Eurodollar Loans, a month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month; *provided, however*, that if there is no numerically corresponding day in the month in which such an Interest Period is to end or if such an Interest Period begins on the last Business Day of a calendar month, then such Interest Period shall end on the last Business Day of the calendar month in which such Interest Period is to end.

"Land Assets" means any Real Property which is not an Asset Under Development and on which no significant improvements have been constructed (excluding any Real Property that is contiguous to and purchased simultaneously with any completed Real Property or any Asset Under Development).

"L/C Issuer" means BMO Harris Bank N.A., in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 1.3(h) hereof.

"L/C Obligations" means the aggregate undrawn face amounts of all outstanding Letters of Credit and all unpaid Reimbursement Obligations.

"L/C Participation Fee" is defined in Section 2.1(b) hereof.

"L/C Sublimit" means \$10,000,000, as such amount may be reduced pursuant to the terms hereof.

"Lease" means each existing or future lease, sublease (to the extent of any property owner's rights thereunder), license, or other similar agreement under the terms of which any Person has or acquires any right to occupy or use any Real Property or any part thereof, or interest therein, as the same may be amended, supplemented or modified.

"Legal Requirement" means any treaty, convention, statute, law, regulation, ordinance, license, permit, governmental approval, injunction, judgment, order, consent decree or other requirement of any Governmental Authority, whether federal, state, or local.

"Lenders" means and includes BMO Harris Bank N.A. and each other financial institution party hereto as a "Lender" from time to time, including, without limitation, pursuant to Section 1.13, 1.14, 1.15 or 12.12 hereof and, unless the context otherwise requires, the Swing Line Lender, and in each case, for so long as such Person shall hold Commitments, Loans or L/C Obligations hereunder.

"Lending Office" is defined in Section 10.4 hereof.

"Letter of Credit" is defined in Section 1.3(a) hereof.

"LIBOR" is defined in Section 1.4(b) hereof.

"LIBOR Index Rate" is defined in Section 1.4(b) hereof.

"LIBOR Quoted Rate" is defined in Section 1.4(a) hereof.

"Lien" means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

"Loan" means any Revolving Loan, Swing Loan, Term Loan or Incremental Term Loan, whether outstanding as a Base Rate Loan or Eurodollar Loan or otherwise, each of which is a "type" of Loan hereunder.

"Loan Documents" means this Agreement, the Notes (if any), the Applications, the Guaranties, if any, the Collateral Documents and each other instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith.

“*Material Adverse Effect*” means (a) a material adverse change in, or material adverse effect upon, the operations, performance, business, Property or financial condition of Global Medical REIT and its Subsidiaries, taken as a whole, (b) a material impairment of the ability of the Borrower or any Guarantor to perform its payment or other material obligations under any Loan Document to which it is a party or (c) a material adverse effect upon (i) the legality, validity, binding effect or enforceability against the Borrower or any Guarantor of any Loan Document to which it is a party or the rights and remedies of the Administrative Agent and the Lenders thereunder or (ii) the perfection or priority of any Lien granted under any Collateral Document.

“*Material Subsidiary*” means each wholly-owned Subsidiary that owns a Borrowing Base Property.

“*Minimum Collateral Amount*” means, at any time, with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 103% of the Fronting Exposure of the L/C Issuers with respect to Letters of Credit issued and outstanding at such time.

“*Moody’s*” means Moody’s Investors Service, Inc., or any successor thereof.

“*Mortgages*” means, collectively, each mortgage and deed of trust delivered to the Administrative Agent hereunder, as the same may be amended, modified, supplemented or restated from time to time.

“*Net Worth*” means for each applicable period, total equity reflected on Global Medical REIT’s consolidated balance sheet as reported in its Form 10-K or 10-Q, as applicable, plus any non-controlling equity interests reflected in Global Medical REIT’s consolidated balance sheets.

“*Note*” and “*Notes*” are defined in Section 1.10 hereof.

“*Obligations*” means all obligations of the Borrower to pay principal and interest on the Loans, all Reimbursement Obligations owing under the Applications, all fees and charges payable hereunder, and all other payment obligations of the Borrower or any Guarantor arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

“*Occupancy Rate*” means for any Real Property, the percentage of the rentable area of such Real Property occupied by bona fide Tenants of such Property or leased by Tenants pursuant to bona fide Tenant Leases, in each case, which Tenant is (a) not more than 30 days in arrears on base rental or other similar payments due under its Tenant Lease and (b) not subject to a then continuing Bankruptcy Event, or if subject to a then continuing Bankruptcy Event (i) the trustee in bankruptcy of such Tenant shall have accepted and assumed such Lease or the Tenant shall be not more than 30 days in arrears on base rental or other similar payments described above in *clause (a)*; (ii) to the extent that the Tenant shall have filed, and the bankruptcy court shall have approved, the Tenant’s plan for reorganization, the Tenant shall be performing its obligations pursuant to the approved plan of reorganization; or (iii) the status of such Tenant’s Lease shall be otherwise reasonably acceptable to the Administrative Agent; *provided*, that if any Real Property is subject to a master Lease, such Real Property shall be deemed occupied to the extent of the Real Property leased pursuant to such master Lease (even if any such Tenant is not physically occupying its space).

“OFAC” means the United States Department of Treasury Office of Foreign Assets Control.

“OFAC Event” is defined in Section 8.13(c) hereof.

“OFAC Sanctions Programs” means all laws, regulations, and Executive Orders administered by OFAC, including without limitation, the Bank Secrecy Act, anti-money laundering laws (including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56 (a/k/a the USA Patriot Act)), and all economic and trade sanction programs administered by OFAC, any and all similar United States federal laws, regulations or Executive Orders (whether administered by OFAC or otherwise), and any similar laws, regulations or orders adopted by any State within the United States.

“Omnibus Master Reaffirmation” means that certain Omnibus Amendment and General Reaffirmation dated as of August 7, 2018 among the Borrower, the Guarantors, and the Administrative Agent.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 1.13 hereof).

“Parent” is defined in the introductory paragraph of this Agreement.

“Participating Interest” is defined in Section 1.3(e) hereof.

“Participating Lender” is defined in Section 1.3(e) hereof.

“Patriot Act” is defined in Section 7.2(q) hereof.

“PBGC” means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

“Percentage” means, for any Lender, its Revolver Percentage, Term Loan Percentage or Incremental Term Loan Percentage, as applicable; and where the term “Percentage” is applied on an aggregate basis (including, without limitation, Section 11.6 hereof), such aggregate percentage shall be calculated by aggregating the separate components of the Revolver Percentage, Term Loan Percentage or Incremental Term Loan Percentage and expressing such components on a single percentage basis.

“Permitted Liens” means each of the following: (a) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 8.3; (b) Liens imposed by law, such as materialmen’s, mechanics’, carriers’, workmen’s and repairmen’s Liens and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than thirty (30) days or that are being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained; (c) pledges or deposits to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations; (d) easements, zoning restrictions, rights of way and other encumbrances on title to real property that do not materially and adversely affect the value of such real property or the use of such real property for its present purposes; (e) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of like nature incurred in the ordinary course of business; (f) Liens in favor of the United States of America for amounts paid to the Borrower or any Guarantor as progress payments under government contracts entered into by it; (g) attachment, judgment and other similar Liens arising in connection with court, reference or arbitration proceedings, provided that the same do not constitute an Event of Default under Section 9.1(g); (h) the rights of tenants or lessees under leases or subleases not materially interfering with the ordinary conduct of business of such Person; (i) Liens granted pursuant to the Collateral Documents; (j) Liens on Property owned by non-Guarantor Subsidiaries and Liens on the Equity Interests of non-Guarantor Subsidiaries; (k) Liens existing on the date hereof and listed on Schedule 1.2 attached hereto; (l) Liens securing obligations in the nature of personal property financing leases for furniture, furnishings or similar assets, Capital Lease Obligations and other purchase money obligations for fixed or capital assets; *provided that* (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, (ii) the obligations secured thereby does not exceed the cost of the property being acquired on the date of acquisition, and (iii) with respect to Capital Leases, such Liens do not at any time extend to or cover any assets other than the assets subject to such Capital Leases; (m) such other title and survey exceptions as the Administrative Agent has approved in writing in the Administrative Agent’s reasonable discretion and (n) with respect to any Property that is not a Borrowing Base Property, other Liens not otherwise permitted above securing Indebtedness or other obligations in an aggregate principal amount at any time outstanding not to exceed \$5,000,000 determined as of the date of incurrence.

“Person” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

“Plan” means any employee pension benefit plan covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code that either (a) is maintained by a member of the Controlled Group for employees of a member of the Controlled Group or (b) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“*Pledge Agreement*” means a Pledge Agreement dated as of December 2, 2016 among the Borrower and the Administrative Agent, as the same may be amended, modified, supplemented or restated from time to time, related to a pledge of the Equity Interests of each Material Subsidiary to secure the Obligations.

“*Prior Credit Agreement*” is defined in the recitals to this Agreement.

“*Property*” or “*Properties*” means, as to any Person, all types of real (including Real Property), personal, tangible, intangible or mixed property, including leasehold estates created by Ground Leases, owned by such Person whether or not included in the most recent balance sheet of such Person and its subsidiaries under GAAP, including, as to any Subsidiary, any Real Property owned by it.

“*Property Expenses*” means, as to any Real Property, the costs (including, but not limited to, management fees, payments under Ground Leases, bad debt expenses, payroll, real estate taxes, assessments, insurance, utilities, landscaping and other similar charges) of operating and maintaining such Real Property, which are the responsibility of the Borrower or the applicable Subsidiary that are not paid directly by the applicable Tenant, but excluding Debt Service, income tax expense, capital expenses, depreciation, amortization, interest costs, other non-cash expenses, general and administrative expenses related to the operation of the Borrower or the applicable Subsidiary and real estate acquisition costs and expenses.

“*Property Income*” means, as to any Real Property, straight-line rents as determined in accordance with GAAP, but excluding security deposits and prepaid rent except to the extent applied in satisfaction of applicable Tenants’ obligations for rent.

“*Property NOI*” means, with respect to any Real Property for any period (without duplication) the aggregate amount of (i) Property Income for such period minus (ii) Property Expenses for such period.

“*Qualified ECP Guarantor*” means, in respect of any Swap Obligation, each Guarantor that has total assets exceeding \$10,000,000 at the time the relevant guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“*Qualified Ground Lease*” means any Ground Lease (a) which is a direct Ground Lease granted by the fee owner of real property, (b) which may be transferred and/or assigned without the consent of the lessor (or as to which the lease expressly provides that (i) such lease may be transferred and/or assigned with the consent of the lessor and (ii) such consent shall not be unreasonably withheld or delayed) or subject to certain reasonable pre-defined requirements, (c) which has a remaining term (including any renewal terms exercisable at the sole option of the lessee) of at least thirty (30) years, (d) under which no material default has occurred and is continuing, (e) with respect to which a Lien may be granted without the consent of the lessor, (f) for any Ground Lease executed at or after the time Borrower or the Subsidiary acquires the Property which contains lender protection provisions reasonably acceptable to the Administrative Agent, including, without limitation, provisions to the effect that (i) the lessor shall notify any holder of a leasehold mortgage Lien in such lease of the occurrence of any default by the lessee under such lease and shall afford such holder the option to cure such default, and (ii) in the event that such lease is terminated or rejected in a bankruptcy, such holder shall have the option to enter into a new lease having terms substantially identical to those contained in the terminated or rejected lease and (g) which is otherwise reasonably acceptable in form and substance to the Administrative Agent.

"RCRA" means the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§6901 *et seq.*, and any future amendments.

"Real Property" or "Real Properties" means any real property owned or leased by the Borrower or any Subsidiary.

"Recipient" means (a) the Administrative Agent, (b) any Lender, and (c) any L/C Issuer, as applicable.

"Reimbursement Obligation" is defined in Section 1.3(c) hereof.

"REIT" means a "real estate investment trust" in accordance with Section 856 *et seq.* of the Code.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migration, dumping, or disposing into the indoor or outdoor environment, including, without limitation, the abandonment or discarding of barrels, drums, containers, tanks or other receptacles containing or previously containing any Hazardous Material.

"Replacement Property" is defined in Section 8.21 hereof

"Required Lenders" means, as of the date of determination thereof, (i) if there are fewer than three (3) unaffiliated Lenders, all Lenders and (ii) if there are three (3) or more unaffiliated Lenders, at least three (3) unaffiliated Lenders whose outstanding Loans, interests in Letters of Credit and Unused Commitments constitute more than 50% of the sum of the total outstanding Loans, interests in Letters of Credit, and Unused Commitments of the Lenders on such date. To the extent provided in Section 12.13, the Loans, interests in Letters of Credit and Unused Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"Responsible Officer" means, with respect to Global Medical REIT or the Borrower, the chief executive officer, president, chief financial officer, chief accounting officer, treasurer, assistant treasurer, controller, or chief legal officer or the chief operating officer of such Person.

“Restatement Effective Date” means August 8, 2018.

“Restricted Payments” means dividends on or other distributions in respect of any class or series of Stock, Stock Equivalents or other Equity Interests of Global Medical REIT, the Borrower or its Subsidiaries or the direct or indirect purchase, redemption, acquisition, or retirement of any of Global Medical REIT’s, the Borrower’s or a Subsidiaries’ Stock, Stock Equivalents or other Equity Interest.

“Revolver Percentage” means, for each Lender, the percentage of the Revolving Credit Commitments represented by such Lender’s Revolving Credit Commitment or, if the Revolving Credit Commitments have been terminated, the percentage held by such Lender (including through Participating Interests in L/C Obligations) of the aggregate principal amount of all Revolving Loans and L/C Obligations then outstanding.

“Revolving Credit” means the credit facility for making Loans and issuing Letters of Credit described in Sections 1.1, 1.2 and 1.3 hereof.

“Revolving Credit Availability” means, as of any time the same is to be determined, the amount (if any) by which (a) the lesser of (1) the Borrowing Base as then determined and computed in accordance with this Agreement, and (2) the Commitments as then in effect, exceeds (b) the aggregate principal amount of Loans and L/C Obligations then outstanding.

“Revolving Credit Commitment” means, as to any Lender, the obligation of such Lender to make Revolving Loans and to participate in Swing Loans and Letters of Credit issued for the account of the Borrower hereunder in an aggregate principal or face amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 1 attached hereto and made a part hereof, as the same may be reduced or modified at any time or from time to time pursuant to the terms hereof. The Borrower and the Lenders acknowledge and agree that the Revolving Credit Commitments of the Lenders, in the aggregate, are equal to \$250,000,000 on the Restatement Effective Date.

“Revolving Loan” is defined in Section 1.1 hereof and, as so defined, includes a Base Rate Loan or a Eurodollar Loan, each of which is a *“type”* of Revolving Loan hereunder. The Borrower and the Lenders acknowledge and agree that any Incremental Revolving Loan is also a Revolving Loan.

“Revolving Note” is defined in Section 1.10 hereof.

“Rolling Period” means, as of any date, the four Fiscal Quarters ending on or immediately preceding such date.

“S&P” means Standard & Poor’s Ratings Services Group, a division of The McGraw-Hill Companies, Inc.

“Scheduled Termination Date” means the Initial Termination Date or the Extended Termination Date, as the case may be.

“Series” as defined in Section 1.15(a) hereof.

“*Significant Lease*” means, as to any particular Real Property, each Lease which constitutes 30% or more of all base rent revenue of such Real Property.

“*Solvent*” means, with respect to any person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature, and (e) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person’s property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“*Stock*” means shares of capital stock, beneficial or partnership interests, participations or other equivalents (regardless of how designated) of or in a corporation or equivalent entity, whether voting or non-voting, and includes, without limitation, common stock, but excluding any preferred stock or other preferred equity securities.

“*Stock Equivalents*” means all securities (other than Stock) convertible into or exchangeable for Stock at the option of the holder, and all warrants, options or other rights to purchase or subscribe for any stock, whether or not presently convertible, exchangeable or exercisable.

“*Subsidiary*” means, as to any particular parent corporation or organization, any other corporation or organization more than 50% of the outstanding Voting Stock of which is at the time directly or indirectly owned by such parent corporation or organization or by any one or more other entities which are themselves subsidiaries of such parent corporation or organization. Unless otherwise expressly noted herein, the term “*Subsidiary*” means a Subsidiary of Global Medical REIT or the Borrower or of any of their direct or indirect Subsidiaries.

“*Swap Obligation*” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“*Swing Line*” means the credit facility for making one or more Swing Loans described in Section 1.2 hereof.

“*Swing Line Lender*” means BMO Harris Bank N.A., acting in its capacity as the Lender of Swing Loans hereunder, or any successor Lender acting in such capacity appointed pursuant to Section 12.12 hereof.

“*Swing Line Lender’s Quoted Rate*” is defined in Section 1.2(c) hereof.

“*Swing Line Sublimit*” means \$10,000,000, as such amount may be reduced pursuant to the terms hereof.

“*Swing Loan*” and “*Swing Loans*” each is defined in Section 1.2 hereof.

“*Swing Note*” is defined in Section 1.11 hereof.

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including back up withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“*Tenant*” means any Person leasing, subleasing or otherwise occupying any portion of a Real Property under a Lease.

“*Term Credit*” means the credit facility for the Term Loans described in Section 1.2(a) hereof.

“*Term Loan*” is defined in Section 1.2(a) hereof and, as so defined, includes a Base Rate Loan or a Eurodollar Loan, each of which is a “*type*” of Term Loan hereunder.

“*Term Loan Commitment*” means, as to any Lender, the obligation of such Lender to make its Term Loan on the Restatement Effective Date in the principal amount not to exceed the amount set forth opposite such Lender’s name on Schedule 1 attached hereto and made a part hereof. The Borrower and the Lenders acknowledge and agree that the Term Commitments of the Lenders aggregate \$100,000,000 on the date hereof.

“*Term Loan Percentage*” means for each Lender, the percentage of the Term Loan Commitments represented by such Lender’s Term Loan Commitment, or if the Term Loan Commitments have been terminated or have expired, the percentage held by such Lender of the aggregate amount of all Term Loans then outstanding.

“*Term Loan Termination Date*” means August 7, 2023.

“*Term Note*” is defined in Section 1.10 hereof.

“*Termination Date*” means the earlier of (i) (x) with respect to the Revolving Credit Commitments, the Scheduled Termination Date, and (y) with respect to the Term Loan Commitment, the Term Loan Termination Date, and (ii) the date on which the Commitments are terminated in full pursuant to Section 1.12, 9.2 or 9.3 hereof.

“*Total Asset Value*” means, as of any date of determination and without duplication, an amount equal to the sum of (i) with respect to each Real Property (other than Assets Under Development and Land Assets), the GAAP book value of such Real Property (plus any allowance for accumulated depreciation for such Real Property (other than Assets Under Development and Land Assets)); *plus* (ii) the GAAP book value of the actual funded portion of Assets Under Development of Global Medical REIT and its Subsidiaries (plus any allowance for accumulated depreciation for such Assets Under Development), *plus* (iii) the GAAP book value of Land Assets of Global Medical REIT and its Subsidiaries, *plus* (iv) the outstanding principal balance (or such lesser amount, if required under GAAP) of investments in mortgages and mezzanine loans held by Global Medical REIT and its Subsidiaries.

"Total Indebtedness" means, as of a given date, the consolidated Indebtedness of Global Medical REIT and its Subsidiaries, minus any unrestricted cash or cash equivalents in an amount not to exceed \$5,000,000, as determined in accordance with GAAP.

"Total Secured Recourse Indebtedness" means, as of any date of determination, the aggregate principal amount of all Indebtedness outstanding of Global Medical REIT and its Subsidiaries, evidenced by notes, bonds, debentures or similar instruments and capital lease obligations that are secured by a Lien and which is recourse to, or has a deficiency guaranty provided by, Borrower or any Guarantor (directly or by a guaranty thereof, but without duplication), (it being understood that any Indebtedness which provides for recourse to Borrower or any Guarantor solely by virtue of Customary Recourse Exceptions shall not constitute recourse Indebtedness).

"UCC" means the Uniform Commercial Code as in effect in the State of New York.

"Unfunded Vested Liabilities" means, for any Plan at any time, the amount (if any) by which the present value of all vested nonforfeitable accrued benefits under such Plan exceeds the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the Controlled Group to the PBGC or the Plan under Title IV of ERISA.

"Unused Revolving Credit Commitments" means, at any time, the difference between the Revolving Credit Commitments then in effect and the aggregate outstanding principal amount of Revolving Loans and L/C Obligations.

"U.S. Dollars" and *"\$"* each means the lawful currency of the United States of America.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"Voting Stock" of any Person means capital stock or other equity interests of any class or classes (however designated) having ordinary power for the election of directors or other similar governing body of such Person, other than stock or other equity interests having such power only by reason of the happening of a contingency.

"Welfare Plan" means a "welfare plan" as defined in Section 3(1) of ERISA.

"Withholding Agent" means the Borrower and the Administrative Agent.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 5.2. Interpretation. The foregoing definitions are equally applicable 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. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references to time of day herein are references to Chicago, Illinois, time unless otherwise specifically provided. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

Section 5.3. Change in Accounting Principles. If, after the date of this Agreement, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 6.5 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement, either the Borrower or the Required Lenders may, by written notice to the Lenders and the Borrower, respectively, require that the Required Lenders and the Borrower negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of Global Medical REIT and its Subsidiaries shall be the same as if such change had not been made. No delay by the Borrower or the Required Lenders in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 5.3, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles. Without limiting the generality of the foregoing, the Borrower shall neither be deemed to be in compliance with any financial covenant hereunder nor out of compliance with any financial covenant hereunder if such state of compliance or noncompliance, as the case may be, would not exist but for the occurrence of a change in accounting principles after the Closing Date. Notwithstanding the foregoing, obligations relating to any leases that were accounted for by any Person as operating leases as of the Closing Date, and any similar lease entered into after the Closing Date by such Person, shall be accounted for as obligations relating to operating leases and not as obligations relating to Capital Leases.

Section 6. Representations and Warranties.

The Borrower and each Guarantor represents and warrants to the Administrative Agent, the Lenders, and the L/C Issuer as follows:

Section 6.1. Organization and Qualification. The Borrower is duly organized, validly existing, and in good standing as a limited partnership under the laws of the State of Delaware. Global Medical REIT is duly organized, validly existing, and in good standing as a corporation under the laws of the State of Maryland. Each of Global Medical REIT and the Borrower has full and adequate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying; except to the extent that the failure to do so would not have a Material Adverse Effect. The information included in the Beneficial Ownership Certification is true and correct in all respects.

Section 6.2. Subsidiaries. Each Subsidiary is (a) duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is organized except, in the case of a Subsidiary that is not a Guarantor, where the failure to be in good standing would not have a Material Adverse Effect and (b) has full and adequate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying; except in each case referred to in clause (b) to the extent that the failure to do so would not have a Material Adverse Effect. Schedule 6.2 hereto is a correct and complete copy of the organizational chart of Global Medical REIT and its Subsidiaries as of the Closing Date (including with respect to future periods as to which this representation is required to be remade, as updated from time to time as provided in Section 8.5(1)) and identifies the jurisdiction of organization of Global Medical REIT and each Subsidiary. All of the outstanding shares of capital stock and other equity interests of each Subsidiary are validly issued and outstanding and, with respect to Subsidiaries that are corporations, fully paid and nonassessable, and all such shares and other equity interests indicated on Schedule 6.2 as owned by Global Medical REIT or a Subsidiary are owned, beneficially and of record, by Global Medical REIT or such Subsidiary free and clear of all Liens (other than Permitted Liens). Other than as publicly disclosed by Global Medical REIT or any Subsidiary of Global Medical REIT in any filings with any securities exchange or the Securities and Exchange Commission or any successor agency, there are no outstanding commitments or other obligations of the Borrower or any Subsidiary of the Borrower to issue, and no options, warrants or other rights of any Person to acquire, any shares of any class of capital stock or other equity interests of the Borrower or any Subsidiary of the Borrower.

Section 6.3. Authority and Validity of Obligations. The Borrower has full right and authority to enter into this Agreement and the other Loan Documents executed by it, to make the borrowings herein provided for, to grant to the Administrative Agent the Liens described in the Collateral Documents from time to time executed by the Borrower and to perform all of its obligations hereunder and under the other Loan Documents executed by it. Each Guarantor has full right and authority to enter into the Loan Documents executed by it, to guarantee the Obligations, Hedging Liability, and Bank Product Obligations, to grant to the Administrative Agent the Liens described in the Collateral Documents from time to time executed by such Guarantor and to perform all of its obligations under the Loan Documents executed by it. The Loan Documents delivered by the Borrower and the Guarantors have been duly authorized, executed, and delivered by such Persons party thereto and constitute valid and binding obligations of such Persons party thereto enforceable against them in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law); and this Agreement and the other Loan Documents do not, nor does the performance or observance by the Borrower or any Subsidiary of any of the matters and things herein or therein provided for, (a) contravene or constitute a default under any applicable Legal Requirement binding upon the Borrower or any Subsidiary or any provision of the organizational documents (e.g., charter, certificate or articles of incorporation and by-laws, certificate or articles of association and operating agreement, partnership agreement, or other similar organizational documents) of the Borrower or any Guarantor, (b) contravene or constitute a default under any covenant, indenture or agreement of the Borrower or any Guarantor or affecting any of their Property, in each case where such contravention or default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (c) result in the creation or imposition of any Lien on any Property of the Borrower or any Guarantor (other than in favor of the Administrative Agent for its benefit and the benefit of the Lenders and the L/C Issuer).

Section 6.4. Use of Proceeds; Margin Stock. The Borrower shall use the proceeds of the Term Loans, the Incremental Term Loans (if any) and the Revolving Credit solely to refinance existing Indebtedness, to fund acquisitions, to finance capital expenditures and/or working capital, for general corporate purposes and/or for payment of fees and expenses related to this Agreement. Neither the Borrower nor any Guarantor is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Loan or any other extension of credit made hereunder will be used to purchase or carry any such margin stock or to extend credit to others for the purpose of purchasing or carrying any such margin stock. Margin stock (as hereinabove defined) constitutes less than 25% of the assets of the Borrower and the Guarantors. The Borrower shall not use the proceeds of any Swing Loan to repay any previously-advanced Swing Loans.

Section 6.5. Financial Reports. The consolidated balance sheet of Global Medical REIT and its Subsidiaries as of December 31, 2017, and the related consolidated statements of income, retained earnings and cash flows of Global Medical REIT and its Subsidiaries for the Fiscal Year then ended, and accompanying notes thereto, which financial statements are accompanied by the unqualified audit report of independent public accountants heretofore furnished to the Administrative Agent and the Lenders, fairly present the consolidated financial condition of Global Medical REIT and its Subsidiaries as at said dates and the consolidated results of their operations and cash flows for the periods then ended in conformity with GAAP applied on a consistent basis, except as otherwise expressly noted therein. To the Borrower's knowledge, none of Global Medical REIT, the Borrower or any Subsidiary has contingent liabilities which are material to it and are required to be set forth in its financial statements or notes thereto in accordance with GAAP other than as indicated on such financial statements and notes thereto (including with respect to future periods as to which this representation is required to be remade, on the financial statements furnished pursuant to Section 8.5 hereof).

Section 6.6. No Material Adverse Change. Since December 31, 2017, there has been no change in the business, financial condition, operations, performance or properties of Global Medical REIT, the Borrower and the Subsidiaries taken as a whole, which would reasonably be expected to have a Material Adverse Effect.

Section 6.7. Full Disclosure. The written statements and written information (excluding projections, forward-looking statements and information of a general economic or industry nature) furnished by the Borrower or any Guarantor to the Administrative Agent and the Lenders in connection with the negotiation of this Agreement and the other Loan Documents, taken as a whole, do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein, taken as a whole, not misleading. The Administrative Agent and the Lenders acknowledge that as to any projections furnished to the Administrative Agent and the Lenders by the Borrower, the Borrower only represents that the same were prepared in good faith on the basis of information and estimates the Borrower believed to be reasonable at the time of preparation.

Section 6.8. Trademarks, Franchises, and Licenses. Global Medical REIT, the Borrower and its Subsidiaries own, possess, or have the right to use all patents, licenses, franchises, trademarks, trade names, trade styles, copyrights, trade secrets, know how, and confidential commercial and proprietary information necessary to conduct their businesses as now conducted, without known conflict with any patent, license, franchise, trademark, trade name, trade style, copyright or other proprietary right of any other Person except, in each case, where the failure to do so would not have a Material Adverse Effect.

Section 6.9. Governmental Authority and Licensing. Global Medical REIT, the Borrower and its Subsidiaries have received all licenses, permits, and approvals of all federal, state, and local governmental authorities, if any, necessary to conduct their businesses, in each case where the failure to obtain or maintain the same would reasonably be expected to have a Material Adverse Effect. No investigation or proceeding, which could reasonably be expected to result in revocation or denial of any material license, permit or approval, is pending or, to the knowledge of the Borrower or Global Medical REIT, threatened except where such revocation or denial would not reasonably be expected to have a Material Adverse Effect.

Section 6.10. Good Title. Global Medical REIT, the Borrower and its Subsidiaries have good and defensible title (or valid leasehold interests) to their assets as reflected on the most recent consolidated balance sheet of Global Medical REIT, the Borrower and its Subsidiaries furnished to the Administrative Agent and the Lenders (except for sales of assets in the ordinary course of business), except for such defects in title as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The assets owned by the Borrower and each Guarantor are subject to no Liens, other than Permitted Liens.

Section 6.11. Litigation and Other Controversies. There is no litigation or governmental or arbitration proceeding or labor controversy pending, nor to the knowledge of the Borrower threatened, against Global Medical REIT, the Borrower or any Subsidiary or any of their Property which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect, other than as set forth on Schedule 6.11.

Section 6.12. Taxes. All material tax returns required to be filed by Global Medical REIT, the Borrower or any Subsidiary in any jurisdiction have, in fact, been filed, and all Taxes upon Global Medical REIT, the Borrower or any Subsidiary or upon any of its Property, income or franchises, which are shown to be due and payable in such returns, have been paid, except (a) such taxes, assessments, fees and governmental charges, if any, as are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves established in accordance with GAAP have been provided or (b) where the failure to file such returns or pay such Taxes would not result in a Material Adverse Effect. Adequate provisions in accordance with GAAP for material taxes on the books of Global Medical REIT, the Borrower and each Subsidiary have been made for all open years, and for its current fiscal period.

Section 6.13. Approvals. No authorization, consent, license or exemption from, or filing or registration with, any Governmental Authority, nor any approval or consent of any other Person, is or will be necessary to the valid execution, delivery or performance by the Borrower or any Guarantor of any Loan Document, except (a) those that have otherwise been obtained or made on or prior to the Closing Date and which remain in full force and effect on the Closing Date, (b) filings necessary to release Liens securing Indebtedness to be refinanced on or about the Closing Date, (c) filings necessary to perfect the Liens created under the Collateral Documents and (d) where the failure to obtain such authorizations, consents, licenses, exemptions or approvals, or make such filings or registrations, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 6.14. Affiliate Transactions. Except as permitted by Section 8.14 hereof, none of Global Medical REIT, the Borrower or any Subsidiary is a party to any contracts or agreements with any of its Affiliates.

Section 6.15. Investment Company. None of Global Medical REIT, the Borrower or any Guarantor is an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

Section 6.16. ERISA. The Borrower and each other member of its Controlled Group has fulfilled its obligations under the minimum funding standards of and is in compliance in all material respects with ERISA and the Code to the extent applicable to it and has not incurred any material liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA. None of the Borrower or any Subsidiary has any material contingent liabilities with respect to any post-retirement benefits under a Welfare Plan, other than liability for continuation coverage described in Part 6 of Title I of ERISA.

Section 6.17. Compliance with Laws. (a) Global Medical REIT, the Borrower and its Subsidiaries are in compliance with all Legal Requirements applicable to or pertaining to their respective Property or business operations (including, without limitation, the Occupational Safety and Health Act of 1970, the Americans with Disabilities Act of 1990, zoning regulations and Environmental Laws), to the extent that non-compliance with any such Legal Requirements, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) Without limiting the representations and warranties set forth in Section 6.17(a) above, except for matters specifically set forth on Schedule 6.17(b) attached hereto or other matters, individually or in the aggregate, which would not reasonably be expected to result in a Material Adverse Effect, the Borrower represents and warrants that: (i) Global Medical REIT, the Borrower and its Subsidiaries, and each of the Borrowing Base Properties, comply in all material respects with all applicable Environmental Laws; (ii) Global Medical REIT, the Borrower and its Subsidiaries have obtained all governmental approvals required for their operations and each of the Borrowing Base Properties by any applicable Environmental Law; (iii) Global Medical REIT, the Borrower and its Subsidiaries have not, and the Borrower has no knowledge of any other Person who has, caused any Release, threatened Release or disposal of any Hazardous Material at, on, about, or off any of the Borrowing Base Properties in any material quantity and, to the knowledge of the Borrower, none of the Borrowing Base Properties are adversely affected by any Release, threatened Release or disposal of a Hazardous Material, in any material quantity, originating or emanating from any other property; (iv) Global Medical REIT, the Borrower and its Subsidiaries have no notice or knowledge that the Borrowing Base Properties contain or have contained any: (1) underground storage tank or material amounts of asbestos containing building material, (2) landfills or dumps, (3) hazardous waste management facility as defined pursuant to RCRA or any comparable state law, or (4) site on or nominated for the National Priority List promulgated pursuant to CERCLA or any state remedial priority list promulgated or published pursuant to any comparable state law; (v) except in the ordinary course of business and in material compliance with Environmental Law, Global Medical REIT, the Borrower and its Subsidiaries have not used a material quantity of any Hazardous Material and have conducted no Hazardous Material Activity at any of the Borrowing Base Properties; (vi) Global Medical REIT, the Borrower and its Subsidiaries have no material liability for response or corrective action, natural resource damage or other harm pursuant to CERCLA, RCRA or any comparable state law; (vii) Global Medical REIT, the Borrower and its Subsidiaries have no notice or knowledge of and, to the knowledge of Borrower, are not subject to and are not required to give any notice of any Environmental Claim involving Global Medical REIT, the Borrower or any Subsidiary or any of the Borrowing Base Properties, and there are no conditions or occurrences at any of the Borrowing Base Properties which could reasonably be anticipated to form the basis for an Environmental Claim against the Borrower or any Subsidiary or such Borrowing Base Properties; (viii) to the knowledge of Global Medical REIT and the Borrower, none of the Borrowing Base Properties are subject to any, and the Borrower has no knowledge of any imminent restriction on the ownership, occupancy, use or transferability of the Borrowing Base Properties in connection with any (1) Environmental Law or (2) Release, threatened Release or disposal of a Hazardous Material; and (ix) there are no conditions or circumstances at any of the Borrowing Base Properties which pose an unreasonable risk to the environment or the health or safety of Persons. It is understood and agreed that medical activities conducted in compliance with Environmental Laws shall not be deemed to violate this subsection.

(c) Global Medical REIT, the Borrower and its Subsidiaries are in material compliance with all Anti-Corruption Laws. Global Medical REIT, the Borrower and its Subsidiaries have implemented and maintain in effect policies and procedures designed to ensure compliance by each Global Medical REIT, the Borrower and its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws. None of Global Medical REIT, the Borrower or its Subsidiaries has made a payment, offering, or promise to pay, or authorized the payment of, money or anything of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to a foreign official, foreign political party or party official or any candidate for foreign political office, and (c) with the intent to induce the recipient to misuse his or her official position to direct business wrongfully to Global Medical REIT, the Borrower or its Subsidiaries or to any other Person, in violation of any Anti-Corruption Laws.

Section 6.18. OFAC. (a) Global Medical REIT and the Borrower are in compliance with the requirements of all OFAC Sanctions Programs applicable to it, (b) each Subsidiary is in compliance with the requirements of all OFAC Sanctions Programs applicable to such Subsidiary, (c) the Borrower has provided to the Administrative Agent, the L/C Issuer, and the Lenders all information requested by them regarding the Borrower, the Subsidiaries and other Affiliates of the Borrower necessary for the Administrative Agent, the L/C Issuer, and the Lenders to comply with all applicable OFAC Sanctions Programs, and (d) to the Borrower's knowledge, neither the Borrower nor any of the Subsidiaries or other Affiliates of the Borrower is, nor to the knowledge of any of the foregoing, any officer, director or Affiliate of any of the foregoing, is a Person that is or is owned or controlled by Persons that are (i) the target of any OFAC Sanctions Programs or (ii) located, organized or resident in a country that is, or whose government is, the subject of any OFAC Sanctions Programs.

Section 6.19. Other Agreements. None of Global Medical REIT, the Borrower or any Subsidiary is in default under the terms of any covenant, indenture or agreement of such Person or affecting any of its Property, which default would reasonably be expected to have a Material Adverse Effect.

Section 6.20. Solvency. Global Medical REIT, the Borrower and its Subsidiaries, taken as a whole, are Solvent.

Section 6.21. No Default. No Default or Event of Default has occurred and is continuing.

Section 6.22. No Broker Fees. No broker's or finder's fee or commission owing to any broker or finder engaged by the Borrower or any Subsidiary will be payable with respect hereto or any of the transactions contemplated thereby; and the Borrower hereby agrees to indemnify the Administrative Agent and the Lenders against, and agrees that it will hold the Administrative Agent and the Lenders harmless from, any such claim, demand, or liability for any such broker's or finder's fees alleged to have been incurred by the Borrower in connection herewith or therewith and any expenses (including reasonable attorneys' fees) arising in connection with any such claim, demand, or liability.

Section 6.23. Condition of Property; Casualties; Condemnation. Except to the extent that the same would not reasonably be expected to result in a Material Adverse Effect, each Real Property, (a) is in good repair, working order and condition, normal wear and tear excepted, (b) is free of structural defects, (c) is not subject to material deferred maintenance, (d) has and will have all building systems contained therein in good repair, working order and condition, normal wear and tear excepted and (e) does not have a building located in a flood plain or flood hazard area, or if located in a flood plain or flood hazard area, such building is covered by full replacement cost flood insurance and in an amount and otherwise in compliance with the requirements of all applicable flood insurance laws and regulations (it being understood that parking lots and unimproved portions of the Property may be in a flood plain). For the avoidance of doubt, in no event shall the representations contained in the foregoing clause (a) through (d) be deemed to be applicable to any Property owned by a Tenant. None of the Borrowing Base Properties is currently materially adversely affected as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of property or cancellation of contracts, permits or concessions by a Governmental Authority, riot, activities of armed forces or acts of God or of any public enemy which is not in the process of being repaired. No condemnation or other like proceedings that has had, or would reasonably be expected to result in, a Material Adverse Effect, is pending, served or, to the knowledge of the Borrower, threatened against any Borrowing Base Property.

Section 6.24. Legal Requirements and Zoning. Except as disclosed in the zoning reports furnished to Administrative Agent, to the Borrower's knowledge and except where the failure of any of the following to be true and correct would not have a Material Adverse Effect, the use and operation of each Real Property constitutes a legal use (including legally nonconforming use) under applicable zoning regulations (as the same may be modified by special use permits or the granting of variances) and complies in all material respects with all Legal Requirements, and does not violate in any material respect any approvals, restrictions of record or any material agreement in respect of any such Real Property (or any portion thereof).

Section 6.25. REIT Status. Global Medical REIT (a) has elected to be treated as a REIT and will continue to operate in a manner so as to qualify as a REIT, and (b) has not revoked its election to be a REIT.

Section 7. Conditions Precedent.

Section 7.1. All Credit Events. At the time of each Credit Event:

(a) each of the representations and warranties set forth herein and in the other Loan Documents shall be and remain true and correct in all material respects (where not already qualified by materiality or Material Adverse Effect, otherwise in all respects) as of said time, except to the extent the same expressly relate to an earlier date, in which case the same shall be true and correct in all material respects (where not already qualified by materiality or Material Adverse Effect, otherwise in all respects) as of such earlier date;

(b) no Default or Event of Default shall have occurred and be continuing or would occur as a result of such Credit Event and, after giving effect to such extension of credit, the Revolving Credit Availability, as then determined and computed, shall be no less than \$0; and

(c) in the case of a Borrowing, the Administrative Agent shall have received the notice required by Section 1.6 hereof, and the L/C Issuer shall have received (i) in the case of the issuance of any Letter of Credit, a duly completed Application for such Letter of Credit together with any fees called for by Section 2.1 hereof, and (ii) in the case of an extension or increase in the amount of a Letter of Credit, a written request therefor, in a form reasonably acceptable to the L/C Issuer, together with any fees called for by Section 2.1 hereof.

Each request for a Borrowing hereunder and each request for the issuance of, increase in the amount of, or extension of the expiration date of, a Letter of Credit shall be deemed to be a representation and warranty by the Borrower on the date of such Credit Event as to the facts specified in subsections (a) through (c), inclusive, of this Section 7.1; *provided, however*, that the Lenders may continue to make advances under the Revolving Credit, in the sole discretion of the Lenders, notwithstanding the failure of the Borrower to satisfy one or more of the conditions set forth above and any such advances so made shall not be deemed a waiver of any Default or Event of Default or other condition set forth above that may then exist.

Section 7.2. Initial Credit Event. Before or concurrently with the initial Credit Event:

- (a) the Administrative Agent shall have received this Agreement and the Pledge Agreement duly executed by each party thereto;
- (b) if requested by any Lender, the Administrative Agent shall have received for such Lender such Lender's duly executed Notes of the Borrower dated the date hereof and otherwise in compliance with the provisions of Section 1.10 hereof;
- (c) the Administrative Agent shall have received evidence of insurance required to be maintained under the Loan Documents;
- (d) the Administrative Agent shall have received copies of the Borrower's and each Guarantor's articles of incorporation and bylaws (or comparable organizational documents) and any amendments thereto, in each case, as in effect on the Closing Date, certified in each instance by an authorized officer of Global Medical REIT (on behalf of itself and in its capacity as a direct or indirect owner of the Borrower and each other Guarantor);
- (e) the Administrative Agent shall have received copies of resolutions authorizing the execution, delivery and performance by the Borrower and each Guarantor of this Agreement and the other Loan Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, together with specimen signatures of the persons authorized to execute such documents on the Borrower's and each Guarantor's behalf, all certified in each instance by an authorized officer of Global Medical REIT (on behalf of itself and in its capacity as a direct or indirect owner of the Borrower and each other Guarantor);
- (f) the Administrative Agent shall have received copies of the certificates of good standing for the Borrower and each Guarantor (dated no earlier than thirty (30) days prior to the Closing Date) from the office of the secretary of the state (or similar office) of its incorporation or organization and of each state in which an Initial Borrowing Base Property is located where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that the failure to do so would not have a Material Adverse Effect;
- (g) the Administrative Agent shall have received a list of the Borrower's Authorized Representatives;

- (h) the Administrative Agent shall have received the initial fees called for by Section 2.1 hereof;
- (i) the capital and organizational structure of Global Medical REIT, the Borrower and its Subsidiaries shall be reasonably satisfactory to the Administrative Agent;
- (j) the Administrative Agent shall have received (i) a copy of the audited consolidated balance sheet of Global Medical REIT and its Subsidiaries for the Fiscal Year ended December 31, 2017 and the consolidated statements of income, retained earnings, and cash flows of Global Medical REIT, the Borrower and its Subsidiaries for such Fiscal Year, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous Fiscal Year, (ii) a copy of the unaudited consolidated balance sheet of Global Medical REIT and its Subsidiaries for the Fiscal Quarter ended March 31, 2018 and the consolidated statements of income, retained earnings, and cash flows of Global Medical REIT, the Borrower and its Subsidiaries for such Fiscal Year, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous Fiscal Year, and (iii) a Borrowing Base Certificate showing the computation of the Borrowing Base with the inclusion of the Initial Borrowing Base Properties, each in form and substance reasonably acceptable to the Administrative Agent;
- (k) since December 31, 2017, no material adverse change in the business, financial condition, operations, performance or Properties of the Borrower or the Guarantors, taken as a whole, shall have occurred;
- (l) the Administrative Agent shall have received financing statement, tax, and judgment lien search results against the Borrower and each Guarantor evidencing the absence of Liens on its Property except for Permitted Liens or as otherwise permitted by Section 8.7 hereof;
- (m) the Administrative Agent shall have received a written opinion of counsel to the Borrower and each Guarantor, in form and substance reasonably acceptable to the Administrative Agent;
- (n) the Administrative Agent shall have received a fully executed Internal Revenue Service Form W-9 for the Borrower and each Guarantor; and the Administrative Agent and the Borrower shall have received the Internal Revenue Service Forms and any applicable attachments required by Section 12.1(b);
- (o) the Administrative Agent shall have received such other agreements, instruments, documents, certificates, and opinions as the Administrative Agent may reasonably request;
- (p) the Administrative Agent and any Lender shall have received any information or materials reasonably required by the Administrative Agent or such Lender in order to assist the Administrative Agent or such Lender in maintaining compliance with (i) the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "*Patriot Act*") and (ii) any applicable "*know your customer*" or similar rules and regulations;

(r) if the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to the Borrower; and

(s) the Borrower shall have delivered (a) either (i) original stock certificates or other similar instruments representing all of the issued and outstanding shares of capital stock or other equity interests in each Material Subsidiary, together with stock powers or other instruments of transfer executed in blank, or (ii) if the Equity Interests are uncertificated, an acknowledgement of collateral assignment in form and substance acceptable to the Administrative Agent duly executed by the issuer of the Equity Interest and (b) UCC financing statements with respect to the pledged Equity Interests to be filed against the Borrower, as debtor, in favor of the Administrative Agent, as secured party.

Section 7.3. Eligible Property Additions and Deletions of Borrowing Base Properties.

(a) As of the Closing Date, the Borrower represents and warrants to the Lenders and the Administrative Agent that the Initial Borrowing Base Properties qualify as Eligible Properties and that the information provided on Schedule 1.1 is true and correct.

(b) Borrower may, from time to time, request that a Real Property be added (subject to the other requirements for a Property qualifying as an Eligible Property) as a Borrowing Base Property and such Real Property shall be added as a Borrowing Base Property upon Administrative Agent’s and the Required Lenders’ satisfaction that the conditions set forth on Schedule 7.3 have been met. All such additions shall be subject to approval by the Administrative Agent and the Required Lenders, such approval to be given or withheld within 10 Business Days after written request therefor by the Administrative Agent to such Lender; *provided*, in the event any Lender does not grant or deny approval within such 10 Business Day period and provide a written explanation of the grounds for such disapproval, the approval of such Lender shall be deemed granted so long as the Real Property meets the Borrowing Base Requirements. The Administrative Agent shall provide the Lenders with notice promptly after the addition or deletion of an Eligible Property from the Borrowing Base.

(c) In the event that any Borrowing Base Property shall at any time cease to constitute an Eligible Property, (i) the Borrower shall, as soon as reasonably possible after obtaining knowledge thereof, notify the Administrative Agent in writing of the same and (ii) subject to Section 8.21 hereof, such Real Property shall automatically cease to constitute a Borrowing Base Property from the date the Borrower obtains knowledge of or receives written notice that the same ceased to constitute an Eligible Property until such time as the same again qualifies as an Eligible Property and is added by the Borrower as a Borrowing Base Property in accordance with the preceding paragraph. Similarly, in the event that, at any time, the Borrowing Base Requirements shall be violated, (A) the Borrower shall, as soon as reasonably possible after obtaining knowledge thereof, notify the Administrative Agent in writing of the same, which written notice shall include a designation by the Borrower of any Real Property or Real Properties to be deleted as Borrowing Base Properties in order to restore compliance with the Borrowing Base Requirements, and (B) subject to Section 8.21 hereof, each such Real Property shall automatically cease to constitute a Borrowing Base Property from the date of such written notice until such time as the same is added by the Borrower as a Borrowing Base Property in accordance with the preceding paragraph (provided that the addition of the same at such time does not result in a violation of the Borrowing Base Requirements).

(d) Upon not less than three (3) Business Days prior written notice from Borrower to the Administrative Agent, the Borrower may, from time to time, designate that a Real Property be deleted as a Borrowing Base Property. Such notice shall be accompanied by a Borrowing Base Certificate setting forth the components of the Borrowing Base as of the deletion of the designated Real Property as a Borrowing Base Property, and Borrower's certification in such detail as reasonably required by the Administrative Agent that no Default or Event of Default is then continuing (including after taking into account the deletion of such Borrowing Base Property) and that such deletion shall not cause the other Borrowing Base Properties to violate the Borrowing Base Requirements. Upon the deletion of a Real Property as a Borrowing Base Property (whether automatically or as a result of an election by the Borrower, as described above), the Guarantor which owned such Real Property, but that does not otherwise own any other Borrowing Base Property, shall, upon the Borrower's written request, be released from its obligations under this Agreement or, if applicable, its separate Guaranty and any other Loan Documents pursuant to lien releases and other documentation reasonably acceptable to the Borrower and the Administrative Agent.

Section 8. Covenants.

Each of the Borrower and the Guarantors agrees that, so long as any credit is available to or in use by the Borrower hereunder, except to the extent compliance in any case or cases is cured or waived in writing pursuant to the terms of Section 12.13 hereof:

Section 8.1. Maintenance of Existence. The Borrower shall, and shall cause each Guarantor to, preserve and maintain its existence, except as otherwise provided in Section 8.9 hereof. The Borrower shall, and shall cause each Guarantor to, preserve and keep in force and effect all licenses, permits, franchises, approvals, patents, trademarks, trade names, trade styles, copyrights, and other proprietary rights necessary to the proper conduct of its business, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 8.2. Maintenance of Properties. The Borrower shall, and shall cause each Guarantor to, maintain, preserve, and keep all of its Properties in working condition and order (ordinary wear and tear and damage by casualty excepted), and the Borrower and each Guarantor shall, from time to time, make all necessary repairs, renewals, replacements, additions, and betterments to its Property so that such Property shall at all times be fully preserved and maintained, except (i) to the extent that, in the reasonable business judgment of such Person, any such Property is no longer necessary for the proper conduct of the business of such Person or (ii) where the failure to do so would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. The Borrower shall not, and shall not permit any Guarantor to, amend, modify or terminate any material contract or agreement to which it is a party if such amendment, modification or termination or waiver would reasonably be expected to cause a Material Adverse Effect.

Section 8.3. Taxes and Assessments. The Borrower and each Guarantor shall, or shall cause its Tenants to, duly pay and discharge all material Taxes, rates, assessments, fees, and governmental charges upon or against it or its Property, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves established in accordance with GAAP are provided therefor.

Section 8.4. Insurance. The Borrower shall insure and keep insured, and shall cause Global Medical REIT and each Subsidiary to insure and keep insured, with financially sound and reputable insurance companies all insurable Property owned by it which is of a character usually insured by Persons similarly situated and operating like Properties against loss or damage from such hazards and risks, and in such amounts, as are insured by Persons similarly situated and operating like Properties; and the Borrower shall insure, and shall cause Global Medical REIT and each Subsidiary to insure, such other hazards and risks (including, without limitation, business interruption, employers' and public liability risks) with financially sound and reputable insurance companies as and to the extent usually insured by Persons similarly situated and conducting similar businesses. The Borrower and each Material Subsidiary shall maintain insurance on the Collateral to the extent required by the Collateral Documents. Such policies of insurance on the Collateral shall contain satisfactory mortgagee/lender's loss payable endorsements, naming the Administrative Agent (or its security trustee) as mortgagee or lender loss payee, assignee or additional insured, as appropriate, as its interest may appear, and showing only such other loss payees, assignees and additional insureds as are satisfactory to the Administrative Agent. Each policy of insurance or endorsement on the Collateral shall contain a clause requiring the insurer to give not less than thirty (30) days' (or ten (10) days' in the case of nonpayment of insurance premiums) prior written notice to the Administrative Agent in the event of cancellation of the policy for any reason whatsoever and a clause specifying that the interest of the Administrative Agent shall not be impaired or invalidated by any act or neglect of Borrower or any Material Subsidiary or Tenant, or the owner of the premises or Property or by the occupation of the premises for purposes more hazardous than are permitted by said policy.

Section 8.5. Financial Reports. The Borrower shall, and shall cause Global Medical REIT and each Subsidiary to, maintain a standard system of accounting in accordance with GAAP and shall furnish to the Administrative Agent, each Lender, the L/C Issuer and each of their duly authorized representatives such information respecting the business and financial condition of Global Medical REIT, the Borrower and each Subsidiary as the Administrative Agent or such Lender may reasonably request; and without any request, shall furnish to the Administrative Agent for distribution to the Lenders and L/C Issuer:

(a) no later than ninety (90) days after the last day each Fiscal Year of the Borrower, a copy of the audited consolidating balance sheet of Global Medical REIT and its Subsidiaries as of the last day of the Fiscal Year then ended and the consolidating statements of income, retained earnings, and cash flows of Global Medical REIT and its Subsidiaries for the Fiscal Year then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous Fiscal Year, accompanied by an opinion of MaloneBailey LLP or any other independent public accountants of recognized national standing, selected by the Borrower and reasonably satisfactory to the Administrative Agent, to the effect that the consolidated financial statements have been prepared in accordance with GAAP and present fairly in all material respects in accordance with GAAP the consolidating financial condition of Global Medical REIT and its Subsidiaries as of the close of such Fiscal Year and the results of their operations and cash flows for the Fiscal Year then ended, which opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception (except any such qualification or exception resulting from (x) an anticipated breach of Section 8.20 which has not yet occurred or (y) the impending maturity of the Loans within the ensuing twelve months) or any qualification or exception as to the scope of such audit;

(b) [Reserved];

(c) no later than forty-five (45) days after the last day of each of the first three Fiscal Quarters of each Fiscal Year of the Borrower (commencing with the Fiscal Quarter ending on September 30, 2018), a copy of the consolidated and consolidating balance sheet of Global Medical REIT, the Borrower and its Subsidiaries as of the last day of such Fiscal Quarter and the consolidated and consolidating statements of income, retained earnings, and cash flows of Global Medical REIT and its Subsidiaries for the Fiscal Quarter and for the Fiscal Year-to-date period then ended, each in reasonable detail showing, in comparative form, the figures for the corresponding date and period in the previous Fiscal Year, prepared by the Borrower in accordance with GAAP (subject to the absence of footnote disclosures and year-end audit adjustments) and certified to by its chief financial officer or another officer of the Borrower reasonably acceptable to the Administrative Agent;

(d) within (i) forty-five (45) days after the last day of each of the first three Fiscal Quarters of each Fiscal Year (commencing with the Fiscal Quarter ending on September 30, 2018) and (ii) ninety (90) days after the last day of the last Fiscal Quarter of each Fiscal Year (commencing with the Fiscal Quarter ending December 31, 2018), a Borrowing Base Certificate showing the computation of the Borrowing Base in reasonable detail as of the close of business on the last day of such Fiscal Quarter, prepared by the Borrower and certified to by its chief financial officer or another officer of the Borrower reasonably acceptable to the Administrative Agent;

(e) with each of the financial statements delivered pursuant to subsections (a) and (c) above, a compliance certificate ("*Compliance Certificate*") in the form attached hereto as Exhibit E signed by the chief executive officer, chief financial officer or another officer of the Borrower reasonably acceptable to the Administrative Agent to the effect that to such officer's knowledge and belief no Default or Event of Default has occurred during the period covered by such statements or, if any such Default or Event of Default has occurred during such period, setting forth a description of such Default or Event of Default and specifying the action, if any, taken or being taken by Global Medical REIT, the Borrower or any Subsidiary to remedy the same. Such certificate shall also set forth the calculations supporting such statements in respect of Section 8.20 hereof;

(f) promptly after request by the Administrative Agent, any additional written reports, management letters or other detailed information contained in writing concerning significant aspects of Global Medical REIT's, the Borrower's or any Subsidiary's operations and financial affairs given to it by its independent public accountants and submitted to the board of directors (or similar governing body) of the Borrower;

(g) promptly after the sending or filing thereof, copies of each financial statement, report, or proxy statement sent by Global Medical REIT or any Subsidiary to its stockholders or other equity holders;

(h) promptly after receipt thereof, if any, a copy of each audit made by any regulatory agency of the books and records of Global Medical REIT, the Borrower or any Subsidiary or of notice of any material noncompliance with any applicable Legal Requirements relating to Global Medical REIT, the Borrower or any Subsidiary, or its business;

(i) within thirty (30) days after the end of each Fiscal Year of the Borrower, a copy of the Borrower's operating budget and projections for the following year including consolidated projections of revenues, expenses and balance sheet on a quarter-by-quarter basis, with such operating budget and projections in reasonable detail prepared by the Borrower and in form reasonably satisfactory to the Administrative Agent (which shall include a summary of all significant assumptions made in preparing such projections);

(j) notice of any Change of Control;

(k) promptly after any Responsible Officer of the Borrower obtaining knowledge thereof, written notice of (i) any threatened (in writing) or pending litigation or governmental or arbitration proceeding or labor controversy against Global Medical REIT, the Borrower or any Subsidiary or any of their Property which would reasonably be expected to have a Material Adverse Effect, (ii) the occurrence of any other matter which would reasonably be expected to have a Material Adverse Effect or (iii) the occurrence of any Default or Event of Default; and

(l) with each of the financial statements delivered pursuant to subsections (a) and (c) above, if there have been any changes to the organizational list of Global Medical REIT, the Borrower and the Subsidiaries during the most recently ended Fiscal Quarter, a revised organizational list, together with a summary of the changes.

Section 8.6. Inspection. The Borrower shall, and shall cause Global Medical REIT and each Subsidiary to, permit the Administrative Agent, and each of its duly authorized representatives and agents, during normal business hours and subject to the provisions of any applicable Leases, to visit and inspect any Borrowing Base Property, corporate books, and financial records, to examine and make copies of its books of accounts and other financial records (which shall be subject to the confidentiality requirements of Section 12.25 hereof), and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers, employees and independent public accountants (and by this provision the Borrower hereby authorizes such accountants to discuss with any of the Arrangers (or any of their affiliates) the finances and affairs of Global Medical REIT, the Borrower and its Subsidiaries) at such reasonable times as the Administrative Agent may designate, with reasonable prior notice to the Borrower and no more often than once in any period of twelve (12) consecutive months unless an Event of Default has occurred and is continuing. In addition, the Administrative Agent may, and at the direction of the Required Lenders, shall, obtain updated Appraisals of any Borrowing Base Property, or portions thereof, from time to time as the Administrative Agent and/or the Required Lenders may designate, which Appraisal shall in each case be in such format and contain such detail as the Administrative Agent may request. The costs and expenses incurred in obtaining any such Appraisal shall in each case be borne by the Borrower, *provided* that the Borrower shall not be required to pay for more than one (1) Appraisal for each Borrowing Base Property in any period of twelve (12) consecutive months unless an Event of Default has occurred and is continuing. The Administrative Agent shall use reasonable efforts to coordinate inspections undertaken in accordance with this Section 8.6 to (i) minimize the administrative burden of such inspections on Global Medical REIT, the Borrower and their Subsidiaries, (ii) minimize the interference with the business of Global Medical REIT, the Borrower and their Subsidiaries and (iii) not disturb the occupancy of any Real Property by any Tenant. As soon as practicable after the request of the Administrative Agent (which request shall be given by the Administrative Agent at the request of the Required Lenders), the Borrower shall deliver a current property condition report, in form and substance reasonably acceptable to Administrative Agent from an independent engineering or architectural firm reasonably acceptable to Administrative Agent, with respect to any Borrowing Base Property specified by Administrative Agent, that, in the reasonable determination of the Administrative Agent, has a maintenance or structural issue that would materially and adversely affect the value or use of such Eligible Property, *provided* that the Borrower shall not be required to pay for more than one (1) property condition report for each Borrowing Base Property in any period of twelve (12) consecutive months unless an Event of Default has occurred and is continuing.

Section 8.7. Liens. The Borrower shall not, nor shall it permit Global Medical REIT or any Subsidiary to, create, incur or permit to exist any Lien of any kind on any Property owned by any such Person, other than Permitted Liens.

Section 8.8. Investments, Acquisitions, Loans and Advances. The Borrower shall not, nor shall it permit Global Medical REIT or any Subsidiary to (i) directly or indirectly, make, retain or have outstanding any investments (whether through the purchase of stock or obligations or otherwise) in any Person, real property or improvements on real property, or any loans, advances, lines of credit, mortgage loans or other financings (including pursuant to sale/leaseback transactions) to any other Person, or (ii) acquire any real property, improvements on real property or all or any substantial part of the assets or business of any other Person or division thereof; *provided, however*, that the foregoing shall not apply to nor operate to prevent, with respect to Global Medical REIT, the Borrower or any Subsidiary, any of the following:

- (a) investments in direct obligations of the United States of America or of any agency or instrumentality thereof whose obligations constitute full faith and credit obligations of the United States of America, provided that any such obligations shall mature within one (1) year of the date of issuance thereof;
- (b) investments in commercial paper with a rating of at least P-1 by Moody's and at least A-1 by S&P maturing within one (1) year of the date of issuance thereof;

- (c) investments in demand or time deposits, certificates of deposit or bankers acceptances of any Lender or by any United States commercial bank having capital and surplus of not less than \$100,000,000 which have a maturity of one (1) year or less;
- (d) investments in repurchase obligations with a term of not more than seven (7) days for underlying securities of the types described in subsection (a) above entered into with any bank meeting the qualifications specified in subsection (c) above, provided all such agreements require physical delivery of the securities securing such repurchase agreement, except those delivered through the Federal Reserve Book Entry System;
- (e) investments in money market funds that invest solely, and which are restricted by their respective charters to invest solely, in investments of the type described in the immediately preceding subsections (a), (b), (c), and (d) above;
- (f) Global Medical REIT's investment in the Borrower, the Borrower's investments from time to time in its Subsidiaries, and investments made from time to time by a Subsidiary in one or more of its Subsidiaries;
- (g) intercompany advances made from time to time among the Borrower and its Subsidiaries in the ordinary course of business to finance working capital needs;
- (h) investments from time to time in individual real properties (including Eligible Properties) or in entities which own such individual real properties (including Eligible Properties), *provided* that such investment does not cause a breach of the financial covenants set forth in Section 8.20 hereof or clause (o) below;
- (i) investments in deposit account and securities accounts opened in the ordinary course of business and in compliance with the terms of this Agreement;
- (j) investments pursuant to Hedging Agreements that are not otherwise prohibited by the terms of this Agreement;
- (k) investments existing on the date hereof and set forth on Schedule 8.8;
- (l) advances to officers, directors and employees of the Borrower and Subsidiaries for travel, entertainment, relocation and analogous ordinary business purposes;
- (m) investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business;
- (n) investments by Global Medical REIT for the redemption, conversion, exchange, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any equity interests of Global Medical REIT or the Borrower now or hereafter outstanding to the extent permitted in Section 8.24 below; and

(o) subject to the following limitations, investments in the following asset classes: (i) cash investments in joint ventures (“Class I”), (ii) investments in Assets Under Development (“Class II”), (iii) investments in Land Assets (“Class III”), (iv) investments in mortgages and mezzanine loans (“Class IV”) and (v) investments not otherwise permitted under this Section 8.8 (“Class V” and together with Class I, Class II, Class III and Class IV, the “Classes” and each, a “Class”), *provided*, investments in each of the foregoing Classes shall be permitted hereunder only to the extent that the aggregate amount of all investments in such Class (based on the GAAP book value of each such investment at such time of determination) does not exceed the corresponding percentage of Total Asset Value for such Class set forth below:

Class	Investment Type	Maximum Percentage
I	Cash investments in joint ventures	10%
II	Investments in Assets Under Development	10%
III	Investments in Land Assets	5%
IV	Investments in mortgages and mezzanine loans	10%
V	Other investments not permitted under this Agreement	5%

In addition to the foregoing limitations on permitted investments under this clause (o), at no time shall the aggregate GAAP book value of the investments in the Classes above exceed 20% of the Total Asset Value at such time. In determining the amount of investments, acquisitions, loans, and advances permitted under this Section, investments and acquisitions shall always be taken at the book value (as defined in GAAP) thereof, and loans and advances shall be taken at the principal amount thereof then remaining unpaid.

Section 8.9. Mergers, Consolidations and Sales. Except in connection with the acquisition of Eligible Property or otherwise with the prior written consent of the Required Lenders (which shall not be unreasonably withheld, conditioned or delayed), the Borrower shall not, nor shall it permit Global Medical REIT or any other Guarantor to, be a party to any merger or consolidation, or sell, transfer, lease or otherwise dispose of all or substantially all of its Property or any Borrowing Base Property; *provided, however*, that this Section shall not apply to nor operate to prevent:

- (a) the sale, transfer, lease or other disposition of Property of the Borrower or any of the Guarantors to one another;
- (b) the merger of any Subsidiary with and into the Borrower or any other Subsidiary, *provided* that, in the case of any merger involving the Borrower, the Borrower is the entity surviving the merger;
- (c) the sale, transfer or other disposition of any tangible personal property in the ordinary course of business;

- (d) Leases of all or any portion of any Real Property to Tenants;
- (e) any sale, transfer, lease or other disposition of a Borrowing Base Property (including any disposition of such Property as part of a sale and leaseback transaction) so long as such Borrowing Base Property is deleted from the Borrowing Base pursuant to Section 7.3;
- (f) any merger if it results in the simultaneous payoff in immediately available funds of the Obligations;
- (g) merge or consolidate, directly or indirectly, with any other Person so long as (i) Global Medical REIT, the Borrower and the Guarantors, as applicable, shall be the survivor thereof; (ii) the Borrower shall have given the Administrative Agent and the Lenders at least ten (10) Business Days' prior written notice of such consolidation or merger; (iii) immediately prior thereto, and immediately thereafter and after giving effect thereto, no Default or Event of Default has occurred or would result therefrom; and (iv) at the time the Borrower gives notice pursuant to clause (ii) of this subsection, the Borrower shall have delivered to the Administrative Agent for distribution to each of the Lenders a Compliance Certificate, calculated on a pro forma basis based on information then available to the Borrower, evidencing the continued compliance by Global Medical REIT, the Borrower and the Subsidiaries with the terms and conditions of this Agreement and the other Loan Documents, including, without limitation, the financial covenants contained in Section 8.20, after giving effect to such consolidation or merger;;
- (h) (i) each Guarantor (other than Global Medical REIT) may issue or sell its Equity Interests to the extent permitted by Section 8.10 and (ii) the Borrower and Global Medical REIT may each issue or sell its respective Equity Interests so long as, after consummating such transaction, Global Medical REIT shall remain in compliance with the definition of Change of Control; and
- (i) transactions expressly permitted under Section 8.8 or Section 8.24.

Section 8.10. Maintenance of Subsidiaries. The Borrower shall not assign, sell or transfer, nor shall it permit any of its Subsidiaries to issue, assign, sell or transfer, any shares of capital stock or other equity interests of any of the Borrower's Subsidiaries that are Guarantors to any Person that is not a wholly-owned direct or indirect subsidiary of the Borrower; *provided, however,* that the foregoing shall not operate to prevent (a) Liens on the capital stock or other equity interests of Guarantors granted pursuant to the Collateral Documents, (b) the issuance, sale and transfer to any Person of any shares of capital stock of a Guarantor solely for the purpose of qualifying, and to the extent legally necessary to qualify, such person as a director of such Guarantor, and (c) any transaction permitted by Section 8.9(b) above.

Section 8.11. ERISA. The Borrower shall, and shall cause each Subsidiary to, promptly pay and discharge all obligations and liabilities arising under ERISA of a character which if unpaid or unperformed could reasonably be expected to result in the imposition of a material Lien against any of its Property. The Borrower shall, and shall cause Global Medical REIT and each Subsidiary to, promptly notify the Administrative Agent and each Lender of: (a) the occurrence of any reportable event (as defined in Section 4043 of ERISA for which notice to the PBGC has not been waived) with respect to a Plan, (b) receipt of any notice from the PBGC of its intention to seek termination of any Plan or appointment of a trustee therefor, (c) its intention to terminate or withdraw from any Plan, and (d) the occurrence of any event with respect to any Plan which would result in the incurrence by Global Medical REIT, the Borrower or any Subsidiary of any material liability, fine or penalty, or any material increase in the contingent liability of Global Medical REIT, the Borrower or any Subsidiary with respect to any post-retirement Welfare Plan benefit. The Borrower shall not, and shall not permit Global Medical REIT or any Subsidiary to, permit any of its respective assets to become or be deemed to be "*plan assets*" within the meaning of ERISA, the Code or any of the respective regulations promulgated thereunder.

Section 8.12. Compliance with Laws. (a) The Borrower shall, and shall cause Global Medical REIT and each Subsidiary to, comply in all respects with all Legal Requirements applicable to or pertaining to its Property or business operations, where any such non-compliance, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) The Borrower shall, and shall cause Global Medical REIT and each Subsidiary to, at all times, do the following to the extent the failure to do so, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect: (i) comply in all material respects with, and maintain each of the Real Properties in compliance in all material respects with, all applicable Environmental Laws; (ii) use commercially reasonable efforts to require that each Tenant of any of the Real Properties or any part thereof comply in all material respects with all applicable Environmental Laws; (iii) obtain and maintain in full force and effect all material governmental approvals required by any applicable Environmental Law for operations at each of the Real Properties; (iv) cure any material violation of applicable Environmental Laws by it or at any of the Real Properties; (v) not allow the presence or operation at any of the Real Properties of any (1) landfill or dump or (2) hazardous waste management facility or solid waste disposal facility as defined pursuant to RCRA or any comparable state law (other than any private sewage treatment plant maintained at any Real Property in compliance with Environmental Laws); (vi) not manufacture, use, generate, transport, treat, store, release, dispose or handle any Hazardous Material at any of the Properties except in the ordinary course of its business and in compliance with Environmental Laws; (vii) within ten (10) Business Days after receipt of written notice of the same in connection with Global Medical REIT, the Borrower, any Subsidiary or any of the Real Properties, notify the Administrative Agent in writing of, and provide any reasonably requested documents with respect to, any of the following: (1) any material liability for response or corrective action, natural resource damage or other harm pursuant to CERCLA, RCRA or any comparable state law; (2) any material Environmental Claim; (3) any material violation of an Environmental Law or material Release, threatened Release or disposal of a Hazardous Material; (4) any restriction on the ownership, occupancy, use or transferability arising pursuant to any (x) Release, threatened Release or disposal of a Hazardous Material or (y) Environmental Law; or (5) any environmental, natural resource, health or safety condition which would reasonably be expected to have a Material Adverse Effect; (viii) conduct, at its expense, any investigation, study, sampling, testing, abatement, cleanup, removal, remediation or other response action necessary to remove, remediate, clean up or abate any material Release, threatened Release or disposal of a Hazardous Material as required to be performed by any applicable Environmental Law, (ix) abide by and observe any restrictions on the use of the Real Properties imposed by any Governmental Authority as set forth in a deed or other instrument affecting Global Medical REIT's, the Borrower's or any Subsidiary's interest therein; (x) promptly provide or otherwise make available to the Administrative Agent any reasonably requested environmental record concerning the Real Properties which Global Medical REIT, the Borrower or any Subsidiary possesses or can reasonably obtain; and (xi) perform, satisfy, and implement any operation or maintenance actions required by any Governmental Authority or Environmental Law or included in any no further action letter or covenant not to sue issued by any Governmental Authority under any Environmental Law. The Administrative Agent shall give prompt notice to each Lender of any notice from the Borrower received pursuant to this Section 8.12(b).

Section 8.13. Compliance with OFAC Sanctions Programs and Anti-Corruption Laws. (a) Global Medical REIT shall at all times comply with the requirements of all OFAC Sanctions Programs applicable to Global Medical REIT and shall cause the Borrower and each of its Subsidiaries to comply with the requirements of all OFAC Sanctions Programs applicable to such Person.

(b) The Borrower shall provide the Administrative Agent, the L/C Issuer, and the Lenders any information regarding Global Medical REIT, the Borrower, its Subsidiaries and each of their other Affiliates necessary for the Administrative Agent, the L/C Issuer, and the Lenders to comply with all applicable OFAC Sanctions Programs; subject, however, in the case of Affiliates (other than the Subsidiaries), to the Borrower's ability to provide information applicable to them.

(c) If the Borrower obtains actual knowledge or receives any written notice that Global Medical REIT, the Borrower, any Subsidiary or any other Affiliate of the Borrower or any officer, director or Affiliate of any of the foregoing or that any Person that owns or controls any such Person is the target of any OFAC Sanctions Programs or is located, organized or resident in a country or territory that is, or whose government is, the subject of any OFAC Sanctions Programs (such occurrence, an "OFAC Event"), the Borrower shall promptly (i) give written notice to the Administrative Agent, the L/C Issuer, and the Lenders of such OFAC Event, and (ii) comply with all applicable Legal Requirements with respect to such OFAC Event (regardless of whether the target Person is located within the jurisdiction of the United States of America), including the OFAC Sanctions Programs, and the Borrower hereby authorizes and consents to the Administrative Agent, the L/C Issuer, and the Lenders taking any and all steps the Administrative Agent, the L/C Issuer, or the Lenders deem necessary, in their sole but reasonable discretion, to avoid violation of all applicable Legal Requirements with respect to any such OFAC Event, including the requirements of the OFAC Sanctions Programs (including the freezing and/or blocking of assets and reporting such action to OFAC).

(d) None of Global Medical REIT, the Borrower or any of its Subsidiaries will, directly or, to any such Person's knowledge, indirectly, use the proceeds of the Facilities, or lend, contribute or otherwise make available such proceeds to any other Person, (i) to fund any activities or business of or with any Person or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of any OFAC Sanctions Programs, or (ii) in any other manner that would result in a violation of OFAC Sanctions Programs or Anti-Corruption Laws by any Person (including any Person participating in the Facilities, whether as underwriter, lender, advisor, investor, or otherwise).

(e) None of Global Medical REIT, the Borrower or any of its Subsidiaries will, nor will it permit any Subsidiary to, violate any Anti-Corruption Law in any material respect.

(f) Each of Global Medical REIT, the Borrower and its Subsidiaries will maintain in effect policies and procedures designed to ensure compliance by Global Medical REIT, the Borrower and its Subsidiaries, and their respective directors, officers, employees, and agents with applicable Anti-Corruption Laws.

(g) Borrower covenants to promptly notify the Administrative Agent of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of Borrower's beneficial owners identified therein

Section 8.14. Burdensome Contracts With Affiliates. The Borrower shall not, nor shall it permit Global Medical REIT or any Subsidiary to, enter into any contract, agreement or business arrangement with any of its Affiliates on terms and conditions which are less favorable to Global Medical REIT, the Borrower or such Subsidiary than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other; *provided*, that the foregoing shall not apply to transactions between or among the Borrower, Global Medical REIT and/or any other Guarantor.

Section 8.15. No Changes in Fiscal Year. The Fiscal Year of Global Medical REIT and its Subsidiaries ends on December 31 of each year; and the Borrower shall not, nor shall it permit Global Medical REIT or any Subsidiary to, change its Fiscal Year from its present basis.

Section 8.16. Formation of Subsidiaries. Promptly upon the formation or acquisition of any Material Subsidiary, the Borrower shall provide the Administrative Agent and the Lenders notice thereof and timely comply with the requirements of Section 4.2 and 8.25 hereof.

Section 8.17. Change in the Nature of Business. The Borrower shall not, nor shall it permit Global Medical REIT or any Subsidiary to, engage in any business or activity if, as a result thereof, the general nature of the business of Global Medical REIT or any Subsidiary would be changed in any material respect from the general nature of the business engaged in by it as of the Closing Date, provided that nothing herein shall be deemed to prohibit or restrict the Borrower or any Subsidiary from engaging in any business which is reasonably related to the core business engaged in by it on the Closing Date.

Section 8.18. Use of Proceeds. The Borrower shall use the credit extended under this Agreement solely for the purposes set forth in, or otherwise permitted by, Section 6.4 hereof.

Section 8.19. No Restrictions. Except as provided herein, the Borrower shall not, nor shall it permit any Guarantor to, directly or indirectly create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of the Borrower or any Guarantor to: (a) pay dividends or make any other distribution on any capital stock or other equity interests owned by Global Medical REIT, the Borrower or any Guarantor, (b) pay any indebtedness owed to Global Medical REIT, the Borrower or any Guarantor, or (c) guarantee the Obligations, Hedging Liability, and Bank Product Obligations and/or grant Liens on its assets to the Administrative Agent.

Section 8.20. Financial Covenants.

(a) *Maximum Consolidated Leverage Ratio.* As of the last day of each Fiscal Quarter of the Borrower (i) commencing with the Fiscal Quarter ending September 30, 2018 and ending with the Fiscal Quarter ending on September 30, 2019, the Borrower shall not permit the Consolidated Leverage Ratio to be greater than 0.65 to 1.00, and (ii) each Fiscal Quarter ending thereafter, the Borrower shall not permit the Consolidated Leverage Ratio to be greater than 0.60 to 1.00.

(b) *Minimum Fixed Charge Coverage Ratio.* As of the last day of each Fiscal Quarter of the Borrower commencing with the Fiscal Quarter ending September 30, 2018 and for each Fiscal Quarter ending thereafter, the Borrower shall not permit the Fixed Charge Coverage Ratio to be less than 1.50 to 1.00.

(c) *Maintenance of Net Worth.* Global Medical REIT shall, as of the last day of each Fiscal Quarter commencing with the Fiscal Quarter ending September 30, 2018, maintain a Net Worth of not less than the sum of (a) \$203,795,000 plus (b) 75% of the aggregate net proceeds received by Global Medical REIT or any of its Subsidiaries after March 31, 2018, in connection with any offering of Stock or Stock Equivalents (other than an offering made to Global Medical REIT or any of its Subsidiaries).

(d) *Maximum Consolidated Secured Recourse Leverage Ratio.* As of the last day of each Fiscal Quarter of the Borrower commencing with the Fiscal Quarter ending September 30, 2018, the Borrower shall not permit the Consolidated Secured Recourse Leverage Ratio to be greater than 0.10 to 1.00.

Section 8.21. Borrowing Base Requirements. The Borrower shall cause the Eligible Properties comprising the Borrowing Base to at all times comply with the Borrowing Base Requirements; *provided that* if the requirements of the definition of Borrowing Base Requirements are not met at any time, then within five (5) Business Days of the date Borrower obtains knowledge of or receives written notice that any Borrowing Base Property ceased to constitute an Eligible Property (an "*Ineligible Property*") either (i) the Borrower shall cure such failure, (ii) the Borrower shall deliver an updated Borrowing Base Certificate in form and substance reasonably acceptable to the Administrative Agent evidencing the reduction or removal of any Ineligible Property's Borrowing Base Value from the Borrowing Base to the extent necessary to cause such failure to no longer exist or (iii) the Borrower shall (a) notify Administrative Agent of its intent to add another Eligible Property (a "*Replacement Property*") to the Borrowing Base to replace such Eligible Property and identify such Replacement Property to Administrative Agent and (b) within forty-five (45) days after the date of such notice, the Ineligible Property shall be removed from the Borrowing Base and such Replacement Property shall be added to the Borrowing Base, each in accordance with Section 7.3 hereof.

Section 8.22. Electronic Delivery of Certain Information. (a) Documents, including financial reports to be delivered pursuant to Section 8.5 hereof, required to be delivered pursuant to this Agreement may be delivered by electronic communication and delivery, including, the Internet, including the website maintained by the Securities and Exchange Commission, e-mail or intranet websites to which the Administrative Agent and each Lender have access (including a commercial, third-party website or a website sponsored or hosted by the Administrative Agent) provided that the foregoing shall not apply to notices to any Lender (or the L/C Issuer) pursuant to Section 1. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic delivery pursuant to procedures approved by it for all or particular notices or communications. Documents or notices delivered electronically shall be deemed to have been delivered on the date and time on which the Administrative Agent or the Borrower posts such documents or the documents become available on a commercial website and the Borrower notifies the Administrative Agent of said posting by causing an e-mail notification to be sent to an e-mail address specified from time to time by the Administrative Agent and provides a link thereto; provided if such notice or other communication is not sent or posted during the normal business hours of the recipient on a Business Day, said posting date and time shall be deemed to have commenced as of 9:00 a.m. Chicago time on the opening of business on the next Business Day for the recipient. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the certificates required by Sections 8.5(d) and 8.5(e) to the Administrative Agent. Except for the certificates required by Sections 8.5(d) and 8.5(e), the Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents delivered electronically, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery.

(b) Documents required to be delivered pursuant to Section 1 may be delivered electronically to a website provided for such purpose by the Administrative Agent pursuant to the procedures provided to the Borrower by the Administrative Agent.

Section 8.23. REIT Status. Global Medical REIT shall maintain its status as a REIT.

Section 8.24. Restricted Payments. The Borrower shall not, nor shall it permit Global Medical REIT or any Subsidiary to, declare or make any Restricted Payment; provided that:

(a) (i) Prior to the Fiscal Quarter ending December 31, 2019, Global Medical REIT may declare or make cash distributions to its equity holders provided, however, that (ii) commencing with the Fiscal Quarter ending December 31, 2019, Global Medical REIT may declare or make cash distributions to its equity holders in an aggregate amount not to exceed the greater of (x) ninety-five percent (95%) of Global Medical REIT's Adjusted FFO for each Fiscal Quarter ending thereafter, or (y) the amount necessary for Global Medical REIT to be able to make distributions required to maintain its status as a REIT and to avoid the imposition of any federal or state income tax, and to avoid the imposition of the excise tax described by Section 4981 of the Code, in each case on Global Medical REIT; provided further that, in either case, (A) during the continuance of an Event of Default, Restricted Payments made pursuant to clause (a) shall not exceed the amounts described in clause (y), and (B) following a Bankruptcy Event with respect to the Borrower or the acceleration of the Obligations, Global Medical REIT shall not make any cash distributions;

(b) the Borrower may make Restricted Payments ratably to the holders of its Equity Interests to permit Global Medical REIT to make the Restricted Payments permitted under clause (a) above;

(c) each Subsidiary may make Restricted Payments ratably to the holders of its Equity Interests;

(d) Global Medical REIT, the Borrower or any Guarantor may declare and make dividend payments or other distributions payable solely in the common equity interests or other equity interests of such entity including (i) “cashless exercises” of options granted under any share option plan adopted by such entity, (ii) distributions of rights or equity securities under any rights plan adopted by such entity and (iii) distributions (or effect stock splits or reverse stock splits) with respect to its equity interests payable solely in additional shares of its equity interests;

(e) Global Medical REIT, the Borrower and each Guarantor may make cash payments in lieu of the issuance of fractional shares representing insignificant interests in connection with the exercise of warrants, options or other securities convertible into or exchangeable for equity interests of Global Medical REIT, the Borrower or any Subsidiary;

(f) so long as no Change of Control results therefrom, Global Medical REIT, the Borrower and each Subsidiary may make Restricted Payments in connection with the implementation of or pursuant to any retirement, health, stock option and other benefit plans, bonus plans, performance based incentive plans, and other similar forms of compensation;

(g) so long as no Change of Control results therefrom, the Borrower and each Subsidiary that is a Guarantor may make dividends or distributions to allow Global Medical REIT to make payments in connection with share purchase programs, to the extent not otherwise prohibited by the terms of this Agreement; and

(h) Global Medical REIT may exercise any redemption or conversion rights with respect to its Equity Interests in accordance with the terms of the governing documents setting out any such rights.

*Section 8.25. Pledge of Equity Interest in Material Subsidiaries*³. The Borrower shall at all times cause the Obligations to be secured by a valid, perfected, enforceable, first priority pledge of and Liens on all right, title, and interest in the Equity Interests owned by Borrower in all of its direct and indirect Material Subsidiaries, subject to Permitted Liens. The Borrower acknowledges and agrees that such Liens on Equity Interests shall be granted to the Administrative Agent for the benefit of the holders of the Obligations pursuant to the Pledge Agreement. In addition, with respect to Material Subsidiaries acquired or arising after the Closing Date, the Borrower shall deliver the documentation required by the Pledge Agreement and the documentation described in Section 7.2(r) hereof.

Section 9. Events of Default and Remedies.

Section 9.1. Events of Default. Any one or more of the following shall constitute an “*Event of Default*” hereunder:

(a) default in the payment when due of (i) all or any part of the principal of any Loan (whether at the stated maturity thereof or at any other time provided for in this Agreement, including a mandatory prepayment required by Section 1.8(b)), (ii) any Reimbursement Obligation (except in any case in which a Loan has been made in the amount of the Reimbursement Obligations then due and the proceeds thereof applied to pay such Reimbursement Obligations as contemplated by Section 1.2(c)) (iii) any payment when due of any interest or (iv) any fee or other Obligation payable hereunder or under any other Loan Document, with such default in payment continuing for (A) in the case of the foregoing clauses (ii) and (iii), three (3) Business Days after receipt of written notice thereof from the Administrative Agent and (B) in the case of the foregoing clause (iv), five (5) Business Days after receipt of written notice thereof from the Administrative Agent;

(b) default in the observance or performance of any covenant set forth in Sections 8.1, 8.4, 8.5, 8.7, 8.8, 8.9, 8.10, 8.11, 8.13(d), 8.20, 8.21, 8.23, 8.24, or 8.25;

(c) default in the observance or performance of any other provision hereof or of any other Loan Document which is not remedied within thirty (30) days after the earlier of (i) the date on which such failure shall first become known to any Responsible Officer of the Borrower or (ii) written notice thereof is given to the Borrower by the Administrative Agent; *provided, however*, if such a default is susceptible of cure but cannot reasonably be cured within such thirty (30) day period and provided further that the Borrower shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for such time as is reasonably necessary for the Borrower in the exercise of due diligence to cure such default, provided such additional period shall not exceed sixty (60) days;

(d) any representation or warranty made herein or in any other Loan Document or in any certificate furnished to the Administrative Agent or the Lenders pursuant hereto or thereto or in connection with any transaction contemplated hereby or thereby proves untrue in any material respect (where not already qualified by materiality or Material Adverse Effect, otherwise in any respect) as of the date of the issuance or making or deemed making thereof (except to the extent such representation and warranty relates to an earlier date, in which case it proves untrue in any material respect (where not already qualified by materiality or Material Adverse Effect, otherwise in any respect) as of such date);

(e) (i) any of the Loan Documents shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void; (ii) the Borrower or any Guarantor takes any action for the purpose of terminating, repudiating or rescinding any Loan Document executed by it or any of its obligations thereunder; or (iii) any of the Collateral Documents shall for any reason fail to create a valid and perfected first priority Lien in favor of the Administrative Agent in any material portion of the Collateral purported to be covered thereby except as expressly permitted by the terms hereof;

(f) default (with expiration of any grace and/or cure periods related thereto) shall occur under any Indebtedness issued, assumed or guaranteed by the Borrower or any Guarantor aggregating in excess of (i) with respect to any recourse Indebtedness issued, assumed or guaranteed by the Borrower or any Guarantor, \$10,000,000 in the aggregate, or (ii) with respect to any other Indebtedness issued, assumed or guaranteed by the Borrower or any Guarantor, \$20,000,000 in the aggregate, and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Indebtedness (whether or not such maturity is in fact accelerated);

(g) any judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, shall be entered or filed against the Borrower or any Guarantor, or against any of its respective Property, in an aggregate amount in excess of \$10,000,000 (except to the extent fully covered by insurance pursuant to which the insurer has accepted liability therefor in writing), and which remains undischarged, unvacated, unbonded or unstayed for a period of forty-five (45) days;

(h) the Borrower or any Guarantor, or any member of its Controlled Group, shall fail to pay when due an amount or amounts aggregating in excess of \$10,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Vested Liabilities in excess of \$10,000,000 (collectively, a "*Material Plan*") shall be filed under Title IV of ERISA by the Borrower or any Guarantor, or any other member of its Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Borrower or any Guarantor, or any member of its Controlled Group, to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within thirty (30) days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated;

(i) any Change of Control shall occur;

(j) the Borrower or any Guarantor shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any corporate or similar action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 9.1(k); or

(k) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any Guarantor, or any substantial part of any of its Property, or a proceeding described in Section 9.1(j)(v) shall be instituted against the Borrower or any Guarantor, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 days.

Section 9.2. Non-Bankruptcy Defaults. When any Event of Default (other than those described in subsection (j) or (k) of Section 9.1 hereof) has occurred and is continuing, the Administrative Agent shall, by written notice to the Borrower: (a) if so directed by the Required Lenders, terminate the remaining Commitments and all other obligations of the Lenders hereunder on the date stated in such notice (which may be the date thereof); (b) if so directed by the Required Lenders, declare the principal of and the accrued interest on all outstanding Loans to be forthwith due and payable and thereupon all outstanding Loans, including both principal and interest thereon, shall be and become immediately due and payable together with all other amounts payable under the Loan Documents without further demand, presentment, protest or notice of any kind; and (c) if so directed by the Required Lenders, demand that, with respect to each Letter of Credit then outstanding, the Borrower immediately either (i) pay to the Administrative Agent the full amount then available for drawing thereunder, (ii) deliver to the Administrative Agent Cash Collateral in an amount equal to 103% of the aggregate amount thereof or (iii) return or cause to be returned to L/C Issuer such Letter of Credit for cancellation, and the Borrower agrees to immediately take such action and acknowledges and agrees that the Lenders would not have an adequate remedy at law for failure by the Borrower to honor any such demand and that the Administrative Agent, for the benefit of the Lenders, shall have the right to require the Borrower to specifically perform such undertaking whether or not any drawings or other demands for payment have been made under any Letter of Credit. The Administrative Agent, after giving notice to the Borrower pursuant to Section 9.1(c) or this Section 9.2, shall also promptly send a copy of such notice to the other Lenders, but the failure to do so shall not impair or annul the effect of such notice.

Section 9.3. Bankruptcy Defaults. When any Event of Default described in subsections (j) or (k) of Section 9.1 hereof with respect to the Borrower has occurred and is continuing, all outstanding Loans shall immediately become due and payable together with all other amounts payable under the Loan Documents without presentment, demand, protest or notice of any kind, the obligation of the Lenders to extend further credit pursuant to any of the terms hereof shall immediately terminate and, with respect to each Letter of Credit then outstanding, the Borrower immediately either (i) pay to the Administrative Agent the full amount then available for drawing thereunder, (ii) deliver to the Administrative Agent Cash Collateral in an amount equal to 103% of the aggregate amount thereof or (iii) return or cause to be returned to L/C Issuer such Letter of Credit for cancellation, the Borrower acknowledging and agreeing that the Lenders would not have an adequate remedy at law for failure by the Borrower to honor any such demand and that the Lenders, and the Administrative Agent on their behalf, shall have the right to require the Borrower to specifically perform such undertaking whether or not any draws or other demands for payment have been made under any of the Letters of Credit.

Section 9.4. Collateral for Undrawn Letters of Credit. (a) If the prepayment of the amount available for drawing under any or all outstanding Letters of Credit is required under Section 1.8(b), Section 1.14, Section 9.2 or Section 9.3 above, the Borrower shall forthwith pay the amount required to be so prepaid, to be held by the Administrative Agent as provided in subsection (b) below.

(b) All amounts prepaid pursuant to subsection (a) above shall be held by the Administrative Agent in one or more separate collateral accounts (each such account, and the credit balances, properties, and any investments from time to time held therein, and any substitutions for such account, any certificate of deposit or other instrument evidencing any of the foregoing and all proceeds of and earnings on any of the foregoing being collectively called the "Collateral Account") as security for, and for application by the Administrative Agent (to the extent available) to, the reimbursement of any payment under any Letter of Credit then or thereafter made by the L/C Issuer, and to the payment of the unpaid balance of all other Obligations (and to all Hedging Liability and Bank Product Obligations). The Collateral Account shall be held in the name of and subject to the exclusive dominion and control of the Administrative Agent for the benefit of the Administrative Agent, the Lenders, and the L/C Issuer. If and when requested by the Borrower, the Administrative Agent shall invest funds held in the Collateral Account from time to time in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America with a remaining maturity of one year or less, *provided* that the Administrative Agent is irrevocably authorized to sell investments held in the Collateral Account when and as required to make payments out of the Collateral Account for application to amounts then due and owing from the Borrower to the L/C Issuer, the Administrative Agent or the Lenders. If the Borrower shall have made payment of all obligations referred to in subsection (a) above required under Section 1.8(b) hereof, if any, at the request of the Borrower the Administrative Agent shall release to the Borrower amounts held in the Collateral Account so long as at the time of the release and after giving effect thereto no Default or Event of Default is then continuing. If the Borrower shall have made payment of all obligations referred to in subsection (a) above required under Section 9.2 or 9.3 hereof, so long as no Letters of Credit, Commitments, Loans or other Obligations, Hedging Liability, or Bank Product Obligations remain outstanding, at the request of the Borrower the Administrative Agent shall release to the Borrower any remaining amounts held in the Collateral Account.

(c) At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent or any L/C Issuer (with a copy to the Administrative Agent), the Borrower shall Cash Collateralize the L/C Issuers' Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 1.14(a)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(i) *Grant of Security Interest.* The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grant to the Administrative Agent, for the benefit of the L/C Issuers, and agree to maintain, a first priority security interest in all such Cash Collateral as security for such Defaulting Lender's obligation to fund participations in respect of L/C Obligations, to be applied pursuant to clause (ii) below. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the L/C Issuer as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower shall, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(ii) *Application.* Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 9.4 or Section 1.14 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of L/C Obligations (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(iii) *Termination of Requirement.* Cash Collateral (or the appropriate portion thereof) provided to reduce any L/C Issuer's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 9.4(c) following (A) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (B) the determination by the Administrative Agent and the L/C Issuer that there exists excess Cash Collateral; *provided* that, subject to Section 1.14 the Person providing Cash Collateral and the L/C Issuer may agree (but shall not be obligated to) that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations and *provided further* that to the extent that such Cash Collateral was provided by the Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

Section 10. Change in Circumstances.

Section 10.1. Change of Law. Notwithstanding any other provisions of this Agreement or any other Loan Document, if at any time any Change in Law makes it unlawful for any Lender to make or continue to maintain any Eurodollar Loans or to perform its obligations as contemplated hereby, such Lender shall promptly give notice thereof to the Borrower and such Lender's obligations to make or maintain Eurodollar Loans under this Agreement shall be suspended until it is no longer unlawful for such Lender to make or maintain Eurodollar Loans. The Borrower shall prepay on demand the outstanding principal amount of any such affected Eurodollar Loans, together with all interest accrued thereon and all other amounts then due and payable to such Lender under this Agreement; *provided, however,* subject to all of the terms and conditions of this Agreement, the Borrower may then elect to borrow the principal amount of the affected Eurodollar Loans from such Lender by means of Base Rate Loans from such Lender, which Base Rate Loans shall not be made ratably by the Lenders but only from such affected Lender.

Section 10.2. Unavailability of Deposits or Inability to Ascertain, or Inadequacy of, LIBOR. If on or prior to the first day of any Interest Period for any Borrowing of Eurodollar Loans:

(a) the Administrative Agent in good faith determines that deposits in U.S. Dollars (in the applicable amounts) are not being offered to it in the interbank eurodollar market for such Interest Period, or that by reason of circumstances affecting the interbank eurodollar market adequate and reasonable means do not exist for ascertaining the applicable LIBOR, or

(b) the Required Lenders in good faith advise the Administrative Agent that (i) LIBOR as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Lenders of funding their Eurodollar Loans for such Interest Period or (ii) that the making or funding of Eurodollar Loans becomes impracticable,

then the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders, whereupon until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist, the obligations of the Lenders to make Eurodollar Loans shall be suspended.

If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in clause (a) above have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause (a) have not arisen but the supervisor for the administrator of the LIBOR Index Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBOR Index Rate shall no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to LIBOR that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable. Notwithstanding anything to the contrary in Section 12.13, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this section, (x) any borrowing request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, Eurodollar Loans shall be ineffective, and (y) any borrowing request that requests a Borrowing of Eurodollar Loans, shall be made as a Borrowing of Base Rate Loans; *provided* that, if such alternate rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

Section 10.3. Increased Cost and Reduced Return. (a) If any Change in Law shall:

(i) subject any Lender (or its Lending Office) or the L/C Issuer to any Tax (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes, and (C) Connection Income Taxes) with respect to its Eurodollar Loans, its Notes, its Letter(s) of Credit, or its participation in any thereof, any Reimbursement Obligations owed to it or its obligation to make Eurodollar Loans, issue a Letter of Credit, or to participate therein; or

(ii) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding with respect to any Eurodollar Loans any such requirement included in an applicable Eurodollar Reserve Percentage) against assets of, deposits with or for the account of, or credit extended by, any Lender (or its Lending Office) or the L/C Issuer or shall impose on any Lender (or its Lending Office) or the L/C Issuer or on the interbank market any other condition affecting its Eurodollar Loans, its Notes, its Letter(s) of Credit, or its participation in any thereof, any Reimbursement Obligation owed to it, or its obligation to make Eurodollar Loans, or to issue a Letter of Credit, or to participate therein;

and the result of any of the foregoing is to increase the cost to such Lender (or its Lending Office) or the L/C Issuer of making or maintaining any Eurodollar Loan, issuing or maintaining a Letter of Credit, or participating therein, or to reduce the amount of any sum received or receivable by such Lender (or its Lending Office) or the L/C Issuer under this Agreement or under any other Loan Document with respect thereto, by an amount deemed by such Lender or L/C Issuer to be material, then, within 15 days after demand by such Lender or L/C Issuer (with a copy to the Administrative Agent), the Borrower shall be obligated to pay to such Lender or L/C Issuer such additional amount or amounts as will compensate such Lender or L/C Issuer for such increased cost or reduction.

(b) If any Lender or L/C Issuer determines that any Change in Law affecting such Lender or L/C Issuer or any lending office of such Lender or such Lender's or L/C Issuer's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or L/C Issuer's capital or on the capital of such Lender's or L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Loans held by, such Lender, or the Letters of Credit issued by any L/C Issuer, to a level below that which such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or L/C Issuer's policies and the policies of such Lender's or L/C Issuer's holding company with respect to capital adequacy), then from time to time, within 15 days after demand by such Lender or L/C Issuer (with a copy to the Administrative Agent), the Borrower shall pay to such Lender or L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company for any such reduction suffered.

(c) A certificate of a Lender or L/C Issuer claiming compensation under this Section 10.3 and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive if reasonably determined absent manifest error. In determining such amount, such Lender or L/C Issuer may use any reasonable averaging and attribution methods.

(d) Failure or delay on the part of any Lender or L/C Issuer to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or L/C Issuer's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender or L/C Issuer pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 10.4. Lending Offices. Each Lender may, at its option, elect to make its Loans hereunder at the branch, office or affiliate specified on the appropriate signature page hereof (each a “*Lending Office*”) for each type of Loan available hereunder or at such other of its branches, offices or affiliates as it may from time to time elect and designate in a written notice to the Borrower and the Administrative Agent. To the extent reasonably possible, a Lender shall designate an alternative branch or funding office with respect to its Eurodollar Loans to reduce any liability of the Borrower to such Lender under Section 10.3 hereof or to avoid the unavailability of Eurodollar Loans under Section 10.2 hereof, so long as such designation is not otherwise disadvantageous to the Lender.

Section 10.5. Discretion of Lender as to Manner of Funding. Notwithstanding any other provision of this Agreement, each Lender shall be entitled to fund and maintain its funding of all or any part of its Loans in any manner it sees fit, it being understood, however, that for the purposes of this Agreement all determinations hereunder with respect to Eurodollar Loans shall be made as if each Lender had actually funded and maintained each Eurodollar Loan through the purchase of deposits in the interbank eurodollar market having a maturity corresponding to such Loan’s Interest Period, and bearing an interest rate equal to LIBOR for such Interest Period.

Section 11. The Administrative Agent³.

Section 11.1. Appointment and Authority. Each of the Lenders and the L/C Issuer hereby irrevocably appoints Bank of Montreal to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 11 are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and neither the Borrower nor any Guarantor shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 11.2. Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 11.3. Action by Administrative Agent; Exculpatory Provisions; 3. (a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent and its Related Parties:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law. The Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder or under any other Loan Document unless it first receives any further assurances of its indemnification from the Lenders that it may require, including prepayment of any related expenses and any other protection it requires against any and all costs, expense, and liability which may be incurred by it by reason of taking or continuing to take any such action; and

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any information relating to Borrower or any of its Affiliates or any Guarantor or any of their Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) Neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 9.2, 9.3, 9.4, 9.5 and 12.13), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Any such action taken or failure to act pursuant to the foregoing shall be binding on all Lenders. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower, a Lender, or the L/C Issuer.

(c) Neither the Administrative Agent nor any of its Related Parties shall be responsible for or have any duty or obligation to any Lender or L/C Issuer or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Section 7.1 or 7.2 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 11.4. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower or Guarantors), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 11.5. Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 11.6. Resignation of Administrative Agent; Removal of Administrative Agent (a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower. The Required Lenders may remove the Administrative Agent from its capacity as Administrative Agent in the event of the Administrative Agent's willful misconduct or gross negligence. Upon receipt of any such notice of resignation or removal, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States of America, or an Affiliate of any such bank with an office in the United States of America. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation or after removal by the Required Lenders (or such earlier day as shall be agreed by the Required Lenders) (the "*Resignation Effective Date*"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation or removal shall become effective in accordance with such notice on the Resignation Effective Date.

(b) With effect from the Resignation Effective Date, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents, and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. If on the Resignation Effective Date no successor has been appointed and accepted such appointment, the Administrative Agent's rights in the Collateral Documents shall be assigned without representation, recourse or warranty to the Lenders and L/C Issuer as their interests may appear. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent (other than any rights to indemnity payments or other amounts owed to the retiring Administrative Agent), and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Section 11 and Section 12.15 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Section 11.7. Non-Reliance on Administrative Agent and Other Lenders. Each Lender and L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Upon a Lender's written request, the Administrative Agent agrees to forward to such Lender, when complete, copies of any field audit, examination, or appraisal report prepared by or for the Administrative Agent with respect to the Borrower or any Material Subsidiary or the Collateral (herein, "Reports"). Each Lender hereby agrees that (a) it has requested a copy of each Report prepared by or on behalf of the Administrative Agent; (b) the Administrative Agent (i) makes no representation or warranty, express or implied, as to the completeness or accuracy of any Report or any of the information contained therein or any inaccuracy or omission contained in or relating to a Report and (ii) shall not be liable for any information contained in any Report; (c) the Reports are not comprehensive audits or examinations, and that any Person performing any field examination will inspect only specific information regarding the Borrower and the other Material Subsidiaries and will rely significantly upon the books and records of Borrower and the other Material Subsidiaries, as well as on representations of personnel of the Borrower and the other Material Subsidiaries, and that the Administrative Agent undertakes no obligation to update, correct or supplement the Reports; (d) it will keep all Reports confidential and strictly for its internal use, not share the Report with any other Person except as otherwise permitted pursuant to this Agreement; and (e) without limiting the generality of any other indemnification provision contained in this Agreement, it will pay and protect, and indemnify, defend, and hold the Administrative Agent and any such other Person preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable attorney fees) incurred by as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

*Section 11.8. L/C Issuer and Swing Line Lender.*³ The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the Swing Line Lender shall act on behalf of the Lenders with respect to the Swing Line Loans made hereunder. The L/C Issuer and the Swing Line Lender shall each have all of the benefits and immunities (i) provided to the Administrative Agent in this Section 11 with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and the Applications pertaining to such Letters of Credit or by the Swing Line Lender in connection with Swing Line Loans made or to be made hereunder as fully as if the term "Administrative Agent", as used in this Section 11, included the L/C Issuer and the Swing Line Lender with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to such L/C Issuer or Swing Line Lender, as applicable. Any resignation by the Person then acting as Administrative Agent pursuant to Section 11.6 shall also constitute its resignation or the resignation of its Affiliate as L/C Issuer and Swing Line Lender except as it may otherwise agree. If such Person then acting as L/C Issuer so resigns, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Loans or fund risk participations in Reimbursement Obligations pursuant to Section 1.3. If such Person then acting as Swing Line Lender resigns, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 1.3(b). Upon the appointment by the Borrower of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable (other than any rights to indemnity payments or other amounts that remain owing to the retiring L/C Issuer or Swing Line Lender), and (ii) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents other than with respect to its outstanding Letters of Credit and Swing Line Loans, and (iii) upon the request of the resigning L/C Issuer, the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the resigning L/C Issuer to effectively assume the obligations of the resigning L/C Issuer with respect to such Letters of Credit.

*Section 11.9. Hedging Liability and Bank Product Obligations*3. By virtue of a Lender's execution of this Agreement or an assignment agreement pursuant to Section 12.10, as the case may be, any Affiliate of such Lender with whom the Borrower or any other Material Subsidiary has entered into an agreement creating Hedging Liability or Bank Product Obligations shall be deemed a Lender party hereto for purposes of any reference in a Loan Document to the parties for whom the Administrative Agent is acting, it being understood and agreed that the rights and benefits of such Affiliate under the Loan Documents consist exclusively of such Affiliate's right to share in payments and collections out of the Collateral and the Guaranties as more fully set forth in Section 3.1. In connection with any such distribution of payments and collections, or any request for the release of the Guaranties and the Administrative Agent's Liens in connection with the termination of the Commitments and the payment in full of the Obligations, the Administrative Agent shall be entitled to assume no amounts are due to any Lender or its Affiliate with respect to Hedging Liability or Bank Product Obligations unless such Lender has notified the Administrative Agent in writing of the amount of any such liability owed to it or its Affiliate prior to such distribution or payment or release of Guaranties and Liens.

Section 11.10. Designation of Additional Agents. The Administrative Agent shall have the continuing right, for purposes hereof, at any time and from time to time to designate, with the consent of the Borrower, which consent shall not be unreasonably withheld or delayed, one or more of the Lenders (and/or its or their Affiliates) as "syndication agents," "documentation agents," "book runners," "lead arrangers," "arrangers," or other designations for purposes hereto, but such designation shall have no substantive effect, and such Lenders and their Affiliates shall have no additional powers, duties or responsibilities as a result thereof.

Section 11.11. Authorization to Enter into, and Enforcement of, the Collateral Documents; Possession of Collateral The Administrative Agent is hereby irrevocably authorized by each of the Lenders and the L/C Issuer to execute and deliver the Collateral Documents on behalf of each of the Lenders, the L/C Issuer, and their Affiliates and to take such action and exercise such powers under the Collateral Documents as the Administrative Agent considers appropriate; *provided* the Administrative Agent shall not amend the Collateral Documents unless such amendment is agreed to in writing by the Required Lenders. Upon the occurrence of an Event of Default, the Administrative Agent shall take such action to enforce its Lien on the Collateral and to preserve and protect the Collateral as may be directed by the Required Lenders. Unless and until the Required Lenders give such direction, the Administrative Agent may (but shall not be obligated to) take or refrain from taking such actions as it deems appropriate and in the best interest of all the Lenders and L/C Issuer. Each Lender and L/C Issuer acknowledges and agrees that it will be bound by the terms and conditions of the Collateral Documents upon the execution and delivery thereof by the Administrative Agent. The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Material Subsidiary in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders, the L/C Issuer or their Affiliates for any failure to monitor or maintain any portion of the Collateral. The Lenders and L/C Issuer hereby irrevocably authorize (and each of their Affiliates holding any Bank Product Obligations and Hedging Liability entitled to the benefits of the Collateral shall be deemed to authorize) the Administrative Agent, based upon the instruction of the Required Lenders, to credit bid and purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale thereof conducted by the Administrative Agent (or any security trustee therefore) under the provisions of the Uniform Commercial Code, including pursuant to Sections 9-610 or 9-620 of the Uniform Commercial Code, at any sale thereof conducted under the provisions of the United States Bankruptcy Code, including Section 363 of the United States Bankruptcy Code, or at any sale or foreclosure conducted by the Administrative Agent or any security trustee therefore (whether by judicial action or otherwise) in accordance with applicable law. Except as otherwise specifically provided for herein, no Lender, L/C Issuer, or their Affiliates, other than the Administrative Agent, shall have the right to institute any suit, action or proceeding in equity or at law for the foreclosure or other realization upon any Collateral or for the execution of any trust or power in respect of the Collateral or for the appointment of a receiver or for the enforcement of any other remedy under the Collateral Documents; it being understood and intended that no one or more of the Lenders or L/C Issuer or their Affiliates shall have any right in any manner whatsoever to affect, disturb or prejudice the Lien of the Administrative Agent (or any security trustee therefor) under the Collateral Documents by its or their action or to enforce any right thereunder, and that all proceedings at law or in equity shall be instituted, had, and maintained by the Administrative Agent (or its security trustee) in the manner provided for in the relevant Collateral Documents for the benefit of the Lenders, the L/C Issuer, and their Affiliates. Each Lender and L/C Issuer is hereby appointed agent for the purpose of perfecting the Administrative Agent's security interest in assets which, in accordance with Article 9 of the Uniform Commercial Code or other applicable law can be perfected only by possession. Should any Lender or L/C Issuer (other than the Administrative Agent) obtain possession of any Collateral, such Lender or L/C Issuer shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or in accordance with the Administrative Agent's instructions.

Section 11.12. Authorization to Release, Limit or Subordinate Liens or to Release Guaranties. The Administrative Agent is hereby irrevocably authorized by each of the Lenders, the L/C Issuer, and their Affiliates to (a) release or subordinate any Lien or consent to any additional Lien covering any Collateral that is sold, transferred, otherwise disposed of or encumbered in accordance with the terms and conditions of this Agreement and the relevant Collateral Documents (including a sale, transfer, or disposition permitted by the terms of Section 8.9 or which has otherwise been consented to in accordance with Section 12.13), (b) release or subordinate any Lien on Collateral consisting of goods financed with purchase money indebtedness or under a Capital Lease to the extent such purchase money indebtedness or Capitalized Lease Obligation, and the Lien securing the same, are permitted by the provisions of this Agreement, reduce or limit the amount of the indebtedness secured by any particular item of Collateral to an amount not less than the estimated value thereof to the extent necessary to reduce mortgage registry, filing and similar tax, (d) release Liens on the Collateral following termination or expiration of the Commitments and payment in full in cash of the Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit that have been cash collateralized to the satisfaction of the Administrative Agent and relevant L/C Issuer) and, if then due, Hedging Liability and Bank Product Obligations, (e) release any Material Subsidiary from its obligations as a Guarantor if such Person ceases to be a Material Subsidiary as a result of a transaction permitted under the Loan Documents and (f) release the Lien of any Mortgage upon the written request and at the sole expense of the Borrower in conjunction with such Real Property's deletion from the Borrowing Base pursuant to Section 7.3 hereof. Upon the Administrative Agent's request, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of Property or to release any Material Subsidiary from its obligations as a Guarantor under the Loan Documents.

Section 11.13. Authorization of Administrative Agent to File Proofs of Claim In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to Borrower or any Guarantor, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under the Loan Documents including, but not limited to, Sections 1.1, 10.3, 1.11, and 12.15) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequester or other similar official in any such judicial proceeding is hereby authorized by each Lender and L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.1 and 12.15. Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or L/C Issuer or to authorize the Administrative Agent to vote in respect of the claim of any Lender or L/C Issuer in any such proceeding.

Section 12. Miscellaneous.

Section 12.1. Taxes. (a) Certain Defined Terms. For purposes of this Section, the term “Lender” includes the L/C Issuer and the term “applicable law” includes FATCA.

(b) *Payments Free of Taxes.* Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) *Payment of Other Taxes by the Borrower.* The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) *Indemnification by the Borrower.* The Borrower shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) *Indemnification by the Lenders.* Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes or Other Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes or Other Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.11 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (e).

(f) *Evidence of Payments.* As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) *Status of Lenders.* (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 12.1(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit J-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "*U.S. Tax Compliance Certificate*") and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECL, IRS Form W-8BEN or IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit J-2 or Exhibit J-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit J-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "*FATCA*" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) *Treatment of Certain Refunds.* If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) *Administrative Agent Certifications.* On or before the date on which BMO Harris Bank N.A. (and any successor or replacement Administrative Agent) becomes the Administrative Agent hereunder, it shall deliver to the Borrower two duly executed originals of either (i) IRS Form W-9, or (ii) IRS Form W-8ECI (with respect to any payments to be received on its own behalf) and IRS Form W-8IMY (for all other payments), establishing that the Borrower can make payments to the Administrative Agent without deduction or withholding of any Taxes imposed by the United States, including Taxes imposed under FATCA.

(j) *Survival.* Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

*Section 12.2. Documentary Taxes.*³ The Borrower agrees to pay on demand any U.S. documentary, stamp or similar taxes payable in respect of this Agreement or any other Loan Document, including interest and penalties, in the event any such taxes are assessed, irrespective of when such assessment is made and whether or not any credit is then in use or available hereunder.

Section 12.3. No Waiver, Cumulative Remedies. No delay or failure on the part of the Administrative Agent, the L/C Issuer, or any Lender, or on the part of the holder or holders of any of the Obligations, in the exercise of any power or right under any Loan Document shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The rights and remedies hereunder of the Administrative Agent, the L/C Issuer, the Lenders, and of the holder or holders of any of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 12.4. Non-Business Days. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

Section 12.5. Survival of Representations. All representations and warranties made herein or in any other Loan Document or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 12.6. Survival of Indemnities. All indemnities and other provisions relative to reimbursement to the Lenders and L/C Issuer of amounts sufficient to protect the yield of the Lenders and L/C Issuer with respect to the Loans and Letters of Credit, including, but not limited to, Sections 1.11, 10.3, and 12.15 hereof, shall survive the termination of this Agreement and the other Loan Documents and the payment of the Obligations.

Section 12.7. Sharing of Set-Off. Each Lender agrees with each other Lender a party hereto that if such Lender shall receive and retain any payment, whether by set-off or application of deposit balances or otherwise, on any of the Loans or Reimbursement Obligations in excess of its ratable share of payments on all such Obligations then outstanding to the Lenders, then such Lender shall purchase for cash at face value, but without recourse, ratably from each of the other Lenders such amount of the Loans or Reimbursement Obligations, or participations therein, held by each such other Lenders (or interest therein) as shall be necessary to cause such Lender to share such excess payment ratably with all the other Lenders; *provided, however,* that if any such purchase is made by any Lender, and if such excess payment or part thereof is thereafter recovered from such purchasing Lender, the related purchases from the other Lenders shall be rescinded ratably and the purchase price restored as to the portion of such excess payment so recovered, but without interest. For purposes of this Section 12.7, amounts owed to or recovered by the L/C Issuer in connection with Reimbursement Obligations in which Lenders have been required to fund their participation shall be treated as amounts owed to or recovered by the L/C Issuer as a Lender hereunder.

Section 12.8. Notices. (a) *Notices Generally.* Except as otherwise specified herein, all notices hereunder and under the other Loan Documents shall be in writing (including, without limitation, notice by telecopy) and shall be given to the relevant party at its address or facsimile number set forth below, or such other address or facsimile number as such party may hereafter specify by notice to the Administrative Agent and the Borrower given by courier, by United States certified or registered mail, by telecopy or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices under the Loan Documents to any Lender shall be addressed to its address or facsimile number set forth on its Administrative Questionnaire; and notices under the Loan Documents to the Borrower, any Guarantor, the Administrative Agent, or L/C Issuer shall be addressed to its respective address or facsimile number set forth below:

to the Borrower or any Guarantor:

Global Medical REIT L.P.
4800 Montgomery Lane
Suite 450
Bethesda, Maryland 20814
Attention: Chief Financial Officer

with a copy to:

Global Medical REIT L.P.
4800 Montgomery Lane
Suite 450
Bethesda, Maryland 20814
Attention: General Counsel

to the Administrative Agent or L/C Issuer:

BMO Harris Bank N.A.
111 West Monroe Street
Chicago, Illinois 60603
Attention: Kevin Fennell

with a copy to:

Chapman and Cutler LLP
111 West Monroe Street
Chicago, Illinois 60603
Attention: Dan Baker

Each such notice, request or other communication shall be effective (i) if given by facsimile, when such facsimile is delivered to the facsimile number specified in this Section 12.8 or in the relevant Administrative Questionnaire and a confirmation of such facsimile has been received by the sender, (ii) if given by mail, upon receipt or first refusal of delivery or (iii) if given by any other means, when delivered at the addresses specified in this Section 12.8 or in the relevant Administrative Questionnaire; *provided* that any notice given pursuant to Section 1 hereof shall be effective only upon receipt.

(b) *Electronic Communications.* Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Section 1.3(f) or Section 1.6 if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such respective Section by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefore, provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

Section 12.9. Counterparts; Integration; Effectiveness. (a) *Counterparts; Integration; Effectiveness.* This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 7.2, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement. For purposes of determining compliance with the conditions specified in Section 7.2 hereof, each Lender and L/C Issuer that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender or L/C Issuer unless the Administrative Agent shall have received notice from such Lender or L/C Issuer prior to the Closing Date specifying its objection thereto.

(b) *Electronic Execution of Assignments.* The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Legal Requirements, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 12.10. Successors and Assigns. This Agreement shall be binding upon the Borrower and the Guarantors and their successors and assigns, and shall inure to the benefit of the Administrative Agent, the L/C Issuer, and each of the Lenders, and the benefit of their respective successors and assigns, including any subsequent holder of any of the Obligations. The Borrower and the Guarantors may not assign any of their rights or obligations under any Loan Document without the written consent of all of the Lenders and, with respect to any Letter of Credit or the Application therefor, the L/C Issuer.

Section 12.11. Participants. Each Lender shall have the right at its own cost to grant participations (to be evidenced by one or more agreements or certificates of participation) in the Loans made and Reimbursement Obligations and/or Commitments held by such Lender at any time and from time to time to one or more other Persons; provided that no such participation shall relieve any Lender of any of its obligations under this Agreement, and, provided, further that no such participant shall have any rights under this Agreement except as provided in this Section 12.11, and the Administrative Agent shall have no obligation or responsibility to such participant. Any agreement pursuant to which such participation is granted shall provide that the granting Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower under this Agreement and the other Loan Documents including, without limitation, the right to approve any amendment, modification or waiver of any provision of the Loan Documents, except that such agreement may provide that such Lender will not agree to any modification, amendment or waiver of the Loan Documents that would reduce the amount of or postpone any fixed date for payment of any Obligation in which such participant has an interest. Any party to which such a participation has been granted shall have the benefits of Section 1.11 and Section 10.3 hereof. The Borrower and each Guarantor authorizes each Lender to disclose to any participant or prospective participant under this Section 12.11 any financial or other information pertaining to each Guarantor, the Borrower or any Subsidiary, provided that such participant or prospective participant shall be subject to the provisions of Section 12.25.

Section 12.12. Assignments. (a) Any Lender may at any time assign to one or more Eligible Assignees all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) *Minimum Amounts.* (A) In the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans and participation interest in L/C Obligations at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and (B) in any case not described in subsection (a)(i)(A) of this Section 12.12, the aggregate amount of the Commitment (which for this purpose includes Loans and participation interest in L/C Obligations outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans and participation interest in L/C Obligations of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent or, if "Effective Date" is specified in the Assignment and Acceptance, as of the Effective Date specified in such Assignment and Acceptance) shall not be less than \$5,000,000 and each assignment to a party that is not then a Lender shall be in an amount not less than \$5,000,000 unless, in each case, each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed);

(ii) *Proportionate Amounts.* Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitments assigned.

(iii) *Required Consents.* No consent shall be required for any assignment except to the extent required by Section 12.12(a)(i)(B) and, in addition:

(a) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof;

(b) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) the Revolving Credit if such assignment is to a Person that is not a Lender with a Commitment in respect of such facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender; or (ii) the Term Loans or the Incremental Term Loans (if any) to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(c) the consent of the L/C Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(d) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Swing Loans (whether or not then outstanding).

(iv) *Assignment and Acceptance.* The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500, and the assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) *No Assignment to Borrower, Guarantors, Affiliates or Defaulting Lenders.* No such assignment shall be made to (A) the Borrower, any Subsidiary or any other Affiliate of the Borrower or (B) to a Defaulting Lender or any of its Subsidiaries or any Person, who, upon becoming a Lender hereunder would constitute any of the foregoing Persons described in this clause (B).

(vi) *No Assignment to Natural Persons.* No such assignment shall be made to a natural person.

(vii) *Certain Additional Payments.* In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent) to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the L/C Issuer and each other Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 12.12(b) hereof, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 12.6 and 12.15 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided that* except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.11 hereof.

(b) *Register.* The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in Chicago, Illinois, a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. Each Lender or L/C Issuer that grants a participation as described in Section 12.11 shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans made and Reimbursement Obligations and/or Commitments or other obligations under this Agreement (the "*Participant Register*"); *provided that* no Lender or L/C Issuer shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any participant or any information relating to a participant's interest in any Loans made and Reimbursement Obligations and/or Commitments or other obligations under this Agreement) except to the extent that such disclosure is necessary to establish that such Obligation or Commitment is in registered form under Section 5f.103-1(c) of the Treasury Regulations or is otherwise required by this Agreement. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender or L/C Issuer shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(c) Any Lender may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or grant to a Federal Reserve Bank, and this Section 12.12 shall not apply to any such pledge or grant of a security interest; *provided that* no such pledge or grant of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or secured party for such Lender as a party hereto; *provided further, however,* the right of any such pledgee or grantee (other than any Federal Reserve Bank) to further transfer all or any portion of the rights pledged or granted to it, whether by means of foreclosure or otherwise, shall be at all times subject to the terms of this Agreement.

(d) Notwithstanding anything to the contrary herein, if at any time the Swing Line Lender assigns all of its Commitments and Revolving Loans pursuant to subsection (a) above, the Swing Line Lender may terminate the Swing Line. In the event of such termination of the Swing Line, the Borrower shall be entitled to appoint another Lender to act as the successor Swing Line Lender hereunder (with such Lender's consent); *provided, however*, that the failure of the Borrower to appoint a successor shall not affect the resignation of the Swing Line Lender. If the Swing Line Lender terminates the Swing Line, it shall retain all of the rights of the Swing Line Lender provided hereunder with respect to Swing Loans made by it and outstanding as of the effective date of such termination, including the right to require Lenders to make Revolving Loans or fund participations in outstanding Swing Loans pursuant to Section 1.2 hereof.

Section 12.13. Amendments. Any provision of this Agreement or the other Loan Documents may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by (a) the Borrower, (b) the Required Lenders (or the Administrative Agent acting at the direction of the Required Lenders), and (c) if the rights or duties of the Administrative Agent, the L/C Issuer, or the Swing Line Lender are affected thereby, the Administrative Agent, the L/C Issuer or the Swing Line Lender, as applicable; *provided that*:

(i) no amendment or waiver pursuant to this Section 12.13 shall (A) increase any Commitment of any Lender without the consent of such Lender or (B) reduce the amount of or postpone the date for any scheduled payment of any principal of or interest on any Loan or of any Reimbursement Obligation or of any fee payable hereunder without the consent of the Lender to which such payment is owing or which has committed to make such Loan or Letter of Credit (or participate therein) hereunder;

(ii) no amendment or waiver pursuant to this Section 12.13 shall, unless signed by each Lender, extend the Termination Date (provided, for the avoidance of doubt, that any extension of the Termination Date pursuant to and in accordance with Section 1.16 shall be automatic and require no amendment or waiver hereunder), release the Borrower or any Guarantor or all or substantially all of the Collateral (except as provided for in this Agreement), change the percentages or level of the Implied Debt Service Coverage Ratio set forth in the definition of "Borrowing Base Value", change the definition of Required Lenders, change the provisions regarding application of payments under Section 3.1, change the provisions of this Section 12.13, or affect the number of Lenders required to take any action hereunder or under any other Loan Document; and

(iii) no amendment to Section 13 hereof shall be made without the consent of the Guarantors affected thereby.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding anything to the contrary in this Section 12.13, if the Administrative Agent and the Borrower have jointly identified an ambiguity, omission, mistake or defect in any provision of this Agreement or an inconsistency between provisions of this Agreement, the Administrative Agent and the Borrower shall be permitted to amend such provision or provisions to cure such ambiguity, omission, mistake, defect or inconsistency so long as to do so would not adversely affect the interests of the Lenders and the L/C Issuer. Any such amendment shall become effective without any further action or consent of any of other party to this Agreement. In addition to the foregoing, the Administrative Agent may, without the consent of any other Lender: (i) enter into amendments or modifications to this Agreement or any of the other Loan Documents, or to enter into additional Loan Documents as the Administrative Agent reasonably deems appropriate in order to implement any replacement rate or otherwise effectuate the terms of Section 10.2 in accordance with the terms of Section 10.2; (ii) amend and restate this Agreement if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement; and (iii) enter into amendments or modifications to this Agreement (including amendments to this Section 12.13) or any of the other Loan Documents or to enter into additional Loan Documents as the Administrative Agent reasonably deems appropriate in order to effectuate the terms of Section 1.15; provided that no amendment or modification shall result in any increase in the amount of any Lender's Commitment or any increase in any Lender's Percentage, in each case, without the written consent of such affected Lender

Section 12.14. Headings. Section headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.

Section 12.15. Costs and Expenses; Indemnification. (a) The Borrower agrees to pay all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, due diligence, investigation (including third party expenses) negotiation, syndication, and administration of the Loan Documents, including, without limitation, the reasonable and documented out-of-pocket fees and disbursements of a single counsel to the arranger and Administrative Agent and a single local counsel per jurisdiction necessary to the Administrative Agent, in connection with the preparation and execution of the Loan Documents, and any amendment, waiver or consent related thereto, whether or not the transactions contemplated herein are consummated. The Borrower agrees to pay to the Administrative Agent, the L/C Issuer, each Lender, and any other holder of any Obligations outstanding hereunder, all documented out-of-pocket costs and expenses reasonably incurred or paid by the Administrative Agent, the L/C Issuer, such Lender, or any such holder, including reasonable and documented out-of-pocket attorneys' fees and disbursements and court costs, in connection with any Default or Event of Default hereunder or in connection with the enforcement of any of the Loan Documents (including all such costs and expenses incurred in connection with any proceeding under the United States Bankruptcy Code involving the Borrower or any Guarantor as a debtor thereunder). The Borrower further agrees to indemnify the Administrative Agent, the L/C Issuer, each Lender, and any security trustee therefor, and their respective directors, officers, employees, agents, financial advisors, and consultants (each such Person being called an "Indemnitee") against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all reasonable and documented out-of-pocket fees and disbursements of counsel for any such Indemnitee and all reasonable and documented out-of-pocket expenses of litigation or preparation therefor, whether or not the Indemnitee is a party thereto, or any settlement arrangement arising from or relating to any such litigation) which any of them may pay or incur arising out of or relating to any Loan Document or any of the transactions contemplated thereby or the direct or indirect application or proposed application of the proceeds of any Loan or Letter of Credit, other than other than (i) those which arise from the gross negligence, bad faith or willful misconduct of the party claiming indemnification as determined by a court of competent jurisdiction by final and nonappealable judgment, (ii) a material breach of such Indemnitee's obligations under the Loan Documents, as determined in a final non-appealable judgment of a court of competent jurisdiction or (iii) any dispute solely among Indemnitees (provided, that the Borrower agrees to indemnify the Administrative Agent in any such dispute between the Administrative Agent and any Lender). The Borrower, upon demand by the Administrative Agent, the L/C Issuer, or a Lender at any time, shall reimburse the Administrative Agent, the L/C Issuer, or such Lender for any reasonable legal or other expenses (including, without limitation, all reasonable fees and disbursements of counsel for any such Indemnitee) incurred in connection with investigating or defending against any of the foregoing (including any settlement costs relating to the foregoing) except to the extent the same is due to the gross negligence, bad faith, or willful misconduct of the party to be indemnified. To the extent permitted by applicable Legal Requirements, the Borrower and the Guarantors shall not assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or the other Loan Documents or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. The obligations of the parties under this Section 12.15 shall survive the termination of this Agreement. This Section 12.15 shall not apply with respect to Taxes other than Taxes that represent losses, claims, damages, penalties, judgments, liabilities or expenses arising from any non-Tax claim.

(b) The Borrower unconditionally agrees to indemnify, defend and hold harmless, and covenants not to sue for any claim for contribution against, each Indemnitee for any damages, loss or reasonable and documented out-of-pocket costs and expenses, including without limitation, all reasonable response, remedial or removal costs and all reasonable and documented out-of-pocket fees and disbursements of counsel for any such Indemnitee, arising out of any of the following: (i) any Hazardous Material Activity at any of the Borrowing Base Properties or former Borrowing Base Property, (ii) the violation of any Environmental Law by Global Medical REIT, the Borrower or any Guarantor or otherwise occurring on or with respect to any Borrowing Base Property or former Borrowing Base Property, (iii) any claim for personal injury or property damage in connection with the Global Medical REIT, the Borrower or any Guarantor or otherwise occurring on or with respect to any Borrowing Base Property or former Borrowing Base Property, and (iv) the inaccuracy or breach of any environmental representation, warranty or covenant by Global Medical REIT, the Borrower or any Guarantor made herein or in any other Loan Document evidencing or securing any Obligations or setting forth terms and conditions applicable thereto or otherwise relating thereto, except for damages arising from the willful misconduct, bad faith or gross negligence of the relevant Indemnitee as determined by a court of competent jurisdiction by final and nonappealable judgment. This indemnification shall survive the payment and satisfaction of all Obligations and the termination of this Agreement, and shall remain in force beyond the expiration of any applicable statute of limitations and payment or satisfaction in full of any single claim under this indemnification. This indemnification shall be binding upon the successors and assigns of the Borrower and shall inure to the benefit of each Indemnitee and its successors and assigns.

Section 12.16. Set-off. In addition to any rights now or hereafter granted under the Loan Documents or applicable Legal Requirements and not by way of limitation of any such rights, during the continuation of any Event of Default, with the prior written consent of the Administrative Agent, each Lender, the L/C Issuer, each subsequent holder of any Obligation, and each of their respective affiliates, is hereby authorized by the Borrower and each Guarantor at any time or from time to time, without notice to the Borrower or such Guarantor or to any other Person, any such notice being hereby expressly waived, to set-off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured, and in whatever currency denominated, but not including trust accounts) and any other indebtedness at any time held or owing by that Lender, L/C Issuer, subsequent holder, or affiliate, to or for the credit or the account of the Borrower or such Guarantor, whether or not matured, against and on account of the Obligations then due to that Lender, L/C Issuer, or subsequent holder under the Loan Documents, including, but not limited to, all claims of any nature or description arising out of or connected with the Loan Documents, irrespective of whether or not (a) that Lender, L/C Issuer, or subsequent holder shall have made any demand hereunder or (b) the principal of or the interest on the Loans and other amounts due hereunder shall have become due and payable pursuant to Section 9 and although said obligations and liabilities, or any of them, may be contingent or unmatured; *provided that* in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 1.14 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuer and the Lenders and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff.

Section 12.17. Entire Agreement. The Loan Documents constitute the entire understanding of the parties thereto with respect to the subject matter thereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby.

Section 12.18. Waiver of Jury Trial. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable Legal Requirements, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to any Loan Document or the transactions contemplated thereby (whether based on contract, tort or any other theory). Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section.

Section 12.19. Severability of Provisions. Any provision of any Loan Document which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in this Agreement and the other Loan Documents may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of this Agreement and other Loan Documents are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement or any of the other Loan Documents invalid or unenforceable.

Section 12.20. Excess Interest. Notwithstanding any provision to the contrary contained herein or in any other Loan Document, no such provision shall require the payment or permit the collection of any amount of interest in excess of the maximum amount of interest permitted by applicable Legal Requirements to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the Loans or other obligations outstanding under this Agreement or any other Loan Document (“*Excess Interest*”). If any Excess Interest is provided for, or is adjudicated to be provided for, herein or in any other Loan Document, then in such event (a) the provisions of this Section 12.20 shall govern and control, (b) neither the Borrower nor any guarantor or endorser shall be obligated to pay any Excess Interest, (c) any Excess Interest that the Administrative Agent or any Lender may have received hereunder shall, at the option of the Administrative Agent, be (i) applied as a credit against the then outstanding principal amount of Obligations hereunder and accrued and unpaid interest thereon (not to exceed the maximum amount permitted by applicable Legal Requirements), (ii) refunded to the Borrower, or (iii) any combination of the foregoing, (d) the interest rate payable hereunder or under any other Loan Document shall be automatically subject to reduction to the maximum lawful contract rate allowed under applicable usury laws (the “*Maximum Rate*”), and this Agreement and the other Loan Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in the relevant interest rate, and (e) neither the Borrower nor any guarantor or endorser shall have any action against the Administrative Agent or any Lender for any damages whatsoever arising out of the payment or collection of any Excess Interest. Notwithstanding the foregoing, if for any period of time interest on any of Borrower’s Obligations is calculated at the Maximum Rate rather than the applicable rate under this Agreement, and thereafter such applicable rate becomes less than the Maximum Rate, the rate of interest payable on the Borrower’s Obligations shall remain at the Maximum Rate until the Lenders have received the amount of interest which such Lenders would have received during such period on the Borrower’s Obligations had the rate of interest not been limited to the Maximum Rate during such period.

Section 12.21. Construction. The parties acknowledge and agree that the Loan Documents shall not be construed more favorably in favor of any party hereto based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation of the Loan Documents. The provisions of this Agreement relating to Subsidiaries shall only apply during such times as the Borrower has one or more Subsidiaries.

Section 12.22. Lender's and L/C Issuer's Obligations Several. The obligations of the Lenders and L/C Issuer hereunder are several and not joint. Nothing contained in this Agreement and no action taken by the Lenders or L/C Issuer pursuant hereto shall be deemed to constitute the Lenders and L/C Issuer a partnership, association, joint venture or other entity.

Section 12.23. Governing Law; Jurisdiction; Consent to Service of Process. (a) This agreement, the Notes and the other Loan Documents (except as otherwise specified therein), and the rights and duties of the parties hereto, shall be construed and determined in accordance with the laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York) without regard to conflicts of law principles that would require application of the laws of another jurisdiction.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each party hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by applicable Legal Requirements, in such federal court. Each party hereto hereby agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Legal Requirements. Nothing in this Agreement or any other Loan Document or otherwise shall affect any right that any party hereto may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or any Guarantor or its respective properties in the courts of any jurisdiction.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable Legal Requirements, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 12.23(b). Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable Legal Requirements, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in any action or proceeding arising out of or relating to any Loan Document, in the manner provided for notices (other than telecopy or e-mail) in Section 12.8. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by applicable Legal Requirements.

Section 12.24. USA Patriot Act. Each Lender and L/C Issuer that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act") hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify, and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or L/C Issuer to identify the Borrower in accordance with the Act.

Section 12.25. Confidentiality. Each of the Administrative Agent, the Lenders, and the L/C Issuer severally agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors to the extent any such Person has a need to know such Information (it being understood that the Persons to whom such disclosure is made will first be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Legal Requirements or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 12.25, to (A) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement or (B) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Global Medical REIT, the Borrower or any Subsidiary and its obligations, (g) with the prior written consent of the Borrower, (h) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section 12.25 or (B) becomes available to the Administrative Agent, any Lender or the L/C Issuer on a non-confidential basis from a source other than Global Medical REIT, the Borrower or any Subsidiary or any of their directors, officers, employees or agents, including accountants, legal counsel and other advisors; (i) on a confidential basis to rating agencies if requested or required by such agencies in connection with a rating relating to the Loans or the Commitments hereunder, (j) so long as the Global Medical REIT's report on Form 8-K (or its equivalent) has been filed with the SEC, Gold Sheets and other similar bank trade publications (such information to consist solely of deal terms and other information regarding the credit facilities evidenced by this Agreement customarily found in such publications), or (k) so long as the Global Medical REIT's report on Form 8-K (or its equivalent) has been filed with the SEC, to entities which compile and publish information about the syndicated loan market, *provided* that only basic information about the pricing and structure of the transaction evidenced hereby may be disclosed pursuant to this subsection (k). For purposes of this Section 12.25, "Information" means all information received from Global Medical REIT, the Borrower or any of the Subsidiaries or from any other Person on behalf of Global Medical REIT, the Borrower or any Subsidiary relating to Global Medical REIT, the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a non-confidential basis prior to disclosure by Global Medical REIT, the Borrower or any of its Subsidiaries or from any other Person on behalf of Global Medical REIT, the Borrower or any of the Subsidiaries.

Section 12.26. Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto (including any party becoming a party hereto by virtue of an Assignment and Assumption) acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

Section 12.27. Amendment and Restatement; No Novation. This Agreement shall become effective on the Restatement Effective Date and shall supersede all provisions of the Prior Credit Agreement as of such date. From and after the date of this Restatement Effective Date, all references to the Prior Credit Agreement in any Loan Document or in any other instrument or document shall, unless otherwise explicitly stated therein, be deemed to refer to this Agreement. This Agreement shall become effective as of the Restatement Effective Date, and supersede all provisions of the Prior Credit Agreement as of such date, upon the execution of this Agreement by each of the parties hereto and fulfillment of the conditions precedent contained in Section 7.2 hereof. This Agreement shall constitute for all purposes an amendment and restatement of the Prior Credit Agreement and not a new agreement and all obligations outstanding under the Prior Credit Agreement shall continue to be outstanding hereunder and shall not constitute a novation of the indebtedness or other obligations outstanding under the Prior Credit Agreement.

Section 12.28. Equalization of Loans and Commitments. Upon the Restatement Effective Date, all loans outstanding under the Prior Credit Agreement shall remain outstanding as the initial Borrowing of Revolving Loans under this Agreement and, in connection therewith, the Borrower shall be deemed to have prepaid all outstanding Eurodollar Loans on the Restatement Effective Date and shall pay to each Lender who is currently a party to the Prior Credit Agreement any compensation due such Lender under Section 1.11 of the Prior Credit Agreement as a result thereof (to the extent invoiced prior to the Restatement Effective Date and if not waived by any Lender under the Prior Credit Agreement). On the Restatement Effective Date, the Lenders each agree to make such purchases and sales of interests in the outstanding Revolving Loans between themselves so that each Lender is then holding its relevant Revolver Percentage of outstanding Revolving Loans. Such purchases and sales shall be arranged through the Administrative Agent and each Lender hereby agrees to execute such further instruments and documents, if any, as the Administrative Agent may reasonably request in connection therewith.

Section 13. The Guarantees.

Section 13.1. The Guarantees. To induce the Lenders to provide the credits described herein and in consideration of benefits expected to accrue to the Borrower by reason of the Commitments and for other good and valuable consideration, receipt of which is hereby acknowledged, each Guarantor party hereto (including any Material Subsidiary formed or acquired after the Closing Date executing a separate Guaranty or an Additional Guarantor Supplement in the form attached hereto as Exhibit G or such other form acceptable to the Administrative Agent) hereby unconditionally and irrevocably guarantees, jointly and severally, to the Administrative Agent, the Lenders, and their Affiliates, the due and punctual payment of all present and future Obligations, Hedging Liability and Bank Product Obligations, including, but not limited to, the due and punctual payment of principal of and interest on the Loans, the Reimbursement Obligations, Hedging Liability, and Bank Product Obligations, and the due and punctual payment of all other obligations now or hereafter owed by the Borrower under the Loan Documents as and when the same shall become due and payable, whether at stated maturity, by acceleration, or otherwise, according to the terms hereof and thereof (including all interest, costs, fees, and charges after the entry of an order for relief against the Borrower or such other obligor in a case under the United States Bankruptcy Code, the Canadian Bankruptcy Legislation or any similar proceeding, whether or not such interest, costs, fees and charges would be an allowed claim against the Borrower or any such obligor in any such proceeding); *provided, however*, that with respect to any Guarantor, its guarantee of Hedging Liability of the Borrower or any Guarantor shall exclude all Excluded Swap Obligations. In case of failure by the Borrower or other obligor punctually to pay any obligations guaranteed hereby, each Guarantor hereby unconditionally agrees to make such payment or to cause such payment to be made punctually as and when the same shall become due and payable, whether at stated maturity, by acceleration, or otherwise, and as if such payment were made by the Borrower or such obligor.

Section 13.2. Guarantee Unconditional. The obligations of each Guarantor under this Section 13 shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, or otherwise affected by:

- (a) any extension, renewal, settlement, compromise, waiver, or release in respect of any obligation of the Borrower or other obligor or of any other guarantor under this Agreement or any other Loan Document or by operation of law or otherwise;
- (b) any modification or amendment of or supplement to this Agreement or any other Loan Document or any agreement relating to Hedging Liability or Bank Product Obligations;
- (c) any change in the corporate existence, structure, or ownership of, or any insolvency, bankruptcy, reorganization, or other similar proceeding affecting, the Borrower or other obligor, any other guarantor, or any of their respective assets, or any resulting release or discharge of any obligation of the Borrower or other obligor or of any other guarantor contained in any Loan Document;
- (d) the existence of any claim, set-off, or other rights which the Borrower or other obligor or any other guarantor may have at any time against the Administrative Agent, any Lender, or any other Person, whether or not arising in connection herewith;

(e) any failure to assert, or any assertion of, any claim or demand or any exercise of, or failure to exercise, any rights or remedies against the Borrower or other obligor, any other guarantor, or any other Person or Property;

(f) any application of any sums by whomsoever paid or howsoever realized to any obligation of the Borrower or other obligor, regardless of what obligations of the Borrower or other obligor remain unpaid;

(g) any invalidity or unenforceability relating to or against the Borrower or other obligor or any other guarantor for any reason of this Agreement or of any other Loan Document or any agreement relating to Hedging Liability or Bank Product Obligations, or any provision of applicable Legal Requirements purporting to prohibit the payment by the Borrower or other obligor or any other guarantor of the principal of or interest on any Loan or any Reimbursement Obligation or any other amount payable under the Loan Documents or any agreement relating to Hedging Liability or Bank Product Obligations; or

(h) any other act or omission to act or delay of any kind by the Administrative Agent, any Lender, or any other Person or any other circumstance whatsoever that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the obligations of any Guarantor under this Section 13.

Section 13.3. Discharge Only upon Payment in Full; Reinstatement in Certain Circumstances Each Guarantor's obligations under this Section 13 shall remain in full force and effect until the Commitments are terminated, all Letters of Credit have expired, and the principal of and interest on the Loans and all other amounts payable by the Borrower and the Guarantors under this Agreement and all other Loan Documents and, if then outstanding and unpaid, all Hedging Liability and Bank Product Obligations have been paid in full. If at any time any payment of the principal of or interest on any Loan or any Reimbursement Obligation or any other amount payable by the Borrower or other obligor or any Guarantor under the Loan Documents or any agreement relating to Hedging Liability or Bank Product Obligations is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, or reorganization of the Borrower or other obligor or of any guarantor, or otherwise, each Guarantor's obligations under this Section 13 with respect to such payment shall be reinstated at such time as though such payment had become due but had not been made at such time.

Section 13.4. Subrogation. Each Guarantor agrees it will not exercise any rights which it may acquire by way of subrogation by any payment made hereunder, or otherwise, until all the obligations guaranteed hereby shall have been paid in full subsequent to the termination of all the Commitments and expiration of all Letters of Credit. If any amount shall be paid to a Guarantor on account of such subrogation rights at any time prior to the later of (x) the payment in full of the Obligations, Bank Product Obligations and Hedging Liability and all other amounts payable by the Borrower hereunder and under the other Loan Documents and (y) the termination of the Commitments and expiration of all Letters of Credit, such amount shall be held in trust for the benefit of the Administrative Agent and the Lenders (and their Affiliates) and shall forthwith be paid to the Administrative Agent for the benefit of the Lenders (and their Affiliates) or be credited and applied upon the Obligations, Bank Product Obligations and Hedging Liability, whether matured or unmatured, in accordance with the terms of this Agreement.

Section 13.5. Waivers. Each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest, and any notice except as specifically provided for herein, as well as any requirement that at any time any action be taken by the Administrative Agent, any Lender, or any other Person against the Borrower or other obligor, another guarantor, or any other Person.

Section 13.6. Limit on Recovery. Notwithstanding any other provision hereof, the right of recovery against each Guarantor under this Section 13 shall not exceed \$1.00 less than the lowest amount which would render such Guarantor's obligations under this Section 13 void or voidable under applicable Legal Requirements, including, without limitation, fraudulent conveyance law.

Section 13.7. Stay of Acceleration. If acceleration of the time for payment of any amount payable by the Borrower or other obligor under this Agreement or any other Loan Document or any agreement relating to Hedging Liability or Bank Product Obligations, is stayed upon the insolvency, bankruptcy or reorganization of the Borrower or such obligor, all such amounts otherwise subject to acceleration under the terms of this Agreement or the other Loan Documents or any agreement relating to Hedging Liability or Bank Product Obligations, shall nonetheless be payable by the Guarantors hereunder forthwith on demand by the Administrative Agent made at the request of the Required Lenders.

Section 13.8. Benefit to Guarantors. The Borrower and the Guarantors are engaged in related businesses and integrated to such an extent that the financial strength and flexibility of the Borrower has a direct impact on the success of each Guarantor. Each Guarantor will derive substantial direct and indirect benefit from the extensions of credit hereunder.

Section 13.9. Guarantor Covenants. Each Guarantor shall take such action as the Borrower is required by this Agreement to cause such Guarantor to take, and shall refrain from taking such action as the Borrower is required by this Agreement to prohibit such Guarantor from taking.

Section 13.10. Subordination. Each Guarantor (each referred to herein as a "*Subordinated Creditor*") hereby subordinates the payment of all indebtedness, obligations, and liabilities of the Borrower or any other Guarantor owing to such Subordinated Creditor, whether now existing or hereafter arising, to the indefeasible payment in full in cash of all Obligations, Hedging Liability, and Bank Product Obligations. During the continuance of any Event of Default or Default under Sections 9.1 (a), (j) or (k), subject to Section 13.4, any such indebtedness, obligation, or liability of the Borrower or any other Guarantor owing to such Subordinated Creditor shall be enforced and performance received by such Subordinated Creditor as trustee for the benefit of the holders of the Obligations, Hedging Liability, and Bank Product Obligations and, upon the acceleration of the Indebtedness under Section 9.2 or 9.3 hereof, the proceeds thereof shall be paid over to the Administrative Agent for application to the Obligations, Hedging Liability, and Bank Product Obligations (whether or not then due), but without reducing or affecting in any manner the liability of such Guarantor under this Section 13.

Section 13.11. Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by the Borrower and each other Guarantor to honor all of its obligations in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section as it relates to such Borrower or other Guarantor, voidable under applicable Legal Requirements relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until discharged in accordance with Section 13.3. Each Qualified ECP Guarantor intends that this Section constitute, and this Section shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of the Borrower and each other Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

[Signature Pages to Follow]

This Amended and Restated Credit Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

"Borrower"

Global Medical REIT L.P.

By: Global Medical REIT GP, LLC
Its: General Partner

By: Global Medical REIT Inc.
Its: Sole Member

By: /s/ Robert Kiernan

Name: Robert Kiernan

Title: Treasurer and Financial Officer

"Administrative Agent and L/C Issuer"

BMO Harris Bank N.A., as L/C Issuer and as Administrative Agent

By: /s/ Kevin Fennell

Name: Kevin Fennell

Title: Director

Citizens Bank, N.A.

By: /s/ Frank Kaplan
Name: Frank Kaplan
Title: Vice President

SunTrust Bank

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

The Huntington National Bank

By: /s/ Cheryl B. Holm
Name: Cheryl B. Holm
Title: Sr. Vice President

Comerica Bank

By: /s/ Casey L. Stevenson
Name: Casey L. Stevenson
Title: Vice President

KeyBank National Association

By: /s/ Gregory W. Lane
Name: Gregory W. Lane
Title: VP

Franklin Synergy Bank

By: /s/ Lisa Fletcher
Name: Lisa Fletcher
Title: Senior Vice President

"Guarantors"

GLOBAL MEDICAL REIT INC.

By: /s/ Robert Kiernan

Name: Robert Kiernan

Title: Treasurer and Chief Financial Officer

GMR ALBERTVILLE, LLC
GMR ALTOONA, LLC
GMR AMARILLO, LLC
GMR ASHEVILLE, LLC
GMR AUSTIN, LLC
GMR BELPRE, LLC
GMR BROCKPORT, LLC
GMR CAPE CORAL, LLC
GMR CARSON CITY, LLC
GMR CLERMONT, LLC
GMR EAST DALLAS HOSPITAL, LLC
GMR EAST DALLAS LAND, LLC
GMR EAST ORANGE, LLC
GMR ELLIJAY, LLC
GMR FLOWER MOUND, LLC
GMR FORT WORTH, LLC
GMR FREMONT, LLC
GMR GAINESVILLE, LLC
GMR GERMANTOWN, LLC
GMR GREAT BEND, LLC
GMR LAS CRUCES, LLC
GMR LEE'S SUMMIT, LLC
GMR LEWISBURG, LLC
GMR LUBBOCK, LLC
GMR MECHANICSBURG, LLC
GMR MESA, LLC
GMR MOLINE, LLC
GMR OKLAHOMA CITY, LLC
GMR OMAHA, LLC
GMR ORLANDO, LLC
GMR PRESCOTT, LLC

GMR READING, LLC
GMR SAINT GEORGE, LLC
GMR SANDUSKY, LLC
GMR SHERMAN, LLC
GMR WATERTOWN, LLC
GMR WYOMISSING, LLC

By: GLOBAL MEDICAL REIT L.P.,
a Delaware limited partnership,
its Sole Member

By: GLOBAL MEDICAL REIT GP, LLC,
a Delaware limited liability company,
its General Partner

By: GLOBAL MEDICAL REIT INC.,
a Maryland Corporation,
its Sole Member

By: /s/ Robert Kiernan
Name: Robert Kiernan
Title: Treasurer and Chief Financial Officer

Exhibit A

Notice of Payment Request

[Date]

[Name of Lender]

[Address]

Attention:

Reference is made to the Amended and Restated Credit Agreement, dated as of August 7, 2018, among Global Medical REIT L.P., the Guarantors from time to time party thereto, the Lenders from time to time party thereto and BMO Harris Bank N.A., as Administrative Agent (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*"). Capitalized terms used herein and not defined herein have the meanings assigned to them in the Credit Agreement. [The Borrower has failed to pay its Reimbursement Obligation in the amount of \$_____. Your Revolver Percentage of the unpaid Reimbursement Obligation is \$_____] or [_____ has been required to return a payment by the Borrower of a Reimbursement Obligation in the amount of \$_____. Your Revolver Percentage of the returned Reimbursement Obligation is \$_____.]

Very truly yours,

BMO Harris Bank N.A., as L/C Issuer

By

Name _____

Title _____

Exhibit B

Notice of Borrowing

Date: _____, ____

To: BMO Harris Bank N.A., as Administrative Agent for the Lenders from time to time parties to the Amended and Restated Credit Agreement, dated as of August 7, 2018 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*"), among Global Medical REIT L.P., the Guarantors from time to time party thereto, the Lenders from time to time party thereto and BMO Harris Bank N.A., as Administrative Agent

Ladies and Gentlemen:

The undersigned, Global Medical REIT L.P. (the "*Borrower*"), refers to the Credit Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 1.6 of the Credit Agreement, of the Borrowing specified below:

1. The Business Day of the proposed Borrowing is _____, ____.
2. The aggregate amount of the proposed Borrowing is \$ _____.
3. The Borrowing is being advanced under the [Revolving][Term] Credit.
4. The Borrowing is to be comprised of \$ _____ of [Base Rate] [Eurodollar] Loans.
- [5. The duration of the Interest Period for the Eurodollar Loans included in the Borrowing shall be _____ months.]**

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

- (a) the representations and warranties of the Borrower contained in Section 6 of the Credit Agreement are true and correct in all material respects (where not already qualified by materiality or Material Adverse Effect, otherwise in all respects) as though made on and as of such date (except to the extent the same expressly relate to an earlier date, in which case they shall be true and correct in all material respects (where not already qualified by materiality or Material Adverse Effect, otherwise in all respects) as of such earlier date); and

(b) no Default or Event of Default has occurred and is continuing or would result from such proposed Borrowing.

Global Medical REIT L.P.

By: Global Medical REIT GP, LLC
Its: General Partner

By: Global Medical REIT Inc.
Its: Sole Member

By _____
Name _____
Title _____

Exhibit C

Notice of Continuation/Conversion

Date: _____, ____

To: BMO Harris Bank N.A., as Administrative Agent for the Lenders from time to time parties to the Amended and Restated Credit Agreement, dated as of August 7, 2018 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*"), among Global Medical REIT L.P., the Guarantors from time to time party thereto, the Lenders from time to time party thereto, and BMO Harris Bank N.A., as Administrative Agent

Ladies and Gentlemen:

The undersigned, Global Medical REIT L.P. (the "*Borrower*"), refers to the Credit Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 1.6 of the Credit Agreement, of the **[conversion]** **[continuation]** of the Loans specified herein, that:

1. The conversion/continuation Date is _____, ____.
2. The aggregate amount of the **[Revolving]****[Term]** Loans to be **[converted]** **[continued]** is \$_____.
3. The Loans are to be **[converted into]** **[continued as]** **[Eurodollar]** **[Base Rate]** Loans.
4. **[If applicable:]** The duration of the Interest Period for the **[Revolving]****[Term]** Loans included in the **[conversion]** **[continuation]** shall be _____ months.

[Signature Page to Follow]

Global Medical REIT L.P.

By: Global Medical REIT GP, LLC
Its: General Partner

By: Global Medical REIT Inc.
Its: Sole Member

By _____
Name _____
Title _____

Exhibit D-1

Revolving Note

U.S. \$ _____

_____, 201__

For Value Received, the undersigned, Global Medical REIT L.P., a Delaware limited partnership (the "*Borrower*"), hereby promises to pay to _____ (the "*Lender*") or its permitted assigns on the Termination Date of the hereinafter defined Credit Agreement, at the principal office of the Administrative Agent in Chicago, Illinois (or such other location as the Administrative Agent may designate to the Borrower), in immediately available funds, the principal sum of _____ Dollars (\$ _____) or, if less, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the Borrower pursuant to the Credit Agreement, together with interest on the principal amount of each Revolving Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Revolving Note (this "*Note*") is one of the Revolving Notes referred to in the Amended and Restated Credit Agreement, dated as of August 7, 2018, among the Borrower, the Guarantors party thereto, the Lenders party thereto and BMO Harris Bank N.A., as Administrative Agent (as extended, renewed, amended, supplemented or restated from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

[Signature Page to Follow]

The Borrower hereby waives demand, presentment, protest or notice of any kind hereunder.

Global Medical REIT L.P.

By: Global Medical REIT GP, LLC
Its: General Partner

By: Global Medical REIT Inc.
Its: Sole Member

By _____
Name _____
Title _____

Exhibit D-2

Swing Note

U.S. \$ _____

_____, 201__

For Value Received, the undersigned, Global Medical REIT L.P., a Delaware limited partnership (the "*Borrower*"), hereby promises to pay to _____ (the "*Lender*") or its registered assigns on the Termination Date of the hereinafter defined Credit Agreement, at the principal office of the Administrative Agent in Chicago, Illinois (or such other location as the Administrative Agent may designate to the Borrower), in immediately available funds, the principal sum of _____ Dollars (\$ _____) or, if less, the aggregate unpaid principal amount of all Swing Loans made by the Lender to the Borrower pursuant to the Credit Agreement, together with interest on the principal amount of each Swing Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Swing Note (this "*Note*") is the Swing Note referred to in the Amended and Restated Credit Agreement, dated as of August 7, 2018, among the Borrower, the Guarantors party thereto, the Lenders party thereto and BMO Harris Bank N.A., as Administrative Agent (as extended, renewed, amended, supplemented or restated from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

[Signature Page to Follow]

The Borrower hereby waives demand, presentment, protest or notice of any kind hereunder.

Global Medical REIT L.P.

By: Global Medical REIT GP, LLC
Its: General Partner

By: Global Medical REIT Inc.
Its: Sole Member

By _____
Name _____
Title _____

Exhibit D-3

Term Note

U.S. \$ _____ - _____, 20__

For Value Received, the undersigned, Global Medical REIT L.P., a Delaware limited partnership (the "*Borrower*"), hereby promises to pay to _____ (the "*Lender*") or its permitted assigns at the principal office of the Administrative Agent in Chicago, Illinois (or such other location as the Administrative Agent may designate to the Borrower), in immediately available funds, the principal sum of _____ Dollars (\$ _____) or, if less, the aggregate unpaid principal amount of all Term Loans made or maintained by the Lender to the Borrower pursuant to the Credit Agreement, together with interest on the principal amount of such Term Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Term Note (this "*Note*") is one of the Term Notes referred to in the Amended and Restated Credit Agreement, dated as of August 7, 2018, among the Borrower, the Guarantors party thereto, the Lenders party thereto and BMO Harris Bank N.A., as Administrative Agent (as extended, renewed, amended, supplemented or restated from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

Voluntary prepayments may be made hereon and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

The Borrower hereby waives demand, presentment, protest or notice of any kind hereunder.

Global Medical REIT L.P.

By:

Name: _____
Title: _____

Exhibit D-4

Incremental Term Note

U.S. \$ _____ - _____, 20__

For Value Received, the undersigned, Global Medical REIT L.P., a Delaware limited partnership (the "*Borrower*"), hereby promises to pay to _____ (the "*Lender*") or its permitted assigns at the principal office of the Administrative Agent in Chicago, Illinois (or such other location as the Administrative Agent may designate to the Borrower), in immediately available funds, the principal sum of _____ Dollars (\$ _____) or, if less, the aggregate unpaid principal amount of all Incremental Term Loans made or maintained by the Lender to the Borrower pursuant to the Credit Agreement, together with interest on the principal amount of such Incremental Term Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Incremental Term Note (this "*Note*") is one of the Incremental Term Notes referred to in the Amended and Restated Credit Agreement, dated as of August 7, 2018, among the Borrower, the Guarantors party thereto, the Lenders party thereto and BMO Harris Bank N.A., as Administrative Agent (as extended, renewed, amended, supplemented or restated from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

Voluntary prepayments may be made hereon and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

[Signature Page to Follow]

The Borrower hereby waives demand, presentment, protest or notice of any kind hereunder.

Global Medical REIT L.P.

By: Global Medical REIT GP, LLC
Its: General Partner

By: Global Medical REIT Inc.
Its: Sole Member

By _____
Name _____
Title _____

Exhibit E

Compliance Certificate

To: BMO Harris Bank N.A., as Administrative Agent under, and the Lenders party to, the Credit Agreement described below

This Compliance Certificate is furnished to the Administrative Agent and the Lenders pursuant to that certain Amended and Restated Credit Agreement, dated as of August 7, 2018, among Global Medical REIT L.P., as Borrower, the Guarantors signatory thereto, the Administrative Agent and the Lenders party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"). Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

The Undersigned hereby certifies that:

1. I am the duly elected _____ of Global Medical REIT L.P.;
2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements;
3. Except to the extent previously disclosed pursuant to the requirements of Section 8.5(e) of the Credit Agreement, the examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below;
4. The financial statements required by Section 8.5 of the Credit Agreement and being furnished to you concurrently with this Compliance Certificate are true, correct and complete in all material respects as of the date and for the periods covered thereby; and
5. The Schedule I hereto sets forth financial data and computations evidencing the Borrower's compliance with certain covenants of the Credit Agreement, all of which data and computations are, to the best of my knowledge, true, complete and correct and have been made in accordance with the relevant Sections of the Credit Agreement.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____ 20__.

Global Medical REIT L.P.

By: Global Medical REIT GP, LLC
Its: General Partner

By: Global Medical REIT Inc.
Its: Sole Member

By

Name _____
Title _____

**Schedule I
to Compliance Certificate**

**Compliance Calculations
for Amended and Restated Credit Agreement dated as of August 7, 2018**

Calculations as of _____, _____

A. <u>Maximum Consolidated Leverage Ratio (Section 8.20(a))</u>		
1.	Total Indebtedness	\$ _____
2.	Total Asset Value as calculated on Exhibit A hereto	_____
3.	Ratio of Line A1 to Line A2	_____:1.0
4.	Line A3 must not exceed	0.65:1.0 ¹ 0.60:1.0 ²
5.	The Borrower is in compliance (circle yes or no)	yes/no
B. <u>Minimum Fixed Charge Coverage Ratio (Section 8.20(b))</u>		
1.	Net income (or loss)	\$ _____
2.	Depreciation and amortization expense	_____
3.	Interest Expense	_____
4.	Income tax expense	_____
5.	Extraordinary, unrealized, non-recurring or unusual losses, including impairment charges	_____
6.	Fees and expenses incurred in connection with dispositions, the incurrence of Indebtedness or the issuance of Capital Stock (whether or not consummated)	_____
7.	Non-cash losses	_____
8.	Sum of Lines B1 through B7	_____
9.	Extraordinary, unrealized or non-recurring gains, including the write-up of assets	_____

¹ For each fiscal quarter ending on or before 09/30/2018-6/30/2019

² For each fiscal quarter ending on 09/30/2019 and after

10.	Non-cash gains	_____
11.	Income tax benefits	_____
12.	Sum of Lines B9, B10 and B11	_____
13.	Line B8 <i>minus</i> Line B12 (" <i>EBITDA</i> ")	_____
14.	EBITDA	_____
15.	Acquisition expenses with respect to any Real Property	_____
16.	Capital Reserve	_____
17.	Line B14 <i>plus</i> Line B15 <i>minus</i> Line B16 and computed on an Annualized basis (" <i>Adjusted EBITDA</i> ")	_____
18.	Interest Expense	_____
19.	The greater of (i) zero or (ii) scheduled principal amortization paid on Total Indebtedness for such period (exclusive of any balloon payments or prepayments of principal paid on such Total Indebtedness)	_____
20.	Line B18 <i>plus</i> Line B19 (" <i>Debt Service</i> ")	_____
21.	Dividends and required distributions on Borrower's preferred equity securities	_____
22.	Income taxes paid	_____
23.	Sum of Lines B20, B21 and B22 and computed on an Annualized Basis (" <i>Fixed Charges</i> ")	_____
24.	Ratio of Line B14 to Line B23	_____:1.0
25.	Line B24 shall not be less than	1.50:1.0
26.	The Borrower is in compliance (circle yes or no)	yes/no
C. <u>Maintenance of Net Worth (Section 8.20(c))</u>		
1.	Net Worth as of [_____]	\$ _____
2.	Aggregate net proceeds received by Global Medical REIT or any of its Subsidiaries after March 31, 2018 in connection with any offering of Stock or Stock Equivalents	_____
3.	75% of Line C2	_____
4.	\$203,795,000 plus Line C3	_____
5.	Line C1 shall not be less than Line C4	_____
6.	The Borrower is in compliance (circle yes or no)	yes/no

D. <u>Maximum Consolidated Secured Recourse Leverage Ratio (Section 8.20(d))</u>		
1.	Total Secured Recourse Indebtedness	\$ _____
2.	Total Asset Value as calculated on Exhibit A hereto	_____
3.	Ratio of Line D1 to Line D2	_____:1.0
4.	Line D3 must not exceed	0.10:1.0
5.	The Borrower is in compliance (circle yes or no)	yes/no
E. <u>Investments (Joint Ventures) (Section 8.8(o)(i))</u>		
1.	Cash investments in joint ventures	\$ _____
2.	Total Asset Value as calculated on Exhibit A hereto	_____
3.	Line E1 divided by Line E2	_____
4.	Line E3 shall not exceed 10%	
5.	The Borrower is in compliance (circle yes or no)	yes/no
F. <u>Investments (Assets Under Development) (Section 8.8(o)(ii))</u>		
1.	Investments in Assets Under Development	\$ _____
2.	Total Asset Value as calculated on Exhibit A hereto	_____
3.	Line F1 divided by Line F2	_____
4.	Line F3 shall not exceed 10%	
5.	The Borrower is in compliance (circle yes or no)	yes/no
G. <u>Investments (Land Assets) (Section 8.8(o)(iii))</u>		
1.	Investments in Land Assets	\$ _____
2.	Total Asset Value as calculated on Exhibit A hereto	_____
3.	Line G1 divided by Line G2	_____
4.	Line G3 shall not exceed 5%	
5.	The Borrower is in compliance (circle yes or no)	yes/no
H. <u>Investments (mortgages and mezzanine loans) (Section 8.8(o)(iv))</u>		
1.	Investments in mortgages and mezzanine loans	\$ _____
2.	Total Asset Value as calculated on Exhibit A hereto	_____
3.	Line H1 divided by Line H2	_____

4.	Line H3 shall not exceed 10%	
5.	The Borrower is in compliance (circle yes or no)	yes/no
I. <u>Other Investments (Section 8.8(o)(v))</u>		
1.	Other investments not otherwise permitted under the Credit Agreement	\$ _____
2.	Total Asset Value as calculated on Exhibit A hereto	_____
3.	Line I1 divided by Line I2	_____
4.	Line I3 shall not exceed 5%	
5.	The Borrower is in compliance (circle yes or no)	yes/no
J. <u>Aggregate Investment Limitation to Total Asset Value (Section 8.8)</u>		
1.	Sum of Lines E1, F1, G1, H1 and I1	\$ _____
2.	Total Asset Value as calculated on Exhibit A hereto	_____
3.	Line J1 divided by Line J2	_____
4.	Line J3 shall not exceed 20%	
5.	The Borrower is in compliance (circle yes or no)	yes/no
K. <u>Distributions to Adjusted FFO (Section 8.24(a))³</u>		
1.	Aggregate amount of cash distributions made by the Global Medical REIT to its equity holders	\$ _____
2.	Global Medical REIT's Adjusted FFO	_____
3.	95% of Line K2	_____
4.	Amount necessary for Global Medical REIT to be able to make distributions required to maintain its status as a REIT and avoid the imposition of any federal or state income tax, and avoid the imposition of the tax described by Section 4981 of the Code	_____
5.	Greater Line K3 and Line K4	_____
6.	Line K1 shall not exceed Line K5	
7.	The Borrower is in compliance (circle yes or no)	yes/no

³ Commencing with the fiscal quarter ending December 31, 2019.

54 Outstanding Principal Balance (or such lesser amount required by GAAP) of Investments in Mortgages and Outstanding Principal Balance of Mezzanine Loans equals \$_____.

Total Asset Value (sum of 1, 2, 3 and 4) equals: \$_____.

Global Medical REIT L.P.

By: Global Medical REIT GP, LLC
Its: General Partner

By: Global Medical REIT Inc.
Its: Sole Member

By _____
Name _____
Title _____

Exhibit F

Assignment and Acceptance

Dated _____, _____

Reference is made to the Amended and Restated Credit Agreement, dated as of August 7, 2018 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*") among Global Medical REIT L.P., the Guarantors from time to time party thereto, the Lenders and L/C Issuer party thereto and BMO Harris Bank N.A., as Administrative Agent (the "*Administrative Agent*"). Terms defined in the Credit Agreement are used herein with the same meaning.

_____ (the "*Assignor*") and _____ (the "*Assignee*") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, the amount and specified percentage interest shown on Annex I hereto of the Assignor's rights and obligations under the Credit Agreement as of the Effective Date (as defined below), including, without limitation, the Assignor's Commitments as in effect on the Effective Date and the Loans, if any, owing to the Assignor on the Effective Date and the Assignor's Revolver Percentage of any outstanding L/C Obligations.
2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim, lien, or encumbrance of any kind; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any Subsidiary or the performance or observance by the Borrower or any Subsidiary of any of their respective obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.
3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered to the Lenders pursuant to Section 8.5(a) and (c) thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Administrative Agent to take such action as Administrative Agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; and (v) specifies as its lending office (and address for notices) the offices set forth on its Administrative Questionnaire.

4. As consideration for the assignment and sale contemplated in Annex I hereof, the Assignee shall pay to the Assignor on the Effective Date in Federal funds the amount agreed upon between them. It is understood that commitment and/or letter of credit fees accrued to the Effective Date with respect to the interest assigned hereby are for the account of the Assignor and such fees accruing from and including the Effective Date are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if it receives any amount under the Credit Agreement which is for the account of the other party hereto, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

5. The effective date for this Assignment and Acceptance shall be _____ (the "*Effective Date*"). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent and, if required, the Borrower.

6. Upon such acceptance and recording, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

7. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and commitment fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Effective Date directly between themselves.

8. This Assignment and Acceptance shall be governed by, and construed in accordance with, the internal laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

[Assignor Lender]

By _____
Name _____
Title _____

[Assignee Lender]

By _____
Name _____
Title _____

[Accepted and consented this
____ day of _____]

Global Medical REIT L.P.

By: Global Medical REIT GP, LLC
Its: General Partner

By: Global Medical REIT Inc.
Its: Sole Member

By _____
Name _____
Title _____]

Accepted and consented to by the Administrative
Agent, L/C Issuer, and Swing Line Lender this ____ day of _____

BMO Harris Bank N.A., as Administrative Agent, L/C Issuer and Swing Line Lender

By _____
Name _____
Title _____

Annex I
to Assignment and Acceptance

The Assignee hereby purchases and assumes from the Assignor the following interest in and to all of the Assignor's rights and obligations under the Credit Agreement as of the effective date.

Facility Assigned	Aggregate Commitment/Loans for All Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans
Revolving Credit	\$ _____	\$ _____	_____%
Term Credit	\$ _____	\$ _____	_____%

Exhibit G

Additional Guarantor Supplement

BMO Harris Bank N.A., as Administrative Agent for the Lenders named in the Amended and Restated Credit Agreement, dated as of August 7, 2018, among Global Medical REIT L.P., as Borrower, the Guarantors from time to time party thereto, the Lenders from time to time party thereto and the Administrative Agent (the "*Credit Agreement*")

Ladies and Gentlemen:

Reference is made to the Credit Agreement described above. Terms not defined herein which are defined in the Credit Agreement shall have for the purposes hereof the meaning provided therein.

The undersigned, [name of Subsidiary Guarantor], a [jurisdiction of incorporation or organization] hereby elects to be a "*Guarantor*" for all purposes of the Credit Agreement, effective from the date hereof. The undersigned confirms that each of the representations and warranties set forth in Section 6 of the Credit Agreement in respect of a Guarantor are true and correct in all material respects (where not already qualified by materiality or Material Adverse Effect, otherwise in all respects) as to the undersigned as of the date hereof and the undersigned shall comply with and perform each of the covenants and obligations set forth in, and to be bound in all respects by the terms of, the Credit Agreement that are applicable to a Guarantor, including, without limitation, the provisions of Sections 8 and 13 of the Credit Agreement that are applicable to a Guarantor, in each case, to the same extent and with the same force and effect as if the undersigned were a signatory party thereto.

The undersigned acknowledges that this Agreement shall be effective upon its execution and delivery by the undersigned to the Administrative Agent, and it shall not be necessary for the Administrative Agent or any Lender, or any of their Affiliates entitled to the benefits hereof, to execute this Agreement or any other acceptance hereof. This Agreement shall be construed in accordance with and governed by the internal laws of the State of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

Very truly yours,

[Name of Subsidiary Guarantor]

By _____
Name _____
Title _____

Exhibit H

Commitment Amount Increase Request

_____ , _____
To: BMO Harris Bank N.A., as Administrative Agent for the Lenders party to the Amended and Restated Credit Agreement, dated as of August 7, 2018 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*"), among Global Medical REIT L.P., the Guarantors from time to time party thereto, certain Lenders party thereto and BMO Harris Bank N.A., as Administrative Agent

Ladies and Gentlemen:

The undersigned, Global Medical REIT L.P. (the "*Borrower*") hereby refers to the Credit Agreement and requests that the Administrative Agent consent to an increase in the aggregate Commitments (the "*Commitment Amount Increase*"), in accordance with Section 1.15 of the Credit Agreement, to be effected by an increase in the **[Revolving Credit][Term Loan] Commitment of [name of existing Lender] [the addition of [name of new Lender] (the "*New Lender*") as a Lender under the terms of the Credit Agreement]**. Capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

After giving effect to such Commitment Amount Increase, the Commitment of the **[Lender] [New Lender]** shall be \$_____.

[Include paragraphs 1-4 for a New Lender]

1. The New Lender hereby confirms that it has received a copy of the Loan Documents and the exhibits related thereto, together with copies of the documents which were required to be delivered under the Credit Agreement as a condition to the making of the Loans and other extensions of credit thereunder. The New Lender acknowledges and agrees that it has made and will continue to make, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, its own credit analysis and decisions relating to the Credit Agreement. The New Lender further acknowledges and agrees that the Administrative Agent has not made any representations or warranties about the credit worthiness of the Borrower or any other party to the Credit Agreement or any other Loan Document or with respect to the legality, validity, sufficiency or enforceability of the Credit Agreement or any other Loan Document or the value of any security therefor.

2. Except as otherwise provided in the Credit Agreement, effective as of the date of acceptance hereof by the Administrative Agent, the New Lender (i) shall be deemed automatically to have become a party to the Credit Agreement and have all the rights and obligations of a "Lender" under the Credit Agreement as if it were an original signatory thereto and (ii) agrees to be bound by the terms and conditions set forth in the Credit Agreement as if it were an original signatory thereto.

3. The New Lender shall deliver to the Administrative Agent an Administrative Questionnaire.

[4. The New Lender has delivered, if appropriate, to the Borrower and the Administrative Agent (or is delivering to the Borrower and the Administrative Agent concurrently herewith) the tax forms referred to in [Section 12.1] of the Credit Agreement.]*

This Agreement shall be deemed to be a contractual obligation under, and shall be governed by and construed in accordance with, the internal laws of the state of New York (including Section 5-1401 and Section 5-1402 of the General Obligations law of the State of New York).

The Commitment Amount Increase shall be effective when the executed consent of the Administrative Agent is received or otherwise in accordance with Section 1.15 of the Credit Agreement, but not in any case prior to _____, _____. It shall be a condition to the effectiveness of the Commitment Amount Increase that all expenses referred to in Section 1.15 of the Credit Agreement shall have been paid.

The Borrower hereby certifies that no Default or Event of Default has occurred and is continuing.

[Signature Page to Follow]

* Insert bracketed paragraph if New Lender is organized under the law of a jurisdiction other than the United States of America or a state thereof.

Please indicate the Administrative Agent's consent to such Commitment Amount Increase by signing the enclosed copy of this letter in the space provided below.

Very truly yours,

Global Medical REIT L.P.

By: Global Medical REIT GP, LLC
Its: General Partner

By: Global Medical REIT Inc.
Its: Sole Member

By _____
Name _____
Title _____

[New or existing Lender Increasing Commitments]

By: _____
Name: _____
Title: _____

The undersigned hereby consents on this __ day of _____, _____ to the above-requested Commitment Amount Increase.

BMO Harris Bank N.A.,
as Administrative Agent

By _____
Name _____
Title _____

Exhibit I

Borrowing Base Certificate

To: BMO Harris Bank N.A., as Administrative Agent under, and the Lenders party to, the Credit Agreement described below.

Pursuant to the terms of the Amended and Restated Credit Agreement, dated as of August 7, 2018, among us (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), we submit this Borrowing Base Certificate to you and certify that the calculation of the Borrowing Base set forth below and on any Exhibits or attachments to this Certificate is true, correct and complete as of the Borrowing Base Determination Date.

[Signature Page Follows]

The foregoing certifications, together with the computations set forth in Schedule I hereto are made and delivered this ____ day of _____ 20__.

Global Medical REIT L.P.

By: Global Medical REIT GP, LLC
Its: General Partner

By: Global Medical REIT Inc.
Its: Sole Member

By _____
Name _____
Title _____

Schedule I to Borrowing Base Certificate

Calculation of Borrowing Base and Revolving Credit Availability

[To utilize Excel Spreadsheet in the format Attached hereto]

**Exhibit A to Schedule I to Borrowing Base Certificate
of Global Medical REIT L.P.**

This Exhibit A is attached to the Borrowing Base Certificate of Global Medical REIT L.P. for the Borrowing Base Determination Date of [_____] ____, 201__ and delivered to BMO Harris Bank N.A., as Administrative Agent, and the Lenders party to the Credit Agreement referred to therein. The undersigned hereby certifies that the following is a true, correct and complete calculation of Borrowing Base Value as of the Borrowing Base Determination Date set forth above:

[To utilize Excel Spreadsheet in the format Attached hereto]

Exhibit J-1

**[Form of]
U.S. Tax Compliance Certificate**

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Amended and Restated Credit Agreement, dated as of August 7, 2018 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*") among Global Medical REIT L.P., the Guarantors from time to time party thereto, the Lenders from time to time party thereto and BMO Harris Bank N.A., as Administrative Agent (the "*Administrative Agent*"). Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 12.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Revolving Loan(s) (as well as any Note(s) evidencing such Revolving Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[Name of Lender]

By:

Name: _____

Title: _____

Date: _____, 20[]

Exhibit J-2

**[Form of]
U.S. Tax Compliance Certificate**

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Amended and Restated Credit Agreement, dated as of August 7, 2018 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*") among Global Medical REIT L.P., the Guarantors from time to time party thereto, the Lenders from time to time party thereto and BMO Harris Bank N.A., as Administrative Agent (the "*Administrative Agent*"). Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 12.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[Name of Participant]

By:

Name: _____

Title: _____

Date: _____, 20[]

Exhibit J-3

[Form of]

U.S. Tax Compliance Certificate

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Amended and Restated Credit Agreement, dated as of August 7, 2018 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*") among Global Medical REIT L.P., the Guarantors from time to time party thereto, the Lenders from time to time party thereto and BMO Harris Bank N.A., as Administrative Agent (the "*Administrative Agent*"). Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 12.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[Name of Participant]

By:

Name: _____

Title: _____

Date: _____, 20[]

Exhibit J-4

[Form of]

U.S. Tax Compliance Certificate

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Amended and Restated Credit Agreement, dated as of August 7, 2018 (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*") among Global Medical REIT L.P., the Guarantors from time to time party thereto, the Lenders from time to time party thereto and BMO Harris Bank N.A., as Administrative Agent (the "*Administrative Agent*"). Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 12.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Revolving Loan(s) (as well as any Note(s) evidencing such Revolving Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Revolving Loan(s) (as well as any Note(s) evidencing such Revolving Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[Name of Lender]

By:

Name: _____

Title: _____

Date: _____, 20[]

Schedule I

Commitments

Lender	Revolving Commitment	Term Loan Commitment
BMO Harris Bank N.A.	\$ 57,500,000	\$ 23,000,000
Citizens Bank, N.A.	\$ 47,500,000	\$ 19,000,000
SunTrust Bank	\$ 47,500,000	\$ 19,000,000
KeyBank National Association	\$ 47,500,000	\$ 19,000,000
The Huntington National Bank	\$ 25,000,000	\$ 10,000,000
Comerica Bank	\$ 14,285,714	\$ 5,714,286
Franklin Synergy Bank	\$ 10,714,286	\$ 4,285,714
Total:	\$ 250,000,000	\$ 100,000,000

Schedule 1.1

Initial Borrowing Base Properties

Name of Loan Party	Complete street and mailing address
GMR Sandusky, LLC	1326 E. Perkins Avenue, Sandusky, Ohio 2800 Hayes Avenue, Building B, Sandusky, Ohio 2800 Hayes Avenue, Building C, Sandusky, Ohio 2800 Hayes Avenue, Building F, Sandusky, Ohio 808 S. Main Street, Huron, Ohio 3004 Hayes Avenue, Sandusky, Ohio
GMR Watertown, LLC	2815 S. St. Route 100, Tiffin, Ohio 511 14th Avenue NE, Watertown, South Dakota
GMR Omaha, LLC	506 1st Avenue, Watertown, South Dakota
GMR Asheville, LLC	1870 S. 75th Street, Omaha, Nebraska
GMR Reading, LLC	30-34 Granby Street, Asheville, North Carolina
GMR East Orange, LLC	2220 Ridgeway Road, Wyomissing, Pennsylvania
GMR Mechanicsburg, LLC	1802 Papermill Road, Wyomissing, Pennsylvania
GMR Cape Coral, LLC	310 Central Avenue, East Orange, New Jersey
GMR Las Cruces, LLC	156, 175 & 179 Lancaster Boulevard, Mechanicsburg, Pennsylvania
GMR Ellijay, LLC	632 Del Prado Boulevard, North Cape Coral, Florida
GMR Carson City, LLC	675 Avenida de Mesilla, Las Cruces, New Mexico
GMR Lewisburg, LLC	822, 824 and 826 Industrial Boulevard, Ellijay, Georgia
GMR Prescott, LLC	1200 Mountain Street, Carson City, Nevada
GMR Clermont, LLC	120 Hamm Drive Lewisburg, Pennsylvania
GMR Great Bend, LLC	3124 Willow Creek Road, Prescott, Arizona
	2080 Oakley Seaver Drive, Clermont, Florida
	514 Cleveland Street, Great Bend, Kansas

GMR Altoona, LLC
GMR Mesa, LLC
GMR Oklahoma City, LLC

GMR Brockport, LLC
GMR Flower Mound, LLC
GMR Sherman, LLC
GMR Lubbock, LLC
GMR Germantown, LLC
GMR Austin, LLC
GMR Albertville, LLC
GMR Fort Worth, LLC
GMR Fremont, LLC
GMR Moline, LLC
GMR Amarillo, LLC
GMR Lee's Summit, LLC
GMR Saint George, LLC
GMR Wyomissing, LLC
GMR East Dallas Hospital, LLC
GMR East Dallas Land, LLC
GMR Gainesville, LLC
GMR Orlando, LLC

GMR Belpre, LLC

2005 Valley View Boulevard, Altoona, Pennsylvania
5652 East Baseline Road, Mesa, Arizona
8100 South Walker Avenue, Oklahoma City, Oklahoma
5925 NW 139th Street, Oklahoma City, Oklahoma
6668 4th Section Road, Brockport, New York
1001 Surrey Lane, Flower Mound, Texas
1810 U.S. Highway 82 West, Sherman, Texas
4802 North Loop 289, Lubbock, Texas
1325 Wolf Park Drive, Germantown, Tennessee
700 West 45th Street, Austin, Texas
11091 Jason Avenue Northeast, Albertville, Minnesota
9509 North Beach Street, Fort Worth, Texas
1479 River Road, Fremont, Ohio
545 Valley View Drive, Moline, Illinois
1100 S. Coulter Street, Amarillo, Texas
3200 NE Ralph Powell Road, Lee's Summit, Missouri
1791 East 280 North, Saint George, Utah
2608 Keiser Boulevard, Wyomissing, Pennsylvania
9440 Poppy Drive, Dallas, Texas

2061 and 2065 Beverly Road, Gainesville, Georgia
1134 Kelton Avenue, Ocoee, Florida
9964 University Boulevard, Orlando, Florida
4137 Hunters Park Lane, Orlando, Florida
550 East SR 434, Longwood, Florida
725 Rodel Cove, Lake Mary, FL 32746
Building I, 807 Farson Street, Belpre, Ohio
Building II, 805 Farson Street, Belpre, Ohio
Building III, 803 Farson Street, Belpre, Ohio
Building IV, 799 Farson Street, Belpre, Ohio

Schedule 1.2

Existing Liens

None.

Schedule 6.2

Subsidiaries

[See Attached]

Schedule 6.11

Litigation

None.

Schedule 7.3

Eligibility Conditions

Not less than ten (10) Business Days prior to the addition of any Eligible Property to the Borrowing Base:

- (1) the Administrative Agent shall have received a written request from Borrower to add such Eligible Property to the Borrowing Base
- (2) the Administrative Agent shall have received a certificate evidencing compliance with the Borrowing Base Requirements on *apro forma* basis;
- (3) if the Subsidiary owning such Real Property is not a Guarantor (each, a "*New Guarantor*") the Administrative Agent shall have received a duly executed Additional Guarantor Supplement from such New Guarantor, together with the following:
 - (A) the Administrative Agent shall have received copies of such New Guarantor's articles of incorporation and bylaws (or comparable organizational documents) and any amendments thereto, certified in each instance by its Secretary or Assistant Secretary;
 - (B) the Administrative Agent shall have received copies of resolutions of such New Guarantor's Board of Directors (or similar governing body) authorizing the execution, delivery and performance of the Loan Documents to which it is a party and the consummation of the transactions contemplated thereby, together with specimen signatures of the persons authorized to execute such documents on such New Guarantor's behalf, all certified in each instance by its Secretary or Assistant Secretary or other Authorized Representative;
 - (C) the Administrative Agent shall have received copies of the certificates of good standing for such New Guarantor from the office of the secretary of the state (or similar office) of its incorporation or organization and of each state in which any such Real Property is located; and
 - (D) the Administrative Agent shall have received a fully executed Internal Revenue Service Form W-9 for such New Guarantor;
- (4) the Administrative Agent shall have received financing statement, tax, and judgment lien search results against any such New Guarantor and such Real Property evidencing the absence of Liens, except for Permitted Liens or as otherwise permitted by Section 8.7 hereof.

(5) the Administrative Agent shall have received (and delivered to each Lender):

(A) an Appraisal acceptable to the Administrative Agent with respect to such Real Property;

(B) a report of an independent firm of environmental engineers acceptable to the Administrative Agent concerning the environmental conditions of such Real Property, together with a reliance letter thereon acceptable to the Administrative Agent;

(C) a structural engineering and/or property condition report acceptable to the Administrative Agent with respect to such Real Property; and

(D) to the extent necessary for the Administrative Agent or any Lender to comply with its internal policies generally applicable to loans of this nature or with applicable Legal Requirements, any other agreement, instrument, document, certificate or opinion requested by the Administrative Agent with respect to such Real Property.

Schedule 8.8

Investments

None.

CERTIFICATIONS

I, Jeffrey M. Busch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2018 of Global Medical REIT Inc. (the “registrant”)
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 8, 2018

/s/ Jeffrey M. Busch
Jeffrey M. Busch, Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Robert J. Kiernan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2018 of Global Medical REIT Inc. (the “registrant”)
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 8, 2018

/s/ Robert J. Kiernan
Robert J. Kiernan, Chief Financial Officer
(Principal Financial and Accounting Officer)

Section 1350 Certification of Chief Executive Officer and Chief Financial Officer

In connection with the Quarterly Report on Form 10-Q of Global Medical REIT Inc. (the "Company") for the period ended June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey M. Busch, Chief Executive Officer of the Company and I, Robert J. Kiernan, Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 8, 2018

/s/ Jeffrey M. BuschJeffrey M. Busch, Chief Executive Officer
(Principal Executive Officer)

Dated: August 8, 2018

/s/ Robert J. KiernanRobert J. Kiernan, Chief Financial Officer
(Principal Financial and Accounting Officer)

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

**FIRST AMENDMENT AND ADDENDUM TO
CONTRIBUTION AND SALE AGREEMENT**

THIS FIRST AMENDMENT AND ADDENDUM TO CONTRIBUTION AND SALE AGREEMENT (this “**Amendment**”) is made and entered into effective as of the 5th day of April, 2018 (the “**Amendment Date**”), by and between MINNITE FAMILY, LLC, a West Virginia limited liability company, BELPRE I, LLC, a West Virginia limited liability company, BELPRE II, LLC, a West Virginia limited liability company, BELPRE III, LLC, a West Virginia limited liability company, and BELPRE IV, LLC, a West Virginia limited liability company (hereinafter collectively “**Seller**”) and GMR BELPRE, LLC, a Delaware limited liability company (“**Buyer**”) (Seller and Buyer, collectively, the “**Parties**”).

RECITALS

A. WHEREAS, the Parties are the parties to that certain *Contribution and Sale Agreement*, dated as of March 6, 2018 (the “**Agreement**”), whereby Seller has agreed to sell, and Buyer has agreed to buy, certain real property and improvements located in Belpre, Ohio, together with certain other rights and interests, all as more particularly set forth in the Agreement (all of which are called the “**Property**” in the Agreement).

B. WHEREAS, the Parties have agreed to amend or supplement certain provisions of the Agreement and agreed to evidence such agreements in this Amendment.

NOW, THEREFORE, in consideration of the above Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably, conclusively, and forever acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. **Incorporation of Recitals/Capitalized Terms.** Except as modified herein, all of the other terms, covenants and conditions of the Agreement are hereby ratified and affirmed and the same shall remain in full force and effect. From and as of the date of this Amendment, all references to the “**Agreement**” shall mean the Agreement as amended by this Amendment. Unless specifically defined herein, the capitalized terms used in this Amendment have the meanings defined in the Agreement.

2. **Inspection Period.** Section 3.2 of the Agreement is hereby amended and supplemented effective April 5, 2018 at 5:00 P.M. (Pacific Time) as follows:

The “**Inspection Period**,” as used in the Agreement, shall be extended to the sooner of either (i) 5:00 p.m. (Pacific time) on Thursday, April 19, 2018 or (ii) resolution of all Title Objections pursuant to Section 3.3 for the sole and only purpose of resolution of any and all Title Objections. All other rights and obligations of the parties pursuant to the Agreement limited to or by the duration of the Inspection Period shall terminate April 5, 2018 at 5:00 P.M. (Pacific Time), except that *i*) the rights of Buyer to terminate the Agreement and obtain refund of the Deposit pursuant to Section 3.3 of the Agreement, as amended and supplemented hereby, shall remain in effect and *ii*) the obligation of Buyer to deliver the Additional Deposit pursuant to Section 2.1 of the Agreement shall be extended to a date within three (3) Business Days after the expiration of the Inspection Period as extended hereby, and *iii*) the deadlines for Closing and the performance of matters upon which Closing is conditioned shall be extended to coincide with this extension of the Inspection Period.

3 . **Title Objection Period.** Section 3.3 of the Agreement is hereby amended by providing that the deadline for Buyer to provide its Title Objections and the subsequent expiration of Seller's Title Cure Period shall be coterminous with the expiration of the Inspection Period set forth in Section 3.2 of the Agreement as amended and supplemented by this Amendment.

4 . **Schedule 1.** The Allocated Purchase Price attached as Schedule 1 to the Agreement is hereby deleted in its entirety and replaced with Schedule 1 attached to this Amendment.

5 . **Full Force and Effect.** The Agreement, as modified by this Amendment, shall constitute the entire agreement of the parties with respect to the subject matter of the Agreement. The Agreement, as modified by this Amendment, shall remain unchanged and continue in full force and effect. In the event of any conflict or discrepancy between the Agreement and this Amendment, the provisions of this Amendment shall control.

6 . **Counterparts.** This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. The signatures of the parties to this Amendment may be delivered by facsimile or as an attachment to an email (e.g., as a PDF file) and such delivery is effective delivery of such facsimile or email attachment.

7 . **Binding Effect.** This Amendment shall bind and inure to the benefit of not only the parties hereto, but also their successors and assigns.

[Remainder of page intentionally blank]

*Signature page to
1st Amendment to
Contribution and Sale Agreement*

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

SELLER:

BELPRE I, LLC,

a West Virginia limited liability company

By: **MINNITE FAMILY, LLC,**
a West Virginia limited liability company,
Its Sole Member

By: /s/ Pat Minnite, Jr.
Pat Minnite, Jr.
Its: Manager

By: /s/ Karmyn M. Conley
Karmyn M. Conley
Its: Manager

By: /s/ Pat Minnite, III
Pat Minnite, III
Its: Manager

By: /s/ Jason R. Minnite
Jason R. Minnite
Its: Manager

*Signature page to
1st Amendment to
Contribution and Sale Agreement*

BELPRE II, LLC,
a West Virginia limited liability company

By: **MINNITE FAMILY, LLC,**
a West Virginia limited liability company,
Its Sole Member

By: /s/ Pat Minnite, Jr.
Pat Minnite, Jr.
Its: Manager

By: /s/ Karmyn M. Conley
Karmyn M. Conley
Its: Manager

By: /s/ Pat Minnite, III
Pat Minnite, III
Its: Manager

By: /s/ Jason R. Minnite
Jason R. Minnite
Its: Manager

*Signature page to
1st Amendment to
Contribution and Sale Agreement*

BELPRE III, LLC,
a West Virginia limited liability company

By: **MINNITE FAMILY, LLC,**
a West Virginia limited liability company,
Its Sole Member

By: /s/ Pat Minnite, Jr.
Pat Minnite, Jr.
Its: Manager

By: /s/ Karmyn M. Conley
Karmyn M. Conley
Its: Manager

By: /s/ Pat Minnite, III
Pat Minnite, III
Its: Manager

By: /s/ Jason R. Minnite
Jason R. Minnite
Its: Manager

*Signature page to
1st Amendment to
Contribution and Sale Agreement*

BELPRE IV, LLC,
a West Virginia limited liability company

By: **MINNITE FAMILY, LLC,**
a West Virginia limited liability company,
Its Sole Member

By: /s/ Pat Minnite, Jr.
Pat Minnite, Jr.
Its: Manager

By: /s/ Karmyn M. Conley
Karmyn M. Conley
Its: Manager

By: /s/ Pat Minnite, III
Pat Minnite, III
Its: Manager

By: /s/ Jason R. Minnite
Jason R. Minnite
Its: Manager

*Signature page to
1st Amendment to
Contribution and Sale Agreement*

MINNITE FAMILY, LLC,
a West Virginia limited liability company,

By: /s/ Pat Minnite, Jr.
Pat Minnite, Jr.
Its: Manager

By: /s/ Karmyn M. Conley
Karmyn M. Conley
Its: Manager

By: /s/ Pat Minnite, III
Pat Minnite, III
Its: Manager

By: /s/ Jason R. Minnite
Jason R. Minnite
Its: Manager

*Signature page to
1st Amendment to
Contribution and Sale Agreement*

BUYER:

GMR BELPRE, LLC,
a Delaware limited liability company

By: **GLOBAL MEDICAL REIT L.P.,**
a Delaware limited partnership,
its Sole Member

By: **GLOBAL MEDICAL REIT GP, LLC,**
a Delaware limited liability company,
its General Partner

By: **GLOBAL MEDICAL REIT INC.,**
a Maryland corporation,
its Sole Member

By: /s/ Robert Kiernan
Name: Robert Kiernan
Its: Chief Financial Officer

Schedule 1

ALLOCATION OF PURCHASE PRICE

BUILDING/PARCEL	PURCHASE PRICE
Minnite Family Property	\$ 100,000
Belpre I	\$ 15,400,000
Belpre II	\$ 7,650,000
Belpre III	\$ 9,900,000
Belpre IV	\$ 31,150,000
Total	\$ 64,200,000

Schedule 1
