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 September 30, 2020

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	**46-4757266**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2 Bethesda Metro Center, Suite 440 **Bethesda, MD**	**20814**
(Address of principal executive offices)	(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)

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

Title of each class:	Trading Symbol:	Name of each exchange on which registered:
Common Stock, par value $0.001 per share	GMRE	NYSE
Series A Preferred Stock, Par value $0.001 per share	GMRE PrA	NYSE

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 every Interactive Data File required to be submitted 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 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	☐	Accelerated filer	☑
Non-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 stock, as of the latest practicable date.

The number of shares of the registrant's common stock outstanding at November 1, 2020 was48,188,327.

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PART I FINANCIAL INFORMATION

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

	As of	
	September 30, 2020	December 31, 2019
Assets		
Investment in real estate:		
Land	$ 116,123	$ 95,381
Building	793,559	693,533
Site improvements	13,268	9,912
Tenant improvements	46,965	33,909
Acquired lease intangible assets	91,465	72,794
	1,061,380	905,529
Less: accumulated depreciation and amortization	(83,893)	(56,503)
Investment in real estate, net	977,487	849,026
Cash and cash equivalents	2,052	2,765
Restricted cash	5,210	4,420
Tenant receivables	6,702	4,957
Due from related parties	121	50
Escrow deposits	3,792	3,417
Deferred assets	18,928	14,512
Derivative asset	—	2,194
Goodwill	5,903	—
Other assets	5,356	3,593
Total assets	$ 1,025,551	$ 884,934
Liabilities and Equity		
Liabilities:		
Credit Facility, net of unamortized debt issuance costs of $ 3,875 and $3,832 at September 30, 2020 and December 31, 2019, respectively	$ 454,325	$ 347,518
Notes payable, net of unamortized debt issuance costs of $ 898 and $667 at September 30, 2020 and December 31, 2019, respectively	65,060	38,650
Accounts payable and accrued expenses	8,329	5,069
Dividends payable	11,843	11,091
Security deposits and other	5,571	6,351
Due to related party	—	1,648
Derivative liability	19,505	8,685
Other liability	3,090	2,405
Acquired lease intangible liability, net	8,621	3,164
Total liabilities	576,344	424,581
Commitments and Contingencies		
Equity:		
Preferred stock, $0.001 par value, 10,000 shares authorized; 3,105 issued and outstanding at September 30, 2020 and December 31, 2019, respectively (liquidation preference of $77,625 at September 30, 2020 and December 31, 2019, respectively)	74,959	74,959
Common stock, $0.001 par value, 500,000 shares authorized; 48,188 shares and 43,806 shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively	48	44
Additional paid-in capital	487,114	433,330
Accumulated deficit	(107,943)	(71,389)
Accumulated other comprehensive loss	(19,651)	(6,674)
Total Global Medical REIT Inc. stockholders' equity	434,527	430,270
Noncontrolling interest	14,680	30,083
Total equity	449,207	460,353
Total liabilities and equity	$ 1,025,551	$ 884,934

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenue				
Rental revenue	$ 25,055	$ 18,117	$ 68,623	$ 50,093
Other income	42	78	178	182
Total revenue	25,097	18,195	68,801	50,275
Expenses				
General and administrative	4,027	1,681	7,509	4,928
Operating expenses	3,619	1,362	8,256	3,826
Management fees – related party	—	1,621	4,024	4,539
Depreciation expense	6,954	5,006	19,383	13,481
Amortization expense	2,563	1,500	6,832	3,757
Interest expense	4,864	4,549	13,616	12,707
Management internalization expense	12,580	—	14,005	—
Preacquisition expense	70	168	267	224
Total expenses	34,677	15,887	73,892	43,462
Net (loss) income	$ (9,580)	$ 2,308	$ (5,091)	$ 6,813
Less: Preferred stock dividends	(1,455)	(1,455)	(4,366)	(4,366)
Less: Net loss (income) attributable to noncontrolling interest	767	(83)	647	(246)
Net (loss) income attributable to common stockholders	**$ (10,268)**	**$ 770**	**$ (8,810)**	**$ 2,201**
Net (loss) income attributable to common stockholders per share – basic and diluted	$ (0.22)	$ 0.02	$ (0.19)	$ 0.07
Weighted average shares outstanding – basic and diluted	46,908	35,512	45,503	32,514

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

GLOBAL MEDICAL REIT INC.
Condensed Consolidated Statements of Comprehensive (Loss) Income
(unaudited and in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net (loss) income	$ (9,580)	$ 2,308	$ (5,091)	$ 6,813
Other comprehensive income (loss):				
Increase (decrease) in fair value of interest rate swap agreements	2,003	(1,303)	(12,977)	(6,875)
Total other comprehensive income (loss)	2,003	(1,303)	(12,977)	(6,875)
Comprehensive (loss) income	(7,577)	1,005	(18,068)	(62)
Less: Preferred stock dividends	(1,455)	(1,455)	(4,366)	(4,366)
Less: Comprehensive loss attributable to noncontrolling interest	628	44	1,555	442
Comprehensive loss attributable to common stockholders	$ (8,404)	$ (406)	$ (20,879)	$ (3,986)

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

GLOBAL MEDICAL REIT INC.
Condensed Consolidated Statements of Equity
(unaudited and in thousands)

For the Nine Months Ended September 30, 2020:

	Common Stock		Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Global Medical REIT Inc. Stockholders' Equity	Non-controlling Interest	Total Equity
	Shares	Amount	Shares	Amount						
Balances, December 31, 2019	43,806	$ 44	3,105	$ 74,959	$ 433,330	$ (71,389)	$ (6,674)	$ 430,270	$ 30,083	$ 460,353
Net loss	—	—	—	—	—	(4,444)	—	(4,444)	(647)	(5,091)
Issuance of shares of common stock, net	3,169	3	—	—	38,234	—	—	38,237	—	38,237
LTIP Units and OP Units redeemed for common stock	1,213	1	—	—	15,550	—	—	15,551	(15,551)	—
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	(12,977)	(12,977)	—	(12,977)
Stock-based compensation expense	—	—	—	—	—	—	—	—	3,391	3,391
Dividends to common stockholders ($0.60 per share)	—	—	—	—	—	(27,744)	—	(27,744)	—	(27,744)
Dividends to preferred stockholders ($1.40625 per share)	—	—	—	—	—	(4,366)	—	(4,366)	—	(4,366)
Dividends to noncontrolling interest	—	—	—	—	—	—	—	—	(2,596)	(2,596)
Balances, September 30, 2020	48,188	$ 48	3,105	$ 74,959	$ 487,114	$ (107,943)	$ (19,651)	$ 434,527	$ 14,680	$ 449,207

For the Three Months Ended September 30, 2020:

	Common Stock		Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Global Medical REIT Inc. Stockholders' Equity	Non-controlling Interest	Total Equity
	Shares	Amount	Shares	Amount						
Balances, June 30, 2020	46,252	$ 46	3,105	$ 74,959	$ 462,607	$ (88,037)	$ (21,654)	$ 427,921	$ 14,788	$ 442,709
Net loss	—	—	—	—	—	(8,813)	—	(8,813)	(767)	(9,580)
Issuance of shares of common stock, net	1,930	2	—	—	24,431	—	—	24,433	—	24,433
LTIP Units and OP Units redeemed for common stock	6	—	—	—	76	—	—	76	(76)	—
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	2,003	2,003	—	2,003
Stock-based compensation expense	—	—	—	—	—	—	—	—	1,572	1,572
Dividends to common stockholders ($0.20 per share)	—	—	—	—	—	(9,638)	—	(9,638)	—	(9,638)
Dividends to preferred stockholders ($0.46875 per share)	—	—	—	—	—	(1,455)	—	(1,455)	—	(1,455)
Dividends to noncontrolling interest	—	—	—	—	—	—	—	—	(837)	(837)
Balances, September 30, 2020	48,188	$ 48	3,105	$ 74,959	$ 487,114	$ (107,943)	$ (19,651)	$ 434,527	$ 14,680	$ 449,207

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

GLOBAL MEDICAL REIT INC.
Condensed Consolidated Statement of Equity - *Continued*
(unaudited and in thousands)

For the Nine Months Ended September 30, 2019:

	Common Stock		Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Global Medical REIT Inc. Stockholders' Equity	Non-controlling Interest	Total Equity
	Shares	Amount	Shares	Amount						
Balances, December 31, 2018	25,944	$ 26	3,105	$ 74,959	$ 243,038	$ (45,007)	$ (3,721)	$ 269,295	$ 30,455	$ 299,750
Net income	—	—	—	—	—	6,567	—	6,567	246	6,813
Issuance of shares of common stock, net	10,284	10	—	—	96,767	—	—	96,777	—	96,777
LTIP Units and OP Units redeemed for common stock	62	—	—	—	630	—	—	630	(630)	—
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	(6,875)	(6,875)	—	(6,875)
Stock-based compensation expense	—	—	—	—	—	—	—	—	2,493	2,493
Dividends to common stockholders ($0.60 per share)	—	—	—	—	—	(21,040)	—	(21,040)	—	(21,040)
Dividends to preferred stockholders ($1.40625 per share)	—	—	—	—	—	(4,366)	—	(4,366)	—	(4,366)
Dividends to noncontrolling interest	—	—	—	—	—	—	—	—	(2,615)	(2,615)
OP Units issued to third parties	—	—	—	—	—	—	—	—	506	506
Balances, September 30, 2019	36,290	$ 36	3,105	$ 74,959	$ 340,435	$ (63,846)	$ (10,596)	$ 340,988	$ 30,455	$ 371,443

For the Three Months Ended September 30, 2019:

	Common Stock		Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Global Medical REIT Inc. Stockholders' Equity	Non-controlling Interest	Total Equity
	Shares	Amount	Shares	Amount						
Balances, June 30, 2019	34,653	$ 35	3,105	$ 74,959	$ 322,872	$ (57,397)	$ (9,293)	$ 331,176	$ 30,427	$ 361,603
Net income	—	—	—	—	—	2,225	—	2,225	83	2,308
Issuance of shares of common stock, net	1,632	1	—	—	17,509	—	—	17,510	—	17,510
LTIP Units and OP Units redeemed for common stock	5	—	—	—	54	—	—	54	(54)	—
Change in fair value of interest rate swap agreements	—	—	—	—	—	—	(1,303)	(1,303)	—	(1,303)
Stock-based compensation expense	—	—	—	—	—	—	—	—	868	868
Dividends to common stockholders ($0.20 per share)	—	—	—	—	—	(7,219)	—	(7,219)	—	(7,219)
Dividends to preferred stockholders ($0.46875 per share)	—	—	—	—	—	(1,455)	—	(1,455)	—	(1,455)
Dividends to noncontrolling interest	—	—	—	—	—	—	—	—	(869)	(869)
Balances, September 30, 2019	36,290	$ 36	3,105	$ 74,959	$ 340,435	$ (63,846)	$ (10,596)	$ 340,988	$ 30,455	$ 371,443

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

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

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Operating activities		
Net (loss) income	$ (5,091)	$ 6,813
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation expense	19,383	13,481
Amortization of acquired lease intangible assets	6,813	3,757
Amortization of above market leases, net	472	634
Amortization of debt issuance costs and other	1,030	1,000
Stock-based compensation expense	3,391	2,493
Capitalized preacquisition costs charged to expense	167	162
Reserve for uncollectible receivables	727	—
Other	45	82
Changes in operating assets and liabilities:		
Tenant receivables	(2,472)	(1,232)
Deferred assets	(4,416)	(3,955)
Other assets	(322)	(154)
Accounts payable and accrued expenses	1,169	911
Security deposits and other	(780)	2,210
Accrued management fees due to related party	(1,727)	479
Net cash provided by operating activities	18,389	26,681
Investing activities		
Purchase of land, buildings, and other tangible and intangible assets and liabilities	(136,813)	(181,440)
Internalization - cash paid for acquisition of Former Advisor, net of cash acquired of $ 559	(5,093)	—
Escrow deposits for purchase of properties	700	(897)
Loan repayments from related parties	10	—
Capital expenditures on existing real estate investments	(416)	(337)
Net cash used in investing activities	(141,612)	(182,674)
Financing activities		
Net proceeds received from common equity offerings	38,137	96,799
Escrow deposits required by third party lenders	(1,034)	(216)
Proceeds from note payable	14,800	—
Repayment of notes payable	(233)	(101)
Proceeds from Credit Facility	158,400	164,450
Repayment of Credit Facility	(51,550)	(77,500)
Payment of debt issuance costs	(1,266)	(924)
Dividends paid to common stockholders, and OP Unit and LTIP Unit holders	(29,588)	(21,167)
Dividends paid to preferred stockholders	(4,366)	(4,365)
Net cash provided by financing activities	123,300	156,976
Net increase in cash and cash equivalents and restricted cash	77	983
Cash and cash equivalents and restricted cash—beginning of period	7,185	4,843
Cash and cash equivalents and restricted cash—end of period	$ 7,262	$ 5,826
Supplemental cash flow information:		
Cash payments for interest	$ 12,339	$ 11,687
Noncash financing and investing activities:		
Accrued dividends payable	$ 11,843	$ 9,470
Interest rate swap agreements fair value change recognized in other comprehensive loss	$ 12,977	$ 6,875
OP Units and LTIP Units redeemed for common stock	$ 15,551	$ 630
CMBS loan assumed in connection with a facility acquisition	$ 12,074	$ —
Accrued common stock offering costs	$ 169	$ 22
Recognition of lease liability related to right of use asset	$ 727	$ 3,143
OP Units issued primarily for property acquisition	$ —	$ 506

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

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

Note 1 – Organization

Global Medical REIT Inc. (the "Company") is a Maryland corporation engaged primarily in the acquisition of purpose-built healthcare facilities and the leasing of those facilities to strong healthcare systems and physician groups with leading market share. The Company holds its facilities and conducts its operations through a Delaware limited partnership subsidiary named Global Medical REIT L.P. (the "Operating Partnership"). The Company serves as the sole general partner of the Operating Partnership through a wholly owned subsidiary of the Company named Global Medical REIT GP LLC, a Delaware limited liability company. As of September 30, 2020, the Company was the 93.05% limited partner of the Operating Partnership, with an aggregate of 6.95% of the Operating Partnership owned by holders of long-term incentive plan units ("LTIP Units") and third-party limited partners who contributed properties or services to the Operating Partnership in exchange for common limited partnership units ("OP Units"). As described below, until July 9, 2020, the Company was externally managed and advised by Inter-American Management LLC, a Delaware limited liability company and affiliate of the Company (the "Former Advisor").

On July 9, 2020, the Company acquired all of the outstanding shares of capital stock of Inter-American Group Holdings Inc. ("IAGH"), the parent company of the Former Advisor, for total consideration, after a working capital adjustment, of $ 17,746 (the "Internalization"). The Internalization was completed pursuant to a stock purchase agreement, dated as of July 9, 2020 (the "Stock Purchase Agreement"), by and among the Company, Zensun Enterprises Limited ("Zensun") and Mr. Jeffrey Busch. Prior to the Internalization, IAGH was owned by Zensun (85%) and Mr. Busch (15%) (collectively, the "Sellers").

A special committee (the "Special Committee") comprised entirely of independent and disinterested members of the Company's board of directors (the "Board"), after consultation with its independent legal and financial advisors, determined that the Internalization was advisable to, and in the best interests of, the Company and the Company's stockholders and recommended that the Board authorize and approve the Internalization. Upon such recommendation from the Special Committee, the Board authorized and approved the Internalization. Approval by the Company's stockholders was not required.

Upon completion of the Internalization, the employees of the Former Advisor became employees of the Company and the functions previously performed by the Former Advisor were internalized by the Company. As an internally managed company, the Company will no longer pay the Former Advisor any fees arising from the Management Agreement (as defined in Note 6 – "Related Party Transactions").

Note 2 – Summary of Significant Accounting Policies

Basis of presentation

The accompanying condensed consolidated financial statements are unaudited and include the accounts of the Company, including the Operating Partnership and its wholly owned subsidiaries. The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures required for annual consolidated financial statements have been condensed or excluded pursuant to SEC rules and regulations. Accordingly, the accompanying condensed consolidated financial statements do not include all the information and footnotes required by GAAP for complete consolidated financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2019. In the opinion of management, all adjustments of a normal and recurring nature necessary for a fair presentation of the condensed consolidated financial statements for the interim periods have been made.

Principles of Consolidation

The accompanying condensed 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 directors, officers and employees of the Company and the OP Units held by third parties. Refer to Note 5 – "Equity" and Note 7 – "Stock-Based Compensation" for additional information regarding the OP Units and LTIP Units.

The Company classifies noncontrolling interest as a component of consolidated equity on its Condensed Consolidated Balance Sheets, separate from the Company's total equity. The Company's net income or loss is allocated to noncontrolling interests based on the respective ownership percentage in the Operating Partnership associated with such noncontrolling interests and is removed from consolidated income or loss on the Condensed 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 by the total number of units and shares outstanding.

Use of Estimates

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

Investment in Real Estate

The Company determines when an acquisition meets the definition of a business or alternatively should be accounted for as an asset acquisition in accordance with Accounting Standard Codification ("ASC") Topic 805 "Business Combinations" ("ASC Topic 805"), which 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 are capitalized for asset acquisitions and expensed as incurred for business combinations. All our facility acquisitions for the nine months ended September 30, 2020 and 2019 have been accounted for as asset acquisitions because substantially all the fair value of the gross assets the Company acquired were 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 that are 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. Fair value is determined based upon the guidance of ASC Topic 820, "Fair Value Measurements and Disclosures," and generally are determined using Level 2 inputs, such as rent comparables, sales comparables, and broker indications. Although Level 3 Inputs are utilized, they are minor in comparison to the Level 2 data used for the primary assumptions. The determination of fair value involves the use of significant judgment and estimates. We make estimates to determine the fair value of the tangible and intangible assets acquired and liabilities assumed using information obtained from multiple sources, including preacquisition due diligence, and we routinely utilize the assistance of a third-party appraiser.

Revenue Recognition

The Company's operations primarily consist of rental revenue earned from tenants under leasing arrangements which provide for minimum rent and escalations. The leases have been accounted for as operating leases. For operating leases with contingent rental escalators, revenue is recorded based on the contractual cash rental payments due during the period. Revenue from leases with fixed annual rental escalators are recognized on a straight-line basis over the initial lease term, subject to a collectability assessment, with the difference between the contractual rental receipts and the straight-line amounts recorded as a "deferred rent receivable." Additionally, the Company recognizes "expense recoveries" revenue, which represents revenue recognized related to tenant reimbursement of real estate taxes, insurance, and certain other operating expenses ("tenant reimbursements"). The Company recognizes these reimbursements and related expenses on a gross basis in its Condensed Consolidated Statements of Operations.

Cash and Cash Equivalents and Restricted Cash

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 related to tenant reimbursements. 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 Condensed Consolidated Statements of Cash Flows:

	As of September 30,	
	2020	2019
Cash and cash equivalents	$ 2,052	$ 2,815
Restricted cash	5,210	3,011
Total cash and cash equivalents and restricted cash	$ 7,262	$ 5,826

Tenant Receivables

The tenant receivable balance as of September 30, 2020 and December 31, 2019 was $6,702 and $4,957, respectively. The balance as of September 30, 2020 consisted of $2,573 in funds owed from the Company's tenants for rent that the Company had earned but had not yet received, $1,211 of loans that were made to two of the Company's tenants, and $2,918 of tenant reimbursements. The balance as of December 31, 2019 consisted of $1,428 in funds owed from the Company's tenants for rent that the Company had earned but had not yet received, $1,062 of loans that were made to two of the Company's tenants, $2,342 of tenant reimbursements, as well as $125 in miscellaneous receivables.

The Company adopted the provisions of ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326)" ("ASU 2016-03") effective January 1, 2020. Receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of these receivables should be accounted for in accordance with ASC Topic 842 "Leases" ("ASC Topic 842"). The adoption of ASU 2016-03 did not have a material impact on the Company's condensed consolidated financial statements or related disclosures.

The Company assesses the likelihood of losses resulting from tenant defaults, or the inability of tenants to make contractual rent and tenant recovery payments at each reporting date. The Company also monitors the liquidity and creditworthiness of its tenants and operators on a continuous basis. If the likelihood of a tenant paying its lease payments is determined to no longer be probable, all tenant receivables, including deferred rent, are written off against revenue and any future revenue for that tenant is recognized only upon receipt of cash. In addition, a portfolio level reserve is established on those leases that are probable of collection to ensure that the tenant lease receivables are not overstated.

Escrow Deposits

The escrow balance as of September 30, 2020 and December 31, 2019 was $3,792 and $3,417, 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 and the Dumfries Loan, as hereinafter defined.

Deferred Assets

The deferred assets balance as of September 30, 2020 and December 31, 2019 was $18,928 and $14,512, respectively. The balance as of September 30, 2020 consisted of $18,848 in deferred rent receivables resulting from the recognition of revenue from leases with fixed annual rental escalations on a straight-line basis and $80 of other deferred costs. The balance as of December 31, 2019 consisted of $14,204 in deferred rent receivables resulting from the recognition of revenue from leases with fixed annual rental escalations on a straight-line basis and $308 of other deferred costs.

Other Assets

The other assets balance as of September 30, 2020 and December 31, 2019 was $5,356 and $3,593, respectively. The balance as of September 30, 2020 consisted of $3,669 for a right of use asset (refer to Note 8 – "Leases" for additional details), $669 in capitalized preacquisition costs, $661 in prepaid assets, and $357 for net capitalized software costs and miscellaneous assets. The balance as of December 31, 2019 consisted of $3,077 for a right of use asset, $223 in capitalized preacquisition costs, and $293 in a prepaid asset.

Security Deposits and Other

The security deposits and other liability balance as of September 30, 2020 and December 31, 2019 was $5,571 and $6,351, respectively. The balance as of September 30, 2020 consisted of security deposits of $4,066 and a tenant impound liability of $1,505 related to amounts owed for specific tenant expenses, such as real estate taxes and insurance. The balance as of December 31, 2019 consisted of security deposits of $4,968 and a tenant impound liability of $1,383 related to amounts owed for specific tenant expenses, such as real estate taxes and insurance.

Derivative Instruments - Interest Rate Swaps

As of September 30, 2020 and December 31, 2019, the Company's liability balance related to interest rate swap derivative instruments that were designated as cash flow hedges of interest rate risk was $19,505 and $6,491, respectively. In accordance with the Company's risk management strategy, the purpose of the interest rate swaps is to manage interest rate risk for certain of the Company's variable-rate debt. The interest rate swaps involve the Company's receipt of variable-rate amounts from three counterparties in exchange for the Company making fixed-rate payments over the life of the agreement. The Company accounts for derivative instruments in accordance with the provisions of ASC Topic 815, "Derivatives and Hedging." Refer to Note 4 – "Credit Facility, Notes Payable and Derivative Instruments" for additional details.

Management Internalization Expense

As described in Note 1 – "Organization," the Internalization transaction closed on July 9, 2020. The total amount of consideration for the Internalization, after a working capital adjustment, was $17,746.

In accordance with ASC Topic 805, the portion of the consideration paid for the Internalization that was attributed to the settlement of a preexisting contractual relationship (the Management Agreement) of $12,094 was recognized as "Management Internalization Expense" in the accompanying Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2020 and the $5,903 of excess consideration paid over the fair value of underlying identifiable net liabilities of the business acquired of $251 was recorded as "Goodwill" in the accompanying Condensed Consolidated Balance Sheets. The Company also incurred $486 and $1,911 of expense related to the Internalization for the three and nine months ended September 30, 2020, respectively, which are also included in the "Management Internalization Expense" line item for the three and nine months ended September 30, 2020. The Company's Condensed Consolidated Statement of Operations for the nine months ended September 30, 2020, includes no revenue and $1,666 of net loss related to the operations of the business acquired subsequent to its acquisition.

The table below presents the unaudited revenue and net income attributable to common stockholders on a pro forma basis as if the transaction occurred on January 1, 2019. Pro forma net income attributable to common stockholders for the nine months ended September 30, 2020, excludes non-recurring expenses incurred related to the settlement of the preexisting contractual agreement of $12,094, and other Internalization expenses, and includes compensation expense for the employees that were previously employed by the Former Advisor. The pro forma results are not necessarily indicative of the results that would have occurred if the business combination had occurred on the first day of the periods presented, nor does the pro forma information purport to represent the results of operations for future periods.

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
	(unaudited, in thousands)	
Pro forma total revenue	$ 68,801	$ 50,275
Pro forma net income attributable to common stockholders	$ 4,469	$ 3,080

Goodwill

Goodwill represents the excess of consideration paid over the fair value of underlying identifiable net assets of businesses acquired. During the three months ended September 30, 2020, the Company recorded $5,903 of Goodwill related to the Internalization. Goodwill has an indeterminate life and is not amortized, but is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company has one reporting unit. The following table summarizes the consideration paid, the fair value of the assets and liabilities assumed, and the resulting Goodwill balance:

Total consideration paid	$ 17,746
Internalization expense - settlement of a preexisting contractual relationship	12,094
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Cash	559
Software intangible	263
Fixed assets	87
Prepaids and other assets	101
Accrued wages and expenses	(883)
Income tax liability	(378)
Total identifiable net liabilities	(251)
Goodwill	$ 5,903

The amount attributable to the settlement of a preexisting contractual relationship was based on the fair value of the Management Agreement. The fair value was determined using the multi-period excess earnings method ("MPEEM"), a form of the income approach. The MPEEM is based on the principle that the value of an intangible asset is equal to the present value of the incremental after-tax cash flows attributable only to that asset. To quantify the cash flows attributable solely to the subject intangible asset, contributory asset charges are typically applied to account for the use of and/or required return on these assets. In applying the MPEEM, the earnings expected to be generated by the Management Agreement were forecasted over the estimated duration of the intangible asset. The earnings were then adjusted by taxes and the required return for the use of the contributory assets. The after-tax excess cash flows were then present valued to estimate the value of the Management Agreement as of July 9, 2020.

Cash paid for the acquisition of the Former Advisor, after consideration of the settlement of preexisting contractual relationship of $12,094 and net of cash acquired of $559 was $5,093 and is included as an "Investing" activity in the Company's Condensed Consolidated Statement of Cash Flows for the nine months ended September 30, 2020.

Recent Accounting Pronouncements

Lease Modifications

Due to the business disruptions and challenges severely affecting the global economy caused by the COVID-19 pandemic, many lessors may be required to provide rent deferrals and other lease concessions to lessees. While the lease modification guidance in ASC Topic 842 addresses routine changes to lease terms resulting from negotiations between the lessee and the lessor, this guidance did not contemplate concessions being so rapidly executed to address the sudden liquidity constraints of some lessees arising from the COVID-19 pandemic. In April 2020, the Financial Accounting Standards Board ("FASB") staff issued a question and answer document (the "Lease Modification Q&A") focused on the application of lease accounting guidance to lease concessions provided as a result of the COVID-19 pandemic. Under existing lease guidance, the Company would have to determine, on a lease-by-lease basis, if a lease concession was the result of a new arrangement reached with the tenant (treated within the lease modification accounting framework) or if a lease concession was under the enforceable rights and obligations within the existing lease agreement (precluded from applying the lease modification accounting framework). The Lease Modification Q&A allows the Company, if certain criteria have been met, to bypass the lease-by-lease analysis, and instead elect to either apply the lease modification accounting framework or not, with such election applied consistently to leases with similar characteristics and similar circumstances. The Company has elected to apply such relief and will avail itself of the election to avoid performing a lease-by-lease analysis for the lease concessions that were (1) granted as relief due to the COVID-19 pandemic and (2) result in the cash flows remaining substantially the same or less. The Lease Modification Q&A has no material impact on the Company's condensed consolidated financial statements as of and for the three and nine months ended September 30, 2020. However, its future impact on the Company is dependent upon the extent of lease concessions granted to tenants as a result of the COVID-19 pandemic in future periods and the elections made by the Company at the time of entering such concessions.

Reference Rate Reform

During the nine months ended September 30, 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04, Reference Rate Reform (Topic 848) ("ASU 2020-04"). ASU 2020-04 contains practical expedients for reference rate reform-related activities that impact debt, leases, derivatives and other contracts. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. During the nine months ended September 30, 2020, the Company has elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. The Company continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

Note 3 – Property Portfolio

Summary of Properties Acquired During the Nine Months Ended September 30, 2020

During the nine months ended September 30, 2020 the Company completed 10 acquisitions. For each acquisition, substantially all the fair value was concentrated in a single identifiable asset or group of similar identifiable assets and, therefore, each acquisition represents an asset acquisition. Accordingly, transaction costs for these acquisitions were capitalized.

A rollforward of the gross investment in land, building, improvements, and acquired lease intangible assets as of September 30, 2020 resulting from these acquisitions is as follows:

	Land	Building	Site Improvements	Tenant Improvements	Acquired Lease Intangible Assets	Gross Investment in Real Estate
Balances as of December 31, 2019	$ 95,381	$ 693,533	$ 9,912	$ 33,909	$ 72,794	$ 905,529
Facility Acquired – Date Acquired:						
High Point – 2/13/20	1,749	20,367	440	869	1,656	25,081
Clinton – 2/27/20	664	6,551	342	1,578	2,484	11,619
West Allis – 3/4/20	974	7,687	137	98	461	9,357
Grand Rapids – 3/20/20	2,947	17,341	470	450	1,582	22,790
Dumfries – 4/27/20	2,597	10,047	289	4,815	4,292	22,040
Centerville – 7/16/20	—	4,202	160	208	501	5,071
Fairfax – 7/17/20	6,731	6,642	381	2,979	3,012	19,745
Rosedale – 7/31/20	2,856	16,204	567	1,443	2,821	23,891
Lancaster – 9/18/20	696	4,269	110	116	1,114	6,305
Winston-Salem – 9/30/20	1,524	6,407	254	307	748	9,240
Capitalized costs(1)	4	309	206	193	—	712
Total Additions:	20,742	100,026	3,356	13,056	18,671	155,851
Balances as of September 30, 2020	$ 116,123	$ 793,559	$ 13,268	$ 46,965	$ 91,465	$ 1,061,380

(1) Represents capital projects that were completed and placed in service during the nine months ended September 30, 2020 related to the Company's existing facilities.

Depreciation expense was $6,954 and $19,383 for the three and nine months ended September 30, 2020, respectively, and $5,006 and $13,481 for the three and nine months ended September 30, 2019, respectively.

As of September 30, 2020, the Company had aggregate capital improvement commitments and obligations to improve, expand, and maintain the Company's existing facilities of approximately $20,164. Many of these amounts are subject to contingencies that make it difficult to predict when they will be utilized, if at all. In accordance with the terms of the Company's leases, capital improvement obligations in the next twelve months could total up to approximately $9,233.

The following is a summary of the acquisitions completed during the nine months ended September 30, 2020.

High Point Facility

On February 13, 2020, the Company purchased a medical office building located in High Point, North Carolina (the "High Point Facility") for a purchase price of approximately $25.1 million. Upon closing, the Company assumed the existing lease of the High Point Facility with Wake Forest Health Network, LLC, as tenant. At acquisition, the lease had approximately three years remaining in the current term, exclusive of a tenant renewal option. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	2,189
Building and tenant improvements		21,236
In-place leases		1,207
Leasing costs		449
Total purchase price	$	25,081

Clinton Facility

On February 27, 2020, the Company purchased a medical office building located in Clinton, Iowa (the "Clinton Facility") for a purchase price of approximately $11.6 million. Upon closing, the Company assumed the existing lease of the Clinton Facility with MercyOne Clinton Medical Center, as tenant. At acquisition, the lease had approximately four years remaining in the initial term, exclusive of a tenant renewal option. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	1,006
Building and tenant improvements		8,129
In-place leases		2,115
Leasing costs		369
Total purchase price	$	11,619

West Allis Facility

On March 4, 2020, the Company purchased a medical office building located in West Allis, Wisconsin (the "West Allis Facility") for a purchase price of approximately $9.1 million. Upon closing, the Company assumed the existing lease of the West Allis Facility with Ascension Columbia St. Mary's Hospital Milwaukee, as tenant. At acquisition, the lease had approximately four years remaining in the initial term, exclusive of renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	1,111
Building and tenant improvements		7,785
In-place leases		263
Leasing costs		198
Below-market lease intangibles		(264)
Total purchase price	$	9,093

Grand Rapids Facilities

On March 20, 2020, the Company purchased a four-building medical office portfolio located in the greater Grand Rapids, Michigan area (the "Grand Rapids Facilities") for a total purchase price of approximately $22.7 million. Upon closing, the Company assumed 11 existing leases at the Grand Rapids Facilities (the "Grand Rapids Leases"). At acquisition, the Grand Rapids Leases had a weighted-average remaining term of five years, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	3,417
Building and tenant improvements		17,791
In-place leases		761
Above-market lease intangibles		685

Leasing costs		136
Below-market lease intangibles		(125)
Total purchase price	$	22,665

Dumfries Facility

On April 27, 2020, the Company purchased a medical office building located in Dumfries, Virginia (the "Dumfries Facility") for a purchase price of approximately $19.6 million. Upon closing, the Company assumed the existing lease of the Dumfries Facility with Spectrum Healthcare Resources, Inc., as tenant. At acquisition, the lease had approximately nine and a half years left in the initial term, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	2,886
Building and tenant improvements		14,862
In-place leases		3,255
Leasing costs		1,037
Below-market lease intangibles		(2,419)
Total purchase price	$	19,621

In connection with this acquisition, the Company assumed an existing $12.1 million commercial mortgage-backed securities ("CMBS") loan with an interest rate of 4.68% and a term of four years.

Centerville Facility

On July 16, 2020, the Company purchased a medical office building located in Centerville, Iowa (the "Centerville Facility") and the seller's interest, as ground lessee, in an existing ground lease, for a purchase price of approximately $5.1 million. The ground lease has a remaining term of approximately 49 years. Upon closing, the Company assumed the existing lease of the Centerville Facility with Mercy Medical Center-Centerville One St. Joseph Drive, as tenant. At acquisition, the lease had approximately 10.5 years remaining in the initial term, exclusive of renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	160
Building and tenant improvements		4,410
In-place leases		216
Leasing costs		285
Total purchase price	$	5,071

Fairfax Facility

On July 17, 2020, the Company purchased a medical office building located in Fairfax, Virginia (the "Fairfax Facility") for a purchase price of approximately $17.9 million. Upon closing, the Company assumed the existing lease of the Fairfax Facility with Spectrum Healthcare Resources, Inc., as tenant. At acquisition, the lease had approximately 9.1 years remaining in the initial term, exclusive of renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	7,112
Building and tenant improvements		9,621
In-place leases		2,314
Leasing costs		698
Below-market lease intangibles		(1,866)
Total purchase price	$	17,879

Rosedale Facilities

On July 31, 2020, the Company purchased certain condominium units within a medical office building and a medical office building, both located in Rosedale, Maryland (the "Rosedale Facilities") for a total purchase price of approximately $23.1 million. Upon closing, the Company assumed eight leases with six tenants at the Rosedale Facilities (the "Rosedale Leases"). At acquisition, the Rosedale Leases had a weighted-average remaining lease term of approximately 6.6 years, exclusive of renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	3,423
Building and tenant improvements		17,647
In-place leases		1,063
Leasing costs		892
Above-market lease intangibles		866
Below-market lease intangibles		(785)
Total purchase price	$	23,106

In connection with this acquisition, the Company entered into a third-party loan in the amount of $14.8 million with an annual interest rate of 3.85% and a term of five years.

Lancaster Facility

On September 18, 2020, the Company purchased a medical office building located in Lancaster, Texas (the "Lancaster Facility") for a purchase price of approximately $6.3 million. Upon closing, the Company assumed the existing lease at the Lancaster Facility with Biomat USA, Inc., as tenant. At acquisition, the lease had approximately eight and a half years left in the initial term, exclusive of a tenant renewal option. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	806
Building and tenant improvements		4,385
In-place leases		244
Leasing costs		283
Above-market lease intangibles		587
Total purchase price	$	6,305

Winston-Salem Facility

On September 30, 2020, the Company purchased a medical office building located in Winston-Salem, North Carolina (the "Winston-Salem Facility") for a total purchase price of approximately $8.5 million. Upon closing, the Company assumed five existing leases at the Winston-Salem Facility (the "Winston-Salem Leases"). At acquisition, the Winston-Salem Leases had a weighted-average remaining term of approximately four years, exclusive of a tenant renewal option. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	1,778
Building and tenant improvements		6,714
In-place leases		581
Leasing costs		167
Below-market lease intangibles		(725)
Total purchase price	$	8,515

Summary of Properties Acquired During the Year Ended December 31, 2019

During the year ended December 31, 2019 the Company completed 18 acquisitions. For each acquisition, substantially all of the fair value was concentrated in a single identifiable asset or group of similar identifiable assets and, therefore, each acquisition represents an asset acquisition. Accordingly, transaction costs for these acquisitions were capitalized.

A rollforward of the gross investment in land, building, improvements, and acquired lease intangible assets as of December 31, 2019 resulting from these acquisitions is as follows:

	Land	Building	Site Improvements	Tenant Improvements	Acquired Lease Intangible Assets	Gross Investment in Real Estate
Balances as of December 31, 2018	$ 63,710	$ 518,451	$ 6,880	$ 15,357	$ 43,152	$ 647,550
Facility Acquired – Date Acquired:						
Zachary – 2/28/19	—	3,336	103	409	835	4,683
Gilbert and Chandler – 3/19/19	4,616	11,643	—	—	—	16,259
Las Vegas – 4/15/19	2,479	15,277	244	2,205	2,297	22,502
Oklahoma Northwest – 4/15/19	2,364	19,501	143	3,044	3,155	28,207
Mishawaka – 4/15/19	1,924	10,084	74	1,798	2,223	16,103
Surprise – 4/15/19	1,738	18,737	228	4,119	3,860	28,682
San Marcos – 7/12/19	2,322	6,934	126	404	2,188	11,974
Lansing – 8/1/19	1,202	7,681	185	667	1,633	11,368
Bannockburn – 8/5/19	763	3,566	132	1,134	1,382	6,977
Aurora – 8/6/19	1,521	7,446	308	603	2,679	12,557
Livonia – 8/14/19	980	7,629	201	442	1,340	10,592
Gilbert – 8/23/19	2,408	2,027	62	362	733	5,592
Morgantown – 9/26/19	883	5,286	373	506	902	7,950
Beaumont – 10/1/19	3,022	24,836	399	1,036	4,446	33,739
Bastrop – 10/25/19	1,975	8,436	64	276	1,314	12,065
Panama City – 10/31/19	1,559	8,682	220	1,036	1,479	12,976
Jacksonville – 11/15/19	1,023	7,846	—	—	—	8,869
Greenwood – 12/17/19	892	4,956	—	—	—	5,848
ASC Topic 842 Reclassification	—	—	—	—	(824)	(824)
Capitalized costs[(1)]	—	1,179	170	511	—	1,860
Total Additions:	31,671	175,082	3,032	18,552	29,642	257,979
Balances as of December 31, 2019	$ 95,381	$ 693,533	$ 9,912	$ 33,909	$ 72,794	$ 905,529

(1) Represents capital projects that were completed and placed in service during the year ended December 31, 2019 related to the Company's existing facilities.

The following is a summary of the acquisitions completed during the year ended December 31, 2019.

Zachary Facility

On February 28, 2019, the Company assumed the following leasehold interests in the real property located in Zachary, Louisiana for a purchase price of approximately $4.6 million: (i) the interest, as ground lessee, in an existing ground lease of the facility, with approximately46 years remaining in the initial term with no extension options; and (ii) the interest, as landlord, in an existing lease of the facility with LTAC Hospital of Feliciana, LLC, as tenant. At acquisition, the lease had approximately 16 years remaining in the initial term, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$ 103
Building and tenant improvements	3,745
In-place leases	305
Above-market lease intangibles	117
Leasing costs	413
Below-market lease intangibles	(34)
Total purchase price	$ 4,649

Gilbert and Chandler Facilities

On March 19, 2019, the Company purchased the following facilities located in Gilbert, Arizona and Chandler, Arizona for a total purchase price of approximately $16.3 million: (i) two medical office buildings located in Gilbert, Arizona and (ii) two medical office suites located in Chandler, Arizona (collectively, the “Gilbert and Chandler Facilities”). Upon the closing of the acquisition, the Company assumed the seller’s interest, as lessor, in two existing leases and entered into three new leases, as lessor, at the Gilbert and Chandler Facilities. At acquisition, the Gilbert and Chandler leases had a weighted average remaining lease term of 10.5 years, exclusive of tenant renewal options.

IRF Portfolio

On April 15, 2019, the Company purchased four in-patient rehabilitation facilities located in Las Vegas, Nevada; Surprise, Arizona; Oklahoma City, Oklahoma; and Mishawaka, Indiana (collectively, the “IRF Portfolio”) for a total purchase price of approximately $ 94.6 million. Upon the closing of the acquisition, the Company assumed the sellers’ interest, as lessor, in four existing leases at the properties (collectively, the “IRF Portfolio Leases”) with (i) Encompass Health (Las Vegas, Nevada facility); (ii) a joint venture between Cobalt Rehabilitation and Tenet Healthcare (the Surprise, Arizona facility); (iii) a joint venture between Mercy Health and Kindred Healthcare (the Oklahoma City, Oklahoma facility); and (iv) St. Joseph’s Health System (the Mishawaka, Indiana facility). At acquisition, the IRF Portfolio leases had a weighted average remaining lease term of approximately 8.3 years, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

	Las Vegas	Surprise	Oklahoma City	Mishawaka
Land and site improvements	$ 2,723	$ 1,966	$ 2,507	$ 1,998
Building and tenant improvements	17,482	22,856	22,545	11,882
In-place leases	1,778	1,845	1,890	1,465
Above-market lease intangibles	—	938	367	236
Leasing costs	519	1,077	898	522
Below-market lease intangibles	(863)	—	—	—
Total purchase price	$ 21,639	$ 28,682	$ 28,207	$ 16,103

San Marcos Facility

On July 12, 2019, the Company purchased a medical office building located in San Marcos, California (the “San Marcos Facility”) for a purchase price of approximately $12.0 million. Upon closing, the Company assumed the existing lease of the San Marcos Facility with California Cancer Associates for Research and Excellence, Inc., as tenant. At acquisition, the lease had eight years remaining in the initial term, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$ 2,448
Building and tenant improvements	7,338
In-place leases	698
Above-market lease intangibles	1,101
Leasing costs	389
Total purchase price	$ 11,974

Lansing Facilities

On August 1, 2019, the Company purchased the following real property and buildings thereon located in Lansing, Michigan for a total purchase price of approximately $11.1 million: (i) 3390 East Jolly Road; (ii) 3955 Patient Care Drive; and (iii) 3400 East Jolly Road (collectively, the "Lansing Facilities"). Upon closing, the Company assumed sellers' interest, as lessor, in four existing leases and entered into two new leases at the Lansing Facilities (the "Lansing Leases"). At acquisition, the Lansing Leases had a weighted-average remaining term of 8.5 years, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	1,387
Building and tenant improvements		8,348
In-place leases		953
Above-market lease intangibles		130
Leasing costs		550
Below-market lease intangibles		(248)
Total purchase price	$	11,120

Bannockburn Facility

On August 5, 2019, the Company purchased an office building located in Bannockburn, Illinois (the "Bannockburn Facility") for a purchase price of approximately $6.8 million. Upon closing, the Company assumed seller's interest, as lessor, in 14 existing leases at the Bannockburn Facility (the "Bannockburn Leases"). At acquisition, the Bannockburn Leases had a weighted-average remaining term of 6.3 years, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	895
Building and tenant improvements		4,700
In-place leases		796
Above-market lease intangibles		250
Leasing costs		336
Below-market lease intangibles		(144)
Total purchase price	$	6,833

Aurora Facility

On August 6, 2019, the Company purchased a medical office building located in Aurora, Illinois (the "Aurora Facility") for a purchase price of approximately $12.6 million. Upon closing, the Company assumed the existing lease of the Aurora Facility with Dreyer Clinic Inc., as tenant (the "Dreyer Lease"). At acquisition, the Dreyer Lease had approximately six years remaining in the initial term, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	1,829
Building and tenant improvements		8,049
In-place leases		1,417
Above-market lease intangibles		861
Leasing costs		401
Total purchase price	$	12,557

Livonia Facility

On August 14, 2019, the Company purchased a medical office building located in Livonia, Michigan (the “Livonia Facility”) for a purchase price of approximately $10.4 million. Upon closing, the Company assumed 10 existing leases at the Livonia Facility (the “Livonia Leases”). At acquisition, the Livonia Leases had a weighted-average remaining term of 3.2 years, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	1,181
Building and tenant improvements		8,071
In-place leases		1,252
Above-market lease intangibles		53
Leasing costs		35
Below-market lease intangibles		(236)
Total purchase price	$	10,356

Gilbert Facility

On August 23, 2019, the Company purchased certain condominium units within two medical office buildings located in Gilbert, Arizona (the “Gilbert Facility”) for a total purchase price of approximately $5.6 million. Upon closing, the Company leased the Gilbert Facility to Covenant Surgical Partners, Inc., a Delaware corporation (the “Covenant Lease”). At acquisition, the Covenant Lease had approximately 10 years remaining in the initial term, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	2,470
Building and tenant improvements		2,389
In-place leases		121
Above-market lease intangibles		300
Leasing costs		312
Total purchase price	$	5,592

Morgantown Facility

On September 26, 2019, the Company purchased a parcel of land and an office building that is being constructed thereon located in Morgantown, West Virginia (the “Morgantown Facility”) for a total purchase price of approximately $8.0 million. Upon closing, the Company assumed the existing lease of the Morgantown Facility with Urgent Care MSO, LLC, as tenant (the “Urgent Care Lease”). At acquisition, the Urgent Care Lease had approximately ten years remaining in the initial term, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$	1,256
Building and tenant improvements		5,792
In-place leases		457
Leasing costs		445
Total purchase price	$	7,950

Beaumont Facility

On October 1, 2019, the Company purchased a medical office building located in Beaumont, Texas (the "Beaumont Facility") for a total purchase price of approximately $33.7 million. Upon closing, the Company assumed the existing lease of the Beaumont Facility with The Medical Center of Southeast Texas, LP, as tenant (the "Medical Center Lease"). At acquisition, the Medical Center Lease had 10 years remaining in the initial term, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$ 3,421
Building and tenant improvements	25,872
In-place leases	3,304
Leasing costs	1,142
Total purchase price	$ 33,739

Bastrop Facility

On October 25, 2019, the Company purchased a medical emergency center located in Bastrop, Texas (the "Bastrop Facility") for a total purchase price of approximately $12.1 million. Upon closing, the Company assumed the existing lease of the Bastrop Facility with St. David's Healthcare Partnership, L.P., LLP, as tenant (the "St. David's Lease"). At acquisition, the St. David's Lease had approximately five years remaining in the initial term, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$ 2,039
Building and tenant improvements	8,712
In-place leases	990
Leasing costs	324
Total purchase price	$ 12,065

Panama City Facilities

On October 31, 2019, the Company purchased: (i) a medical office building located in Panama City, Florida (the "Panama City Facility"); (ii) a medical office building located in Panama City Beach, Florida (the "PCB Facility"); and (iii) a medical office building located in Chipley, Florida (the "Chipley Facility") for a total purchase price of approximately $13.0 million. Upon closing, the Company assumed the existing leases with SCP Eye Care Services, LLC, as tenant (the "SCP Leases"), at the Panama City Facility, the PCB Facility and the Chipley Facility. At acquisition, the SCP Leases had approximately 15 years remaining in the initial term, exclusive of tenant renewal options. The following table presents the details of the tangible and intangible assets acquired and liabilities assumed:

Land and site improvements	$ 1,779
Building and tenant improvements	9,718
In-place leases	405
Leasing costs	1,074
Total purchase price	$ 12,976

Jacksonville Facilities

On November 15, 2019, the Company purchased a condominium unit located in Ponte Vedra, Florida (the "Ponte Vedra Facility") and a medical office building located in Jacksonville, Florida (the "Riverside Facility") for a total purchase price of approximately $8.9 million. Upon closing, the Company entered into new leases of the Ponte Vedra Facility and the Riverside Facility to Southeast Orthopedic Specialists, Inc., as tenant, with each lease having an initial term of 15 years, exclusive of tenant renewal options. The following table presents the details of the tangible assets acquired:

Land and site improvements	$ 1,023
Building and tenant improvements	7,846
Total purchase price	$ 8,869

Greenwood Facility

On December 17, 2019, the Company purchased a medical office building located in Greenwood, Indiana (the "Greenwood Facility") for a purchase price of approximately $5.8 million. Upon closing, the Company assumed the existing leases of the Greenwood Facility with (i) Indiana Eye Clinic, LLC, as tenant, (ii) Glasshouse Optical, Inc., as tenant, and (iii) The Ambulatory Surgery Center at the Indiana Eye Clinic, LLC, as tenant. At acquisition, each lease had approximately 13 years remaining in the initial terms, exclusive of tenant renewal options. The following table presents the details of the tangible assets acquired:

Land and site improvements	$ 892
Building and tenant improvements	4,956
Total purchase price	$ 5,848

Intangible Assets and Liabilities

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

	As of September 30, 2020		
	Cost	Accumulated Amortization	Net
Assets			
In-place leases	$ 51,451	$ (12,647)	$ 38,804
Above market leases	14,384	(3,565)	10,819
Leasing costs	25,630	(5,475)	20,155
	$ 91,465	$ (21,687)	$ 69,778
Liability			
Below market leases	$ 10,045	$ (1,424)	$ 8,621

	As of December 31, 2019		
	Cost	Accumulated Amortization	Net
Assets			
In-place leases	$ 39,429	$ (7,851)	$ 31,578
Above market leases	12,246	(2,366)	9,880
Leasing costs	21,119	(3,458)	17,661
	$ 72,794	$ (13,675)	$ 59,119
Liability			
Below market leases	$ 3,861	$ (697)	$ 3,164

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Amortization expense related to in-place leases	$ 1,800	$ 1,033	$ 4,796	$ 2,562
Amortization expense related to leasing costs	$ 744	$ 467	$ 2,017	$ 1,195
Decrease in rental revenue related to above market leases	$ 421	$ 343	$ 1,199	$ 895
Increase in rental revenue related to below market leases	$ 352	$ 114	$ 727	$ 261

As of September 30, 2020, scheduled future aggregate net amortization of the acquired lease intangible assets and liabilities for each year ended December 31 is listed below:

	Net (Decrease) Increase in Revenue	Net Increase in Expenses
2020 (three months remaining)	$ (22)	$ 2,644
2021	(91)	9,970
2022	(107)	9,554
2023	(145)	8,633
2024	51	7,343
Thereafter	(1,884)	20,815
Total	$ (2,198)	$ 58,959

As of September 30, 2020, the weighted average amortization periods for asset lease intangibles and liability lease intangibles were5.5 years and 5.1.years, respectively.

Note 4 – Credit Facility, Notes Payable and Derivative Instruments

Credit Facility

The Company, the Operating Partnership, as borrower, and certain of its subsidiaries (such subsidiaries, the “Subsidiary Guarantors”) are parties to a $600 million syndicated credit facility with BMO Harris Bank N.A. (“BMO”), as administrative agent (the “Credit Facility”). The Credit Facility consists of a $350 million term-loan component (the “Term Loan”) and a $250 million revolver component (the “Revolver”). The Credit Facility also contains a $50 million accordion. The term of the Company’s Credit Facility expires in August 2022, subject to a one-year extension option. Amounts outstanding under the Credit Facility bear interest at a floating rate that is based on LIBOR plus a specified margin based on the Company’s leverage.

The Subsidiary Guarantors and the Company are guarantors of the obligations under the Credit Facility. The amount available to borrow from time to time under the Credit Facility is limited according to a quarterly borrowing base valuation of certain properties owned by the Subsidiary Guarantors.

The Operating Partnership is subject to a number of financial covenants under its Credit Facility, including, among other things, (i) a maximum consolidated leverage ratio as of the end of each fiscal quarter of less than 0.60:1.00, (ii) a minimum fixed charge coverage ratio of 1.50:1.00, (iii) a minimum net worth of $203.8 million plus 75% of all net proceeds raised through equity offerings subsequent to March 31, 2018 and (iv) a ratio of total secured recourse debt to total asset value of not greater than 0.10:1.00. Additionally, beginning at the end of fourth quarter of 2020, the Company’s distributions to common stockholders will be limited to an amount equal to 95% of its AFFO. As of September 30, 2020, the Company was in compliance with all of the financial and non-financial covenants contained in the Credit Facility.

During the nine months ended September 30, 2020, the Company borrowed $158,400 under the Credit Facility and repaid $51,550, for a net amount borrowed of $106,850. During the nine months ended September 30, 2019, the Company borrowed $164,450 under the Credit Facility and repaid $77,500 for a net amount borrowed of $86,950. Interest expense incurred on the Credit Facility was $3,743 and $10,805, for the three and nine months ended September 30, 2020, respectively, and $3,716 and $10,268 for the three and nine months ended September 30, 2019, respectively.

As of September 30, 2020 and December 31, 2019, the Company had the following outstanding borrowings under the Credit Facility:

	September 30, 2020	December 31, 2019
Revolver	$ 108,200	$ 51,350
Term Loan	350,000	300,000
Less: Unamortized debt issuance costs	(3,875)	(3,832)
Credit Facility, net	$ 454,325	$ 347,518

Costs incurred related to the Credit Facility, net of accumulated amortization, are netted against the Company's "Credit Facility, net of unamortized debt issuance costs" balance in the accompanying Condensed Consolidated Balance Sheets. The Company paid $925 and $924 related to modifications to the Credit Facility as well as fees related to adding properties to the borrowing base during the nine months ended September 30, 2020 and 2019, respectively. Amortization expense incurred was $341 and $882 for the three and nine months ended September 30, 2020, respectively, and $303 and $863 for the three and nine months ended September 30, 2019, respectively, and is included in the "Interest Expense" line item in the accompanying Condensed Consolidated Statements of Operations.

In July 2017, the Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced its intention to stop compelling banks to submit rates for the calculation of LIBOR after 2021. As a result, the Federal Reserve Board and the Federal Reserve Bank of New York organized the Alternative Reference Rates Committee (the "ARRC"), which identified the Secured Overnight Financing Rate (the "SOFR") as its preferred alternative to USD-LIBOR in derivatives and other financial contracts. The Credit Facility provides that, on or about the LIBOR cessation date (subject to an early opt-in election), LIBOR shall be replaced as a benchmark rate in the Credit Facility with a new benchmark rate to be agreed upon by the Company and BMO, with such adjustments to cause the new benchmark rate to be economically equivalent to LIBOR. The Company is not able to predict when LIBOR will cease to be available or when there will be sufficient liquidity in the SOFR markets.

The Company has interest rate swap agreements that are indexed to LIBOR and is monitoring and evaluating the related risks. These risks arise in connection with transitioning contracts to a new alternative rate, including any resulting value transfer that may occur. The value of loans, securities, or derivative instruments tied to LIBOR could also be impacted if LIBOR is limited or discontinued. For some instruments, the method of transitioning to an alternative rate may be challenging, as they may require negotiation with the respective counterparty.

If a contract is not transitioned to an alternative rate and LIBOR is discontinued, the impact on our interest rate swap agreements is likely to vary by agreement. If LIBOR is discontinued or if the methods of calculating LIBOR change from their current form, interest rates on our current or future indebtedness may be adversely affected.

While the Company expects LIBOR to be available in substantially its current form until the end of 2021, it is possible that LIBOR will become unavailable prior to that point. This could result, for example, if sufficient banks decline to make submissions to the LIBOR administrator. In that case, the risks associated with the transition to an alternative reference rate will be accelerated and potentially magnified.

Notes Payable, Net of Debt Issuance Costs

The Company's notes payable, net, includes four loans: (1) the Rosedale Loan, (2) the Dumfries Loan, (3) the Cantor Loan, and (4) the West Mifflin Note, described in detail below. The following table sets forth the balances of these loans as of September 30, 2020 and December 31, 2019.

	September 30, 2020	December 31, 2019
Notes payable, gross	$ 66,349	$ 39,475
Less: Unamortized debt issuance costs	(898)	(667)
Cumulative principal repayments	(391)	(158)
Notes payable, net	$ 65,060	$ 38,650

The Company paid $341 in debt issuance and related costs during the nine months ended September 30, 2020. Amortization expense incurred related to the debt issuance costs $42 and $110 for the three and nine months ended September 30, 2020, respectively, and $32 and $98 for the three and nine months ended September 30, 2019, respectively, and is included in the "Interest Expense" line item in the accompanying Condensed Consolidated Statements of Operations.

Rosedale Loan

On July 31, 2020, in connection with its acquisition of the Rosedale Facilities, the Company, through certain of its wholly-owned subsidiaries, as borrowers, entered into a commercial term loan with a principal balance of $14,800 ("the Rosedale Loan"). The Rosedale Loan has an annual interest rate of 3.90% and matures on July 31, 2025 with principal and interest payable monthly based on a 25-year amortization schedule. The Company, at its option, may prepay the loan, subject to a prepayment fee.

The Company made principal payments of $20 during the nine months ended September 30, 2020. The loan balance as of September 30, 2020 was $14,780. Interest expense incurred on this loan was $104 for the three and nine months ended September 30, 2020.

As of September 30, 2020, scheduled principal payments due for each year ended December 31 were as follows:

2020 (three months remaining)	$ 89
2021	361
2022	376
2023	391
2024	405
Thereafter	13,158
Total	$ 14,780

Dumfries Loan

On April 27, 2020, in connection with its acquisition of the Dumfries Facility, the Company, through a wholly-owned subsidiary, assumed a CMBS loan with a principal amount of $12,074 ("the Dumfries Loan"). The Dumfries Loan has an annual interest rate of 4.68% and matures on June 1, 2024 with principal and interest payable monthly based on a ten-year amortization schedule. The Company, at its option, may prepay the loan, subject to a prepayment premium.

The Company made principal payments of $108 during the nine months ended September 30, 2020. The loan balance as of September 30, 2020 was $11,966. Interest expense incurred on this loan was $140 and $186 for the three and nine months ended September 30, 2020, respectively.

As of September 30, 2020, scheduled principal payments due for each year ended December 31 were as follows:

2020 (three months remaining)	$ 67
2021	275
2022	288
2023	302
2024	11,034
Total	$ 11,966

Cantor Loan

On March 31, 2016, through certain of its wholly owned subsidiaries (the "GMR Loan Subsidiaries"), the Company entered into a $32,097 CMBS loan (the "Cantor Loan"). The Cantor Loan has a maturity date of April 6, 2026 and an annual interest rate of 5.22%. The Cantor Loan requires interest-only payments through March 31, 2021 and thereafter principal and interest based on a 30-year amortization schedule. Prepayment can only occur within four months prior to the maturity date, subject to earlier defeasance.

The Cantor Loan is secured by the assets of the GMR Loan Subsidiaries and such subsidiaries are required to maintain a monthly debt service coverage ratio of 1.35:1.00.

The note balance as of September 30, 2020 and December 31, 2019 was $32,097. Interest expense incurred on this note was $425 and $1,326 for the three and nine months ended September 30, 2020, respectively, and $429 and $1,271 for the three and nine months ended September 30, 2019, respectively.

As of September 30, 2020, scheduled principal payments due for each year ended December 31 were as follows:

2020 (three months remaining)	$ —
2021	282
2022	447
2023	471
2024	492
Thereafter	30,405
Total	$ 32,097

West Mifflin Note

On September 25, 2015, the Company, through a wholly-owned subsidiary, as borrower, entered into a $7,378 term loan with Capital One. On September 25, 2020, the Company and Capital One amended the terms of the loan to extend the maturity date to September 25, 2021 and increase the interest rate to 4.25% per annum. The West Mifflin facility serves as collateral for the loan. 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 Company made principal payments of $105 during the nine months ended September 30, 2020. The note balance as of September 30, 2020 and December 31, 2019 was $7,115 and $7,220, respectively. Interest expense incurred on this note was $68 and $203 for the three and nine months ended September 30, 2020, respectively, and $69 and $207 for the three and nine months ended September 30, 2019, respectively.

Derivative Instruments - Interest Rate Swaps

As of September 30, 2020, the Company had the following six interest rate swaps that are used to manage its interest rate risk and fix the LIBOR component of certain of its floating rate debt on a weighted average basis at 1.91%:

Counterparty	Notional Amount	Fixed LIBOR Rate	Maturity
Wells Fargo Bank, N.A.	$ 50 million	0.16%	August 2023
BMO	100 million	2.88%	August 2023
BMO	90 million	1.21%	August 2024
Truist Bank	40 million	1.21%	August 2024
Truist Bank	40 million	2.93%	August 2024
Citizens Bank, National Association	30 million	2.93%	August 2024
Total/Weighted Average	$ 350 million	1.91%	

In accordance with the provisions of ASC Topic 815, the Company records the swaps either as an asset or a liability measured at its fair value at each reporting period. When hedge accounting is applied, the change in the fair value of derivatives designated and that qualify as cash flow hedges is (i) recorded in accumulated other comprehensive loss in the equity section of the Company's Condensed Consolidated Balance Sheets and (ii) subsequently reclassified into earnings as interest expense for the period that the hedged forecasted transactions affect earnings. If specific hedge accounting criteria are not met, changes in the Company's derivative instruments' fair value are recognized currently as an adjustment to net income.

The Company's interest rate swaps are not traded on an exchange. The Company's interest rate swaps are recorded at fair value based on a variety of observable inputs including contractual terms, interest rate curves, yield curves, measure of volatility, and correlations of such inputs. The Company measures its derivatives at fair value on a recurring basis based on the expected size of future cash flows on a discounted basis and incorporating a measure of non-performance risk. The fair values are based on Level 2 inputs within the framework of ASC Topic 820, "Fair Value Measurement." The Company considers its own credit risk, as well as the credit risk of its counterparties, when evaluating the fair value of its derivative instruments.

The fair value of the Company's interest rate swaps was a net liability of $19,505 and $6,491 as of September 30, 2020 and December 31, 2019, respectively. The gross balances are included in the "Derivative Asset' and "Derivative Liability" line items on the Company's Condensed Consolidated Balance Sheets as of September 30, 2020 and December 31, 2019, respectively.

The table below details the components of the loss presented on the accompanying Condensed Consolidated Statements of Comprehensive (Loss) Income recognized on the Company's interest rate swaps designated as cash flow hedges for the three and nine months ended September 30, 2020 and 2019:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Amount of (gain) loss recognized in other comprehensive loss	$ (451)	$ 1,603	$ 16,313	$ 7,559
Amount of loss reclassified from accumulated other comprehensive (loss) income into interest expense	(1,552)	(300)	(3,336)	(684)
Total change in accumulated other comprehensive loss	$ (2,003)	$ 1,303	$ 12,977	$ 6,875

During the next twelve months, the Company estimates that an additional $6,135 will be reclassified as an increase to interest expense. Additionally, during the three and nine months ended September 30, 2020, the Company recorded total interest expense in its Condensed Consolidated Statements of Operations of $4,864 and $13,616.

Weighted-Average Interest Rate and Term

The weighted average interest rate and term of the Company's debt was 3.34% and 3.06 years at September 30, 2020, compared to 3.90% and 3.76 years as of December 31, 2019.

Note 5 – 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 September 30, 2020 and December 31, 2019, 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.

Preferred stock dividend activity for the nine months ended September 30, 2020 is summarized in the following table:

Date Announced	Record Date	Applicable Quarter	Payment Date	Quarterly Dividend	Dividends per Share
December 13, 2019	January 15, 2020	Q4 2019	January 31, 2020	$ 1,455	$ 0.46875
March 4, 2020	April 15, 2020	Q1 2020	April 30, 2020	$ 1,455	$ 0.46875
June 12, 2020	July 15, 2020	Q2 2020	July 31, 2020	$ 1,455	$ 0.46875
September 3, 2020	October 15, 2020	Q3 2020	October 31, 2020	$ 1,455 (1)	$ 0.46875

(1) Two months of this amount, equal to $970, was accrued at September 30, 2020.

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 $25.00 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 or (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. During each of the nine-month periods ended September 30, 2020 and 2019, the Company paid preferred dividends of $4,366 and $4,365 respectively.

Common Stock

The Company has 500,000 authorized shares of common stock, $0.001 par value. As of September 30, 2020 and December 31, 2019, there were 48,188 and 43,806 outstanding shares of common stock, respectively.

On August 17, 2020, the Company and the Operating Partnership entered into a Sales Agreement with certain sales agents, pursuant to which the Company may offer and sell, from time to time, up to $150,000 of its common stock (the "ATM Program"). During the three months ended September 30, 2020, the Company generated gross proceeds of $25,050 through ATM Program equity issuances of 1,930 shares of the Company's common stock at an average offering price of $12.98 per share. During the nine months ended September 30, 2020, the Company generated gross proceeds of $39,221 through ATM Program equity issuances of 3,170 shares of the Company's common stock at an average offering price of $12.37 per share.

Common stock dividend activity for the nine months ended September 30, 2020 is summarized in the following table:

Date Announced	Record Date	Applicable Quarter	Payment Date	Dividend Amount(1)	Dividends per Share
December 13, 2019	December 26, 2019	Q4 2019	January 9, 2020	$ 9,541	$ 0.20
March 4, 2020	March 25, 2020	Q1 2020	April 9, 2020	$ 9,610	$ 0.20
June 12, 2020	June 25, 2020	Q2 2020	July 9, 2020	$ 9,861	$ 0.20
September 3, 2020	September 24, 2020	Q3 2020	October 8, 2020	$ 10,357	$ 0.20

(1) Includes distributions on granted LTIP Units and OP Units.

During the nine months ended September 30, 2020 and 2019, the Company paid total dividends on its common stock, LTIP Units and OP Units in the aggregate amount of $29,588 and $21,167, respectively.

As of September 30, 2020 and December 31, 2019, the Company had an accrued dividend balance of $516 and $580 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 nine months ended September 30, 2020, $512 of dividends were accrued and $576 of dividends were paid related to these units. During the nine months ended September 30, 2019, $265 of dividends were accrued and $85 of dividends were paid related to these units.

The amount of the dividends paid to the Company's stockholders is determined by the 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 nine months ended September 30, 2020, three OP Unit holders redeemed an aggregate of 1,185 OP Units for shares of the Company's common stock with an aggregate redemption value of $15,245. During the year ended December 31, 2019, the Company issued an aggregate of 49 OP Units with a value of $506 in connection with a facility acquisition. Additionally, during the year ended December 31, 2019, two OP Unit holders redeemed an aggregate of 51 OP Units for shares of the Company's common stock with an aggregate redemption value of $519. As of September 30, 2020 and December 31, 2019, there were 1,958 and 3,143 OP Units issued and outstanding, respectively, with an aggregate value of $12,636 and $27,881, respectively. The OP Unit value at issuance and redemption is based on the Company's closing share price on the date of the respective transaction and is included as a component of noncontrolling interest equity in the Company's Condensed Consolidated Balance Sheets as of September 30, 2020 and December 31, 2019. The Company has sufficient shares of common stock authorized pursuant to its charter to cover the redemption of outstanding OP Units.

Note 6 – Related Party Transactions

Management Agreement

Prior to the Internalization, the Company was subject to the Management Agreement, the material terms of which 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, 2019 filed with the SEC on March 9, 2020.

Management Fees and Accrued Management Fees

For the three months ended September 30, 2020 no management fees were incurred and expensed by the Company. For the nine months ended September 30, 2020, and prior to the Internalization, management fees of $4,024 were incurred and expensed by the Company in accordance with the terms of the Management Agreement. For the three and nine months ended September 30, 2019, management fees of $1,621 and $4,539, respectively, were incurred and expensed by the Company. As a result of the Internalization, there were no accrued management fees due to the Former Advisor as of September 30, 2020. Accrued management fees due to the Advisor were $1,727 as of December 31, 2019. No incentive management fee was incurred by the Company during the three and nine months ended September 30, 2020 or 2019.

Related Party Balances

A rollforward of the due from related parties and due to related party balance, net, as of September 30, 2020 is as follows:

	Due From Related Parties	Due to Related Party, Net		
	Funds for Various Purposes	Management Fees due to Advisor	Other Funds due from Advisor	Due to Related Party, net
Balance as of January 1, 2020	$ 50	$ (1,727)	79	$ (1,648)
Management fee expense incurred	—	(4,024)	—	(4,024)
Management fees paid to Advisor	—	5,751	—	5,751
Loans to Advisor	—	—	(79)	(79)
Loan to related parties	71	—	—	—
Balance as of September 30, 2020	$ 121	$ —	—	$ —

Note 7 – Stock-Based Compensation

2016 Equity Incentive Plan

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

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). Based on the grants outstanding as of September 30, 2020, there are 521 shares of common stock 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

During the nine months ended September 30, 2020, pursuant to the recommendation of the Compensation Committee of the Board (the "Compensation Committee"), the Board approved the following LTIP Unit activity:

- On March 3, 2020, determined that 190 LTIP Units were earned in accordance with the terms of the previously disclosed 2017 long-term performance award agreements. The grant and vesting of these units are as follows:
  - On March 3, 2020, there were 155 units granted that vested 50% on March 3, 2020, the determination date, and 50% vest on March 3, 2021.
  - On May 12, 2020, there were 14 units granted that vested 50% on May 12, 2020, the determination date, and 50% vest on May 12, 2021.
  - On August 23, 2020, there were 21 units granted that vested 50% on August 23, 2020, the determination date, and 50% vest on August 23, 2021.
- On March 3, 2020, determined that 147 LTIP Units were earned in accordance with the terms of the previously disclosed 2019 annual award agreements. These units vested 50% on March 3, 2020, the determination date, and 50% vest on March 3, 2021.
- On March 3, 2020, granted 43 LTIP Units in connection with the 2020 Long-Term Incentive Plan. These grants were valued based on the Company's closing common stock price on the March 3, 2020 date of grant of $14.34 and vest in equal one-third increments on each of March 3, 2021, March 3, 2022, and March 3, 2023.
- On July 9, 2020, granted 402 LTIP Units to the Company's executives in connection with the Internalization. These grants were valued based on the Company's closing stock price on July 8, 2020 of $10.46 and vest in equal one-fourth increments on each of July 9, 2021, July 9, 2022, July 9, 2023, and July 9, 2024.

- On July 24, 2020, granted 108 LTIP Units to the Company's non-executive employees in connection with the Internalization. These grants were valued based on the Company's closing stock price on July 23, 2020 of $12.05 and vest in equal one-fourth increments on each of July 24, 2021, July 24, 2022, July 24, 2023, and July 24, 2024.
- On September 2, 2020, granted 19 LTIP Units to the Company's independent directors. These grants were valued based on the average of the Company's closing stock price for the ten days prior to the date of grant and vest on September 2, 2021.

Additionally, during the nine months ended September 30, 2020, there were28 LTIP Units redeemed for shares of the Company's common stock.

A detail of the Company's outstanding time based LTIP Units as of September 30, 2020 is as follows:

Vested units	811
Unvested units	828
LTIP Units outstanding as of September 30, 2020	1,639

Performance Based Awards

The Board has approved annual performance-based LTIP awards ("Annual Awards") and long-term performance-based LTIP awards ("Long-Term Awards") to the executive officers and other employees of the Company. As described below, the Annual Awards have one-year performance periods and the Long-Term Awards have three-year performance periods. In addition to meeting specified performance metrics, vesting in both the Annual Awards and the Long-Term Awards is subject to service requirements.

A detail of the Company's Long-Term Awards under the 2017, 2018 and 2019 programs, and the Annual Awards and Long-Term Awards under the 2020 program as of September 30, 2020 is as follows:

2018 Long-Term Awards	110
2019 Long-Term Awards	82
2020 Annual Awards (1)	196
2020 Long-Term Awards (2)	70
Total target performance awards as of September 30, 2020	458

(1) Approved by the Board on March 17, 2020. The number of target LTIP Units was based on the closing price of the Company's common stock reported on the New York Stock Exchange ("NYSE") on that date.

(2) Approved by the Board on March 3, 2020. The number of target LTIP Units was based on the fair value of the Long-Term Awards as determined by an independent valuation consultant.

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 the year ended December 31, 2020, as set forth in the 2020 LTIP Annual Award Agreements (the "Performance Goals") that will be used to determine the number of LTIP Units earned by each grantee. As of September 30, 2020, management estimated that the Performance Goals would be met at a 110% level and, accordingly, estimated that 110% of the 2020 program target Annual Awards were expected to be earned at the end of the performance period. Cumulative stock-based compensation expense during the three and nine months ended September 30, 2020 reflects management's estimate that 110% of these awards will be earned. As soon as reasonably practicable following the first anniversary of the Annual Awards grant date, 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 2020 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 on the date in 2021 that the Board approves the number of LTIP Units to be awarded pursuant to the performance components set forth in the 2020 LTIP Annual Award Agreements and 50% of the earned LTIP Units become vested on the one year anniversary of the initial vesting date. Vesting may be accelerated under certain circumstances such as a “change-in-control” transaction or a “qualified termination” event.

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 their related 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 applicable three-year performance period 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).

Vesting. LTIP Units that are earned as of the end of the applicable three-year performance period will be subject to forfeiture restrictions that will lapse (“vesting”), subject to continued employment through each vesting date as follows; 50% of the earned LTIP Units will vest upon the third anniversary of the respective grant dates and the remaining 50% will vest on the fourth anniversary of the respective grant dates. Vesting may be accelerated under certain circumstances such as a “change-in-control” transaction or a “qualified termination” event.

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-Based Compensation Expense

Under the provisions of ASU 2018-07, the Company’s prospective compensation expense for all unvested LTIP Units, Annual Awards, and Long-Term Awards is recognized using the adoption date fair value of the awards, with no remeasurement required. Compensation expense for future LTIP Unit grants, Annual Awards, and Long-Term Awards is based on the grant date fair value of the units/awards, with no subsequent remeasurement required.

As the Long-Term Awards involve market-based performance conditions, the Company utilizes a Monte Carlo simulation to provide a grant date fair value for expense recognition. 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 (the “Index”) over the Performance Periods. The purpose of this modeling is to use a probabilistic approach for estimating the fair value of the performance share award for purposes of accounting under ASC Topic 718.

The assumptions used in the Monte Carlo simulation include beginning average stock price, valuation date stock price, expected volatilities, correlation coefficients, risk-free rate of interest, and expected dividend yield. The beginning average stock price is the beginning average stock price for the Company and each member of the Index for the five trading days leading up to the grant date of the Long-Term Award. The valuation date stock price is the average closing stock price for the Company and each member of the Index for the 15 trading days leading up to the valuation date. The expected volatilities are modeled using the historical volatilities for the Company and the members of the Index. The correlation coefficients are calculated using the same data as the historical volatilities. The risk-free rate of interest is taken from the U.S. Treasury website and relates to the expected life of the remaining performance period on valuation or revaluation. Lastly, the dividend yield assumption is 0.0%, which is mathematically equivalent to reinvesting dividends in the issuing entity, which is part of the Company’s award agreement assumptions.

Below are details regarding certain of the assumptions for the Long-Term Awards using Monte Carlo simulations:

	2020 Long-Term Awards	2019 Long-Term Awards	2018 Long-Term Awards	2017 Long-Term Awards
Fair value	$ 13.47	$ 10.07	$ 8.86	$ 8.86
Target awards	70	82	110	96
Volatility	28.75 %	31.7 %	33.8 %	33.8% - 35.4%
Risk-free rate	0.72 %	2.5 %	2.6 %	2.4% - 2.6%
Dividend assumption	reinvested	reinvested	reinvested	reinvested
Expected term in years	3	3	2.7	1.7 – 2.7

The Company incurred stock compensation expense of $1,572 and $3,391, for the three and nine months ended September 30, 2020, respectively, and $868 and $2,493, for the three and nine months ended September 30, 2019, respectively, related to the grants awarded under the Plan. Compensation expense is included within "General and Administrative" expense in the Company's Condensed Consolidated Statements of Operations.

As of September 30, 2020, total unamortized compensation expense related to these awards of approximately $8.6 million is expected to be recognized over a weighted average remaining period of 2.2 years.

Note 8 – Leases

The Company operates as both a lessor and a lessee. As a lessor, the Company is required under ASC Topic 842 to account for leases using an approach that is substantially similar to ASC Topic 840's guidance for operating leases and other leases such as sales-type leases and direct financing leases. In addition, ASC Topic 842 requires lessors to capitalize and amortize only incremental direct leasing costs. As a lessee, the Company is required under the new standard to apply a dual approach, classifying leases, such as ground leases, as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase. This classification determines whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. ASC Topic 842 also requires lessees to record a right of use asset and a lease liability for all leases with an initial term of greater than a year regardless of their classification. The Company has also elected the practical expedient not to recognize right of use assets and lease liabilities for leases with a term of a year or less.

Information as Lessor Under ASC Topic 842

To generate positive cash flow, as a lessor, the Company leases its facilities to tenants in exchange for fixed monthly payments that cover rent, property taxes, insurance and certain cost recoveries, primarily common area maintenance ("CAM"). The Company's leases were determined to be operating leases and have a portfolio-average-lease-years remaining of approximately 10 years. Payments from the Company's tenants for CAM are considered nonlease components that are separated from lease components and are generally accounted for in accordance with the revenue recognition standard. However, the Company qualified for and elected the practical expedient related to combining the components because the lease component is classified as an operating lease and the timing and pattern of transfer of CAM income, which is not the predominant component, is the same as the lease component, for all asset classes. As such, consideration for CAM is accounted for as part of the overall consideration in the lease. Payments from customers for property taxes and insurance are considered non-components of the lease and therefore no consideration is allocated to them because they do not transfer a good or service to the customer. Fixed contractual payments from the Company's leases are recognized on a straight-line basis over the terms of the respective leases. This means that, with respect to a particular lease, actual amounts billed in accordance with the lease during any given period may be higher or lower than the amount of rental revenue recognized for the period. Straight-line rental revenue is commenced when the tenant assumes control of the leased premises. Accrued straight-line rents receivable represents the amount by which straight-line rental revenue exceeds rents currently billed in accordance with lease agreements.

Some of the Company's leases are subject to annual changes in the Consumer Price Index ("CPI"). Although increases in CPI are not estimated as part of the Company's measurement of straight-line rental revenue, for leases with base rent increases based on CPI, the amount of rent revenue recognized is adjusted in the period the changes in CPI are measured and effective. Additionally, some of the Company's leases have extension options.

Initial direct costs, primarily commissions, related to the leasing of our facilities are capitalized when material as incurred. Capitalized leasing costs are amortized on a straight-line basis over the remaining useful life of the respective leases. All other costs to negotiate or arrange a lease are expensed as incurred.

Lease-related receivables, which include accounts receivable and accrued straight-line rents receivable, are reduced for credit losses, if applicable. To date the Company's receivables have not had any credit losses. Such amounts would be recognized as a reduction to rental and other revenues. The Company regularly evaluates the collectability of its lease-related receivables. The Company's evaluation of collectability primarily consists of reviewing past due account balances and considering such factors as the credit quality of our tenant, historical trends of the tenant and changes in tenant payment terms. If the Company's assumptions regarding the collectability of lease-related receivables prove incorrect, the Company could experience credit losses in excess of what was recognized in rental and other revenues.

The Company recognized $25,055 and $68,623 of rental revenue related to operating lease payments for the three and nine months ended September 30, 2020, respectively. Of these amounts $1,136 and $3,739 were for variable lease payments related to expense recoveries for the three and nine months ended September 30, 2020, respectively. The aggregate annual cash to be received by the Company on the noncancelable operating leases related to its portfolio as of September 30, 2020 is as follows for the subsequent years ended December 31:

2020 (three months remaining)	$	20,914
2021		81,984
2022		80,676
2023		77,908
2024		70,735
Thereafter		379,099
Total	$	711,316

Information as Lessee Under ASC Topic 842

The Company has seven buildings located on land that is subject to operating ground leases with a weighted average remaining term of approximately 41 years. Rental payments on these leases are adjusted periodically based on either the CPI or on a pre-determined schedule. The monthly payments on a pre-determined schedule are recognized on a straight-line basis over the terms of the respective leases. Changes in the CPI are not estimated as part of our measurement of straight-line rental expense. The Company used a weighted average discount rate of approximately 7.5%, which was derived, using a portfolio approach, from our assessment of the credit quality of the Company and adjusted to reflect secured borrowing, estimated yield curves and long-term spread adjustments over appropriate tenors. Some of the Company's ground leases contain extension options and, where we determined it was reasonably certain that an extension would occur, they were included in our calculation of the right of use asset and liability. The Company recognized approximately $41 and $122 of ground lease expense, of which $26 and $64 was paid in cash, during the three and nine months ended September 30, 2020, respectively.

The following table sets forth the undiscounted cash flows of our scheduled obligations for future lease payments on operating ground leases at September 30, 2020, and a reconciliation of those cash flows to the operating lease liability at September 30, 2020:

2020 (three months remaining)	$	97
2021		390
2022		409
2023		174
2024		129
Thereafter		4,626
Total		5,825
Discount		(2,735)
Lease liability	$	3,090

Note 9 – Rent Concentration

The Company's facilities with a concentration of rental revenue of 5% or greater for any period presented is as follows:

Facility	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Encompass	7 %	10 %	8 %	10 %
Belpre	6	8	6	8
OCOM	5	7	5	6
Sherman	3	5	4	5
Austin	3	5	4	5
Aggregate of all other facilities	76	65	73	66
Total	100 %	100 %	100 %	100 %

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

Subsequent events have been evaluated through November 6, 2020, the date the financial statements were issued.

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, including the notes to those financial statements, included elsewhere in this Quarterly Report on Form 10-Q (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 "Special Note Regarding 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, 2019, that was filed with the U.S. Securities and Exchange Commission (the "SEC" or the "Commission") on March 9, 2020 and Item 1A. Risk Factors in this Quarterly Report on Form 10-Q. Unless otherwise indicated, all dollar and share amounts in the following discussion are presented in thousands.

Special Note Regarding Forward-Looking Statements

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, and the healthcare industry and healthcare real estate opportunity, 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:

- the effects of the ongoing novel coronavirus ("COVID-19") pandemic, which are highly uncertain, cannot be predicted and will depend upon future developments, including the severity of COVID-19, the duration of the outbreak and potential resurgences, the duration of existing or new social distancing and shelter-in-place orders, further mitigation strategies taken by applicable government authorities, the availability of a vaccine, adequate testing and treatments and the prevalence of widespread immunity to COVID-19;
- defaults on or non-renewal of leases by tenants;
- our ability to collect rental revenue, expected rent deferral amounts and expected repayment periods;
- our ability to satisfy the covenants in our existing and any future debt agreements, including the $600 million syndicated credit facility with BMO Harris Bank N.A. ("BMO"), as administrative agent (the "Credit Facility");
- decreased rental rates or increased vacancy rates, including expected rent levels on acquired properties;
- 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;
- changes in our business or our investment or financing strategy;
- our dependence upon key personnel whose continued service is not guaranteed;
- our ability 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;
- our ability to qualify for the safe harbors from the "100% Prohibited Transactions Tax" under the REIT rules with respect to our property dispositions; 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 in our Annual Report on Form 10-K for the year ended December 31, 2019 and Item 1A. Risk Factors in this Report 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 a Maryland corporation engaged primarily in the acquisition of purpose-built healthcare facilities and the leasing of those facilities to strong healthcare systems and physician groups with leading market share. As described below, until July 9, 2020, the Company was externally managed and advised by Inter-American Management LLC (the "Former Advisor").

On July 9, 2020, the Company acquired all of the outstanding shares of capital stock of Inter-American Group Holdings Inc. ("IAGH"), the parent company of the Former Advisor for a cash purchase price of $18.1 million, subject to a working capital adjustment (the "Internalization"). The Internalization was completed pursuant to a stock purchase agreement, dated as of July 9, 2020 (the "Stock Purchase Agreement"), by and among the Company, Zensun Enterprises Limited ("Zensun") and Mr. Jeffrey Busch. Prior to the Internalization, IAGH was owned by Zensun (85%) and Mr. Busch (15%) (collectively, the "Sellers").

A special committee (the "Special Committee") comprised entirely of independent and disinterested members of the Company's board of directors (the "Board"), after consultation with its independent legal and financial advisors, determined that the Internalization was advisable to, and in the best interests of, the Company and the Company's stockholders and recommended that the Board authorize and approve the Internalization. Upon such recommendation from the Special Committee, the Board authorized and approved the Internalization. Approval by the Company's stockholders was not required.

Upon completion of the Internalization, the employees of the Former Advisor became employees of the Company and the functions previously performed by the Former Advisor were internalized by the Company. As an internally managed company, the Company will no longer pay the Former Advisor any fees arising from the Management Agreement (as defined in Note 6 – "Related Party Transactions").

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"). Our wholly owned subsidiary, Global Medical REIT GP, LLC, is the sole general partner of our Operating Partnership and, as of September 30, 2020, we owned 93.05% of the outstanding common operating partnership units ("OP Units") of our Operating Partnership.

Impact of COVID-19 and Business Outlook

The COVID-19 pandemic did not have a material impact on our results of operations, liquidity and capital resources as of and for the three and nine months ended September 30, 2020. While we are still navigating the actual and potential impacts the pandemic will have on our tenants and our business, the sections below summarize management's view of the potential impacts the COVID-19 pandemic may have on our future results of operations, liquidity and capital resources, and other various company-specific matters.

The COVID-19 outbreak and the measures taken by governmental authorities to contain its spread have resulted in substantial adverse effects on the U.S. economy, and specifically the healthcare industry. The full impact of COVID-19 on the U.S. economy and our tenants' businesses and operations remains unknown, as the velocity of this economic slowdown and the subsequent job losses are unique and historical in many ways. While these events have already had a significant impact on the healthcare industry, we cannot reasonably estimate the duration and severity of such impact. However, at the onset of the outbreak, we began working with certain of our tenants that were experiencing significant disruptions in their businesses to help them navigate these uncertain times, including assisting our tenants in applying for government financial relief and, in certain limited circumstances, entering into rent deferral agreements. The aggregate amount of such rent deferrals equaled $1.1 million and, as of September 30, 2020, we have collected $0.6 million of this amount. Because the extent of the impact of COVID-19 on our tenants will depend on future developments, including a resurgence of COVID-19, there can be no assurance that our tenants will continue to be able meet the requirements of these agreements, or that these tenants, or other tenants, may not seek additional relief in the future. The extent of the impact of COVID-19 on our liquidity and operational and financial performance will depend on, among other things, the ability of our tenants to return to normal patient volumes and whether a resurgence of COVID-19 causes further shutdowns or disruptions in our tenants' businesses.

At the onset of the outbreak, many states banned elective and non-urgent medical procedures. Many states have since lifted these bans; however, the recent resurgence of COVID-19 cases in many states, including many states in which our facilities are located, may cause such states to reinstitute these bans. Certain localities, such as El Paso, Lubbock and Amarillo, Texas, have already reinstituted bans on elective surgeries due to a resurgence in COVID-19. Given that many of our tenants depend on elective and non-urgent medical procedures as a major source of revenue, a reinstituted ban on these procedures may have a material adverse effect on our tenants' businesses. In addition, in response to the recent resurgence of the COVID-19 pandemic, local, state and federal agencies have or may reinstitute stay-at-home or shelter-in-place orders, which may result in many of our tenants experiencing significantly reduced patient volumes and, when such bans and restrictions are lifted, patients may be reluctant to undertake certain medical procedures and our tenants may institute social distancing measures, each of which may cause our tenants to experience decreased patient volumes for an extended period of time. In addition, if additional government funding is not provided under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") or new legislation, our tenants may not be able to rely on future government assistance programs to withstand the current or another downturn in their businesses.

Although we believe our acquisition pipeline has normalized since the onset of the COVID-19 pandemic, a resurgence of COVID-19 could cause another disruption in the medical real estate acquisition market that could have a material adverse effect on our acquisition growth.

To date, the COVID-19 pandemic has not had a material adverse effect on our liquidity, with our cash balances and available capacity under our Credit Facility equaling approximately $112 million as of October 31, 2020. However, a resurgence of COVID-19 that affects our tenants' ability to pay rent to us, our lenders ability to lend to us, or our ability to raise equity capital could have a material adverse effect on our liquidity.

Our Business Objectives and Investment Strategy

Our principal business objective is to provide attractive, risk-adjusted returns to our stockholders through a combination of (i) reliable dividends and (ii) long-term capital appreciation. Our primary strategies to achieve our business objective are to:

- construct a property portfolio that consists substantially of medical office buildings (MOBs), specialty hospitals, in-patient rehabilitation facilities (IRFs) and ambulatory surgery centers (ASCs), that are primarily located in secondary markets and are situated to take advantage of the aging of the U.S. population and the decentralization of healthcare;
- focus on practice types that will be utilized by an aging population and are highly dependent on their purpose-built real estate to deliver core medical procedures, such as cardiovascular treatment, rehabilitation, eye surgery, gastroenterology, oncology treatment and orthopedics;
- set aside a portion of our property portfolio for opportunistic acquisitions, including (i) certain acute-care hospitals and long-term acute care facilities (LTACs), that we believe provide premium, risk-adjusted returns and (ii) health system corporate office and administrative buildings, which we believe will help us develop relationships with larger health systems;
- lease our facilities under long-term, triple-net leases with contractual annual rent escalations;
- lease each facility to medical providers with a track record of successfully managing excellent clinical and profitable practices; and
- receive credit protections from our tenants or their affiliates, including personal and corporate guarantees, rent reserves and rent coverage requirements.

Executive Summary

The following table summarizes the material changes in our business and operations during the periods presented, which includes a one-time charge related to the portion of consideration paid for the Internalization that was attributed to the settlement of a preexisting contractual relationship of $12.1 million, as well as related expenses incurred associated with the Internalization. Additionally, the remaining excess consideration paid for the Internalization over the fair value of underlying identifiable net liabilities of the business acquired of $5.9 million was recorded as “Goodwill” on the accompanying Condensed Consolidated Balance Sheets:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
	(in thousands, except per share amounts)			
Rental revenue	$ 25,055	$ 18,117	$ 68,623	$ 50,093
Depreciation and amortization expense	$ 9,517	$ 6,506	$ 26,215	$ 17,238
Interest expense	$ 4,864	$ 4,549	$ 13,616	$ 12,707
General and administrative expense	$ 4,027	$ 1,681	$ 7,509	$ 4,928
Management internalization expense	$ 12,580	$ —	$ 14,005	$ —
Net (loss) income attributable to common stockholders per share	$ (0.22)	$ 0.02	$ (0.19)	$ 0.07
FFO per share and unit[1]	$ (0.03)	$ 0.19	$ 0.34	$ 0.54
AFFO per share and unit[1]	$ 0.23	$ 0.19	$ 0.65	$ 0.54
Dividends per share of common stock	$ 0.20	$ 0.20	$ 0.60	$ 0.60
Weighted average common stock outstanding	46,908	35,512	45,503	32,514
Weighted average OP Units outstanding	1,958	3,143	2,250	3,144
Weighted average LTIP Units outstanding	1,367	794	1,143	737
Total weighted average shares and units outstanding	50,233	39,449	48,896	36,395

(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	
	September 30, 2020	December 31, 2019
	(dollars in thousands)	
Total investment in real estate, gross	$ 1,061,380	$ 905,529
Total debt, net	$ 519,385	$ 386,168
Weighted average interest rate	3.34 %	3.90 %
Total equity (including noncontrolling interest)	$ 449,207	$ 460,353
Net rentable square feet	3,465,312	2,780,851

Our Properties

As of September 30, 2020, our portfolio consisted of gross investment in real estate of $1,061.4 million, which was comprised of 78 facilities with an aggregate of approximately 3.5 million rentable square feet and approximately $81.9 million of annualized base rent.

Capital Raising Activity

During the nine months ended September 30, 2020, we generated gross proceeds of $39.2 million through at-the-market ("ATM") equity issuances of 3.2 million shares of our common stock at an average offering price of $12.37 per share.

Debt Activity

On July 24, 2020, the Company received aggregate commitments of up to $100 million from certain of its lenders pursuant to the accordion feature (the "Accordion") under its Credit Facility. With the closing of the Accordion, the borrowing capacity under the Company's Credit Facility was increased to $600 million, consisting of a $250 million capacity revolver (the "Revolver"), a $350 million term loan (the "Term Loan"), and a remaining $50 million accordion. The remaining terms of the Credit Facility were unchanged. In connection with the closing of the Accordion, on July 27, 2020, the Company entered into an interest rate swap with Wells Fargo Bank, N.A. with a notional amount of $50 million (the term component of the Accordion), a fixed interest rate of 0.16% and a maturity date of August 8, 2023.

During the nine months ended September 30, 2020, we borrowed $158.4 million under our Credit Facility and repaid $51.6 million, for a net amount borrowed of $106.8 million. As of September 30, 2020, the net outstanding Credit Facility balance was $454.3 million.

In connection with the acquisition of the Dumfries Facility in April 2020, we assumed a CMBS loan with an outstanding balance of approximately $12.1 million, an interest rate of 4.68% and a remaining term of four years. In connection with the acquisition of the Rosedale Facilities in July 2020, we entered into a third-party loan in the amount of $14.8 million with an annual interest rate of 3.85% and a term of five years.

Recent Developments

Completed Acquisitions

Since September 30, 2020, we have closed on the following properties:

Property	City	Rentable Square Feet (RSF)	Purchase Price[1] (in thousands)	Annualized Base Rent[2] (in thousands)	Capitalization Rate[3]
DaVita Portfolio	Decatur, GA / Jackson, TN	36,092	$ 10,775	$ 755	7.0%
Prevea Portfolio	Sheboygan / Plymouth, WI	40,250	13,700	1,016	7.4%
Totals/Weighted Average		76,342	$ 24,475	$ 1,771	7.2%

(1) Represents contractual purchase price.
(2) October 2020 base rent multiplied by 12.

(3) Capitalization rates are calculated based on current lease terms and do not give effect to future rent escalations.

Properties Under Contract

We have eight properties under contract for an aggregate purchase price of approximately $72 million. We are currently in the due diligence period for our properties under contract. If we identify problems with any of these properties or the operators of any properties during our due diligence review, we may not close the transactions on a timely basis or we may terminate the purchase agreements and not close the transactions.

Trends Which May Influence Our Results of Operations

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

- *Decreases in our tenants' patient volumes and revenues due to the COVID-19 pandemic* – In March 2020, the World Health Organization declared the outbreak of COVID-19, a novel strain of coronavirus, a pandemic. This outbreak, which has spread widely throughout the U.S. and nearly all other regions of the world, prompted federal, state and local governmental authorities in the U.S. to declare states of emergency and institute preventative measures to contain and/or mitigate the public health effects. Many states initially banned elective and non-urgent medical procedures and have since lifted such bans; however, the recent resurgence of COVID-19 cases in many states, including many states in which our facilities are located, may cause such states to reinstitute these bans. Certain localities, such as El Paso, Lubbock and Amarillo, Texas, have already reinstituted bans on elective surgeries due to a resurgence in COVID-19. Given that many of our tenants depend on elective and non-urgent medical procedures as a major source of revenue, a reinstituted ban on these procedures may have a material adverse effect on our tenants' businesses. In addition, in response to the recent resurgence of the COVID-19 pandemic, local, state and federal agencies have reinstituted or may reinstitute stay-at-home or shelter-in-place orders, which may result in many of our tenants experiencing significantly reduced patient volumes and, even upon the lifting of such bans and restrictions, patients may be reluctant to undertake certain medical procedures and our tenants may institute social distancing measures, each of which may cause our tenants to experience decreased patient volumes for an extended period of time.

  The COVID-19 pandemic has also caused historically high unemployment rates in the United States. Many unemployed workers have also lost their employer-based health insurance, which is a primary payor for our tenants. Even though our tenants have been able to operate during most of the pandemic, the extraordinarily high levels of U.S. unemployment and loss of health insurance may cause people to cancel or delay medical procedures, and it is unclear when, if ever, these workers will be able to regain employment or private health insurance. An extended period of high unemployment and loss of benefits could materially adversely affect our tenants' businesses and thus our ability to collect rent from our tenants.

  At the onset of the outbreak, we began working with certain of our tenants that were experiencing significant disruptions in their businesses to help them navigate these uncertain times, including assisting them in applying for government financial relief and, in certain limited circumstances, entering into rent deferral agreements. The aggregate amount of such rent deferrals equaled $1.1 million and, as of September 30, 2020, we have collected $0.6 million of this amount. Because the extent of the impact of COVID-19 on the Company's tenants will depend on future developments, including a resurgence of COVID-19, there can be no assurance that the Company's tenants will be able to continue to meet the requirements of these agreements, or that these tenants, or other tenants, may not seek additional relief in the future.

- *Changes in third party reimbursement methods and policies* Even prior to the COVID-19 pandemic, the price of healthcare services was increasing, and we believed that third-party payors, such as Medicare and commercial insurance companies, would 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 were continuing to increase the percentage of insurance premiums for which covered individuals are responsible. We expect these trends will only be exacerbated by the COVID-19 pandemic, as federal and state budgets are likely to be under tremendous stress due to the pandemic and private insurers are likely to incur substantial losses due to COVID-19-related claims and the downturn in the financial and credit markets. If these trends continue, our tenants' businesses will continue to be negatively affected, which may impact their ability to pay rent to us.

Prior to the COVID-19 pandemic, we believed the following trends may positively impact our 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 5.5% per year through 2027. We believe the long-term growth in healthcare expenditures will 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 provided 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 outpatient facilities will benefit our tenants as most of our properties consist of outpatient facilities.

- *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.

After the COVID-19 pandemic, it is unclear whether the above-listed positive trends will be reinstated or, if so, how such trends may be affected by the long-term effects of the COVID-19 pandemic.

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 Policy

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, 2019, filed with the Commission on March 9, 2020, for further information regarding the critical accounting policies that affect our more significant estimates and judgments used in the preparation of our condensed consolidated financial statements included in Part I, Item 1 of this Report.

Consolidated Results of Operations

The major factors that resulted in variances in our results of operations for each revenue and expense category for the three and nine months ended September 30, 2020 compared to the same periods in 2019 were (i) the increase in the size of our property portfolio and (ii) expenses related to the Internalization. Our total investments in real estate, net of accumulated depreciation and amortization, was $977.5 million and $781.7 million as of September 30, 2020 and 2019, respectively.

Three Months Ended September 30, 2020 Compared to Three Months Ended September 30, 2019

	Three Months Ended September 30, 2020	2019	$ Change
	(in thousands)		
Revenue			
Rental revenue	$ 25,055	$ 18,117	$ 6,938
Other income	42	78	(36)
Total revenue	25,097	18,195	6,902
Expenses			
General and administrative	4,027	1,681	2,346
Operating expenses	3,619	1,362	2,257
Management fees – related party	—	1,621	(1,621)
Depreciation expense	6,954	5,006	1,948
Amortization expense	2,563	1,500	1,063
Interest expense	4,864	4,549	315
Management internalization expense	12,580	—	12,580
Preacquisition expense	70	168	(98)
Total expenses	34,677	15,887	18,790
Net (loss) income	$ (9,580)	$ 2,308	$ (11,888)

Revenue

Total Revenue

Total revenue for the three months ended September 30, 2020 was $25.1 million, compared to $18.2 million for the same period in 2019, an increase of $6.9 million. The increase was primarily the result of rental revenue earned from the facilities that we acquired subsequent to September 30, 2019, as well as from the recognition of a full three months of rental revenue in 2020 from acquisitions that were completed during the three months ended September 30, 2019. Additionally, $3.9 million in revenue was recognized from expense recoveries during the three months ended September 30, 2020, compared to $1.2 million for the same period in 2019.

Expenses

General and Administrative

General and administrative expenses for the three months ended September 30, 2020 were $4.0 million, compared to $1.7 million for the same period in 2019, an increase of $2.3 million. The increase was primarily driven by the impact of the Internalization and our recognition of $1.7 million of compensation related costs and other administrative expenses that prior to the Internalization were the obligation of our Former Advisor. In addition, reflecting the impact of long-term incentive plan (“LTIP”) unit grants made in connection with the Internalization, this increase was also due to an increase in non-cash LTIP compensation expense which was $1.6 million for the three months ended September 30, 2020, compared to $0.9 million for the same period in 2019.

Operating Expenses

Operating expenses for the three months ended September 30, 2020 were $3.6 million, compared to $1.4 million for the same period in 2019, an increase of $2.2 million. The increase resulted from $3.9 million of reimbursable property operating expenses incurred during the three months ended September 30, 2020, compared to $1.2 million for the same period in 2019, and $0.5 million of expense from properties that include tenants with gross leases.

Management Fee Expense – related party

As a result of the Internalization, we incurred no management fee expense for the three months ended September 30, 2020. Management fee expense was $1.6 million for the three months ended September 30, 2019, and was calculated based on our stockholders’ equity balance.

Depreciation Expense

Depreciation expense for the three months ended September 30, 2020 was $7.0 million, compared to $5.0 million for the same period in 2019, an increase of $2.0 million. The increase resulted primarily from depreciation expense incurred on the facilities that we acquired subsequent to September 30, 2019, as well as from the recognition of a full three months of depreciation expense in 2020 from acquisitions that were completed during the three months ended September 30, 2019.

Amortization Expense

Amortization expense for the three months ended September 30, 2020 was $2.6 million, compared to $1.5 million for the same period in 2019, an increase of $1.1 million. The increase resulted primarily from amortization expense incurred on intangible assets acquired subsequent September 30, 2019, as well as from the recognition of a full three months of amortization expense in 2020 from intangible assets recorded during the three months ended September 30, 2019.

Interest Expense

Interest expense for the three months ended September 30, 2020 was $4.9 million, compared to $4.5 million for the same period in 2019, an increase of $0.4 million. This increase was primarily due to higher average borrowings during the three months ended September 30, 2020, compared to the same period last year, the proceeds of which were used to partially finance our property acquisitions during that time period.

The weighted average interest rate of our debt for the three months ended September 30, 2020 was 3.32%. Additionally, the weighted average interest rate and term of our debt was 3.34% and 3.06 years at September 30, 2020.

Management Internalization Expense

Management internalization expense for the three months ended September 30, 2020 was $12.6 million, compared to zero for the same period in 2019. This expense represents a one-time expense of $12.1 million related to the settlement of a preexisting contractual relationship and $0.5 million of professional fees associated with the Internalization.

Net (Loss) Income

Net loss for the nine months ended September 30, 2020 was $(9.6) million, compared to net income of $2.3 million for the same period in 2019, a decrease of $11.9 million. The decrease resulted primarily from the recognition of $12.6 million of management internalization expense and the increase in expenses for the current three-month period, partially offset from an increase in rental revenue over the period.

Nine Months Ended September 30, 2020 Compared to Nine Months Ended September 30, 2019

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	$ Change
	(in thousands)		
Revenue			
Rental revenue	$ 68,623	$ 50,093	$ 18,530
Other income	178	182	(4)
Total revenue	68,801	50,275	18,526
Expenses			
General and administrative	7,509	4,928	2,581
Operating expenses	8,256	3,826	4,430
Management fees – related party	4,024	4,539	(515)
Depreciation expense	19,383	13,481	5,902
Amortization expense	6,832	3,757	3,075
Interest expense	13,616	12,707	909
Management internalization expense	14,005	—	14,005
Preacquisition expense	267	224	43
Total expenses	73,892	43,462	30,430
Net (loss) income	$ (5,091)	$ 6,813	$ (11,904)

Revenue

Total Revenue

Total revenue for the nine months ended September 30, 2020 was $68.8 million, compared to $50.3 million for the same period in 2019, an increase of $18.5 million. The increase was primarily the result of rental revenue earned from the facilities we acquired subsequent to September 30, 2019, as well as from the recognition of a full nine months of rental revenue in 2020 from acquisitions that were completed during the nine months ended September 30, 2019. Additionally, $7.7 million in revenue was recognized from expense recoveries during the nine months ended September 30, 2020, compared to $3.6 million for the same period in 2019. The increase was partially offset by the recognition of reserves for approximately $1.1 million of rent, including approximately $0.4 million of deferred rent, that was primarily related to one tenant.

Expenses

General and Administrative

General and administrative expenses for the nine months ended September 30, 2020 were $7.5 million, compared to $4.9 million for the same period in 2019, an increase of $2.6 million. The increase was primarily driven by the impact of the Internalization and our recognition of compensation related costs and other administrative expenses that prior to the Internalization were the obligation of our Former Advisor. In addition, reflecting the impact of LTIP unit grants made in connection with the Internalization, this increase was also due to an increase in non-cash LTIP compensation expense which was $3.4 million for the nine months ended September 30, 2020, compared to $2.5 million for the same period in 2019.

Operating Expenses

Operating expenses for the nine months ended September 30, 2020 were $8.3 million, compared to $3.8 million for the same period in 2019, an increase of $4.5 million. The increase results from $7.7 million of reimbursable property operating expenses incurred during the nine months ended September 30, 2020, compared to $3.6 million for the same period in 2019, and $1.2 million of expense from properties that include tenants with gross leases.

Management Fees Expense - related party

Management fee expense for the nine months ended September 30, 2020 was $4.0 million, compared to $4.5 million for the same period in 2019, a decrease of $0.5 million. As a result of the Internalization, management fee expense was incurred for the first six months of the current nine-month period compared to a full nine months during the same period in 2019. This fee was calculated based on our stockholders' equity balance.

Depreciation Expense

Depreciation expense for the nine months ended September 30, 2020 was $19.4 million, compared to $13.5 million for the same period in 2019, an increase of $5.9 million. The increase results primarily from depreciation expense incurred on the facilities we acquired subsequent to September 30, 2019, as well as from the recognition of a full nine months of depreciation expense in 2020 from acquisitions that were completed during the nine months ended September 30, 2019.

Amortization Expense

Amortization expense for the nine months ended September 30, 2020 was $6.8 million, compared to $3.8 million for the same period in 2019, an increase of $3.0 million. The increase results primarily from amortization expense incurred on intangible assets recorded subsequent to September 30, 2019, as well as from the recognition of a full nine months of amortization expense in 2020 from intangible assets recorded during the nine months ended September 30, 2019.

Interest Expense

Interest expense for the nine months ended September 30, 2020 was $13.6 million, compared to $12.7 million for the same period in 2019, an increase of $0.9 million. This increase was primarily due to higher average borrowings during the nine months ended September 30, 2020, compared to the same period last year, the proceeds of which were used to partially finance our property acquisitions during that time period.

The weighted average interest rate of our debt for the nine months ended September 30, 2020 was 3.48%. Additionally, the weighted average interest rate and term of our debt was 3.34% and 3.06 years at September 30, 2020.

Management Internalization Expense

Management internalization expense for the nine months ended September 30, 2020 was $14.0 million, compared to zero for the same period in 2019. This expense represents a one-time expense of $12.1 million related to the settlement of a preexisting contractual relationship and $1.9 million of professional fees associated with the Internalization.

Net (Loss) Income

Net loss for the nine months ended September 30, 2020 was $(5.1) million compared to net income of $6.8 million for the same period in 2019, a decrease of $11.9 million. The decrease resulted primarily from the recognition of $14.0 million of management internalization expense and the increase in expenses for the current nine-month period, partially offset from an increase in rental revenue over the period.

Assets and Liabilities

As of September 30, 2020 and December 31, 2019, our principal assets consisted of investments in real estate, net, of $977.5 million and $849.0 million, respectively. Our liquid assets consisted primarily of cash and cash equivalents and restricted cash of $7.3 million and $7.2 million, as of September 30, 2020 and December 31, 2019, respectively.

The increase in our investments in real estate, net, to $977.5 million as of September 30, 2020 compared to $849.0 million as of December 31, 2019, was the result of the 10 acquisitions that we completed during the nine months ended September 30, 2020.

The increase in our cash and cash equivalents and restricted cash balances to $7.3 million as of September 30, 2020, compared to $7.2 million as of December 31, 2019, was primarily due to cash inflows from net borrowings on our Credit Facility and additional borrowings, and net proceeds from common equity offerings. These cash inflows were partially offset by funds used to acquire real estate, pay the Internalization consideration, and dividends paid to our common and preferred stockholders.

The increase in our total liabilities to $576.3 million as of September 30, 2020 compared to $424.6 million as of December 31, 2019, was primarily the result of higher net borrowings outstanding from our Credit Facility during the current period, additional borrowings related to acquisitions, an increase in our derivative liability balance, and an increase in our 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; and
- Property acquisitions and tenant improvements.

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

As of October 31, 2020, we had cash balances and available capacity under our Credit Facility of approximately $112 million. Our primary sources of cash include rent and reimbursements we collect from our tenants, borrowings under our Credit Facility, secured term loans, net proceeds received from equity issuances (including OP Unit transactions), and select property dispositions.

Assuming our current level of COVID-19-related rent deferrals, we believe we will be able to satisfy our short-term liquidity requirements through our existing cash and cash equivalents and cash flow from operations. In order to continue acquiring healthcare properties, we will need to continue to have access to debt and equity financing.

We are subject to a number of financial covenants under our Credit Facility, including, among other things, (i) a maximum consolidated leverage ratio as of the end of each fiscal quarter of less than 0.60:1.00, (ii) a minimum fixed charge coverage ratio of 1.50:1.00, (iii) a minimum net worth of $203.8 million plus 75% of all net proceeds raised through equity offerings subsequent to March 31, 2018 and (iv) a ratio of total secured recourse debt to total asset value of not greater than 0.10:1.00. Additionally, beginning at the end of fourth quarter of 2020, our distributions to common stockholders will be limited to an amount equal to 95% of our AFFO (our AFFO payout ratio). As of September 30, 2020, we were in compliance with all of the financial covenants contained in the Credit Facility, and we do not believe our current level of COVID-19-related rent deferrals affect our ability to comply with such covenants. However, if the amounts of our rent deferrals exceed our expectations or our tenants default on their rent deferral agreements with us, our ability to satisfy our Credit Facility covenants may be adversely affected.

We have entered into six interest rate swaps with four counterparties to hedge the LIBOR component of our interest rate risk related to the Term Loan. Together, these swaps fix the LIBOR component of the entire $350 million term loan on a weighted average basis at 1.91%. An aggregate of $200 million of the swaps mature in August 2024 and an additional $150 million matures in August 2023.

In July 2017, the FCA that regulates LIBOR announced its intention to stop compelling banks to submit rates for the calculation of LIBOR after 2021. As a result, the Federal Reserve Board and the Federal Reserve Bank of New York organized the ARRC which identified the SOFR as its preferred alternative to USD-LIBOR in derivatives and other financial contracts. The Credit Facility provides that, on or about the LIBOR cessation date (subject to an early opt-in election), LIBOR shall be replaced as a benchmark rate in the Credit Facility with a new benchmark rate to be agreed upon by the Company and BMO, with such adjustments to cause the new benchmark rate to be economically equivalent to LIBOR. We are not able to predict when LIBOR will cease to be available or when there will be enough liquidity in the SOFR markets.

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, and distributions. We expect to satisfy our long-term liquidity needs through cash flow from operations, debt financing, sales of additional equity securities, the issuance of OP Units in connection with acquisitions of additional properties, proceeds from select property dispositions and joint venture transactions.

Cash Flow Information

Net cash provided by operating activities for the nine months ended September 30, 2020 was $18.4 million, compared with $26.7 million for the same period in 2019. The decrease during the 2020 period was primarily due to the net loss for the nine-month period. The net loss was primarily the result of a one-time expense of $12.1 million related to the settlement of a preexisting contractual relationship.

Net cash used in investing activities for the nine months ended September 30, 2020 was $141.6 million, compared with $182.7 million for the same period in 2019. The decrease during the 2020 period was primarily the result of less real estate investment activity in the 2020 period compared to the same period in 2019, partially offset by cash paid during the current nine-month period to acquire our Former Advisor in connection with the Internalization.

Net cash provided by financing activities for the nine months ended September 30, 2020 was $123.3 million, compared with $157.0 million for the same period in 2019. The decrease during the 2020 period was primarily due to the fact that the current period had lower net proceeds from common equity offerings and higher dividends paid to our common stockholders, partially offset by higher net borrowings on the Credit Facility, and additional borrowings.

Common Stock Dividends

Common stock dividend activity for the nine months ended September 30, 2020 is summarized in the following table:

Date Announced	Record Date	Applicable Quarter	Payment Date	Dividend Amount[1]	Dividends per Share
December 13, 2019	December 26, 2019	Q4 2019	January 9, 2020	$ 9,541	$ 0.20
March 4, 2020	March 25, 2020	Q1 2020	April 9, 2020	$ 9,610	$ 0.20
June 12, 2020	June 25, 2020	Q2 2020	July 9, 2020	$ 9,861	$ 0.20
September 3, 2020	September 24, 2020	Q3 2020	October 8, 2020	$ 10,357	$ 0.20

(1) Includes distributions on granted LTIP Units and OP Units.

During the nine months ended September 30, 2020 and 2019, the Company paid total dividends on its common stock, LTIP Units and OP Units in the aggregate amount of $29.6 million and $21.2 million, respectively.

The amount of the dividends paid to the Company’s stockholders is determined by the 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 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 $25.00 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 or (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. During each of the nine-month periods ended September 30, 2020 and 2019, the Company paid preferred dividends of $4.4 million.

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 noncontrolling interests of holders of OP Units and LTIP Units, excluding gains (or losses) from sales of property and extraordinary items, less preferred stock dividends, plus real estate-related depreciation and amortization (excluding amortization of debt issuance costs and the amortization of above and below market leases), and after adjustments for unconsolidated partnerships and joint ventures. The Company did not record any adjustments for unconsolidated partnerships and joint ventures during the three or nine months ended September 30, 2020 and 2019. Because FFO excludes real estate-related depreciation and amortization (other than amortization of debt issuance costs and above and below market lease amortization expense), 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 management internalization costs (including a one-time expense related to the settlement of a preexisting contractual relationship), 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 above and below market leases, recurring amortization of debt issuance costs, recurring lease commissions, 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 nine months ended September 30, 2020 and 2019 is as follows:

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
	(unaudited, in thousands except per share amounts)			
Net (loss) income	**$ (9,580)**	**$ 2,308**	**$ (5,091)**	**$ 6,813**
Less: Preferred stock dividends	(1,455)	(1,455)	(4,366)	(4,366)
Depreciation and amortization expense	9,517	6,506	26,215	17,238
FFO	**$ (1,518)**	**$ 7,359**	**$ 16,758**	**$ 19,685**
Internalization expense - settlement of a preexisting contractual relationship	12,094	—	12,094	—
Internalization expense - other transaction costs	486	—	1,911	—
Amortization of above market leases, net	69	229	472	634
Straight line deferred rental revenue	(1,520)	(1,476)	(4,336)	(4,314)
Stock-based compensation expense	1,572	868	3,391	2,493
Amortization of debt issuance costs and other	396	350	1,030	1,000
Preacquisition expense	70	168	267	223
AFFO	**$ 11,649**	**$ 7,498**	**$ 31,587**	**$ 19,721**
Net (loss) income attributable to common stockholders per share – basic and diluted	**$ (0.22)**	**$ 0.02**	**$ (0.19)**	**$ 0.07**
FFO per share and unit	**$ (0.03)**	**$ 0.19**	**$ 0.34**	**$ 0.54**
AFFO per share and unit	**$ 0.23**	**$ 0.19**	**$ 0.65**	**$ 0.54**
Weighted Average Shares and Units Outstanding – basic and diluted	50,233	39,449	48,896	36,395
Weighted Average Shares and Units Outstanding:				
Weighted Average Common Shares	46,908	35,512	45,503	32,514
Weighted Average OP Units	1,958	3,143	2,250	3,144
Weighted Average LTIP Units	1,367	794	1,143	737
Weighted Average Shares and Units Outstanding – basic and diluted	50,233	39,449	48,896	36,395

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 CPI 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 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 September 30, 2020, we had $108.2 million of unhedged borrowings outstanding under the Revolver (before the netting of unamortized debt issuance costs) that bears interest at a variable rate. See the “Management’s Discussion and Analysis of Financial Condition and Results of Operation — Liquidity and Capital Resources” for a detailed discussion of our Credit Facility. At September 30, 2020, LIBOR on our outstanding floating-rate borrowings was 0.18%. 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 $1.1 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 $1.1 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. As of September 30, 2020, in total we had entered into six interest rate swaps with four counterparties to hedge the LIBOR component of our interest rate risk related to the Term Loan. Together, these swaps fix the LIBOR component of the entire $350 million Term Loan on a weighted average basis at 1.91%. See Note 4 – “Credit Facility, Notes Payable and Derivative Instruments” for further details on our interest rate swaps. We may enter into additional derivative financial instruments, including interest rate swaps and caps, in order to mitigate our interest rate risk on our future borrowings. 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 September 30, 2020 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

Risks Related to Our Business

Our and our tenants' businesses have been and may continue to be materially and adversely affected by the ongoing COVID-19 pandemic.

In March 2020, the World Health Organization declared the outbreak of COVID-19, a novel strain of coronavirus, a pandemic. This outbreak, which has spread widely throughout the U.S. and nearly all other regions of the world, prompted federal, state and local governmental authorities in the U.S. to declare states of emergency and institute preventative measures to contain and/or mitigate the public health effects of COVID-19. These preventative measures, which include quarantines, shelter-in-place orders and similar mandates that substantially restricted daily activities for many individuals, as well as orders calling for the closure and/or curtailment of operations for many businesses, have caused and continue to cause significant disruption to businesses in affected areas, as well as the financial markets both globally and in the U.S. Although many of these restrictions have been lifted, a resurgence of COVID-19 has caused and could cause governmental authorities to reimplement preventive measures. For example, certain localities, such as El Paso, Lubbock and Amarillo, Texas, have already reinstituted bans on elective surgeries due to a resurgence in COVID-19. Reinstitution of COVID-19-related restrictions could cause additional significant disruptions to businesses and global and U.S. financial markets.

Effect of the COVID-19 Pandemic on Our Operations

In response to the COVID-19 pandemic and measures taken by applicable governmental authorities, we have been encouraging all of our employees at our corporate office to work remotely until further notice. While we believe these measures are advisable and in the best interests of our employees and communities, such measures, in combination with other factors, have caused disruptions to our normal operations and may continue to do so during the pendency of such measures. Additionally, certain of our service providers have instituted or may institute similar preventative measures, which could result in reductions in the availability, capacity and/or efficiency of the services upon which we depend for our operations. Further, in the event any of our employees, and/or employees of our service providers, contract COVID-19 or are otherwise compelled to self-quarantine, we may experience shortages in labor and services that we require for our operations. Also, remote work arrangements may increase the risk of cybersecurity incidents, data breaches or cyber-attacks, which could have a material adverse effect on our business and results of operations, due to, among other things, the loss of proprietary data, interruptions or delays in the operation of our business and damage to our reputation.

Effect of COVID-19 Pandemic on Our and Our Tenants' Businesses.

We and our tenants have been, and may continue to be, materially and adversely affected by the disruptions to U.S. and local economies that result from the COVID-19 pandemic, including due to reduced volumes at our healthcare facilities. Many states banned elective and non-urgent medical procedures during the first few months of the COVID-19 pandemic. Given that many of our tenants depend on elective and non-urgent medical procedures as a major source of revenue, the previous ban had a material adverse effect on our tenants' businesses, and the previous ban, or a reinstitution of such ban, may continue to affect, many of our tenants' ability to pay rent to us on a timely basis. For example, certain localities, such as El Paso, Lubbock and Amarillo, Texas, have already reinstituted bans on elective surgeries due to a resurgence in COVID-19. A reinstitution of the ban on elective medical procedures may have a material adverse effect on our and our tenants' businesses and may lead to: (i) increased tenant rent deferrals, (ii) failure by tenants to comply with their current rent deferral agreements with us or (iii) tenant defaults. Also, even though most of these bans have currently been lifted, patients may be reluctant to undertake certain medical procedures and our tenants may institute social distancing measures, each of which may cause our tenants to experience decreased patient volumes for an extended period of time. Even with significant government financing programs available through the CARES Act, our tenants may not be eligible to participate in such programs or there may be insufficient funds available to withstand a prolonged downturn in their businesses.

The U.S. is currently experiencing historically high unemployment rates. Many of these unemployed workers have also lost their employer-based health insurance, which is a primary payor for our tenants. The extraordinarily high levels of U.S. unemployment and loss of health insurance may cause people to cancel or delay medical procedures even after the COVID-19 pandemic subsides, and it is unclear when, if ever, these workers will be able to regain employment or private health insurance. An extended period of high unemployment and loss of benefits could materially, adversely affect our tenants' businesses and thus our ability to collect rent from our tenants.

Effect of the COVID-19 Pandemic on Our Access to Capital

The COVID-19 pandemic caused, and continues to cause, substantial volatility in U.S. and international debt and equity markets and caused, and continues to cause, significant decreases in the market prices of equity securities. Although equity security prices have generally stabilized, a resurgence of COVID-19 could cause U.S. and international debt and equity prices to fall and force liquidity constraints on our lenders, which could negatively affect our ability to access capital on commercially reasonable terms or at all.

Effect of the COVID-19 Pandemic on our Acquisition Pipeline

A resurgence of the COVID-19 pandemic could alter the market for healthcare real estate, which, in turn, could dramatically decrease our investment pipeline and cause us not to achieve our acquisition goals.

The declaration, amount and payment of future cash dividends are subject to uncertainty due to current market conditions.

All dividends will be declared at the discretion of our Board and will depend on our earnings, our financial condition, REIT distribution requirements, and other factors as our Board may deem relevant from time to time. A resurgence of the COVID-19 pandemic could adversely affect our ability to pay dividends. Our Board is under no obligation or requirement to declare a dividend distribution and will continue to assess our dividend rates on an ongoing basis, as market conditions and our financial position continue to evolve. We cannot assure you that we will achieve results that will allow us to pay dividends or that the level of dividends will be maintained to increased.

Ultimately, the overall effects of the COVID-19 pandemic on our and our tenants' businesses, which are highly uncertain and cannot be predicted, will depend upon future developments, including the severity of COVID-19 and the duration of the outbreak and potential resurgences; the duration of existing or future social distancing and shelter-in-place orders; further mitigation strategies taken by applicable government authorities; the availability of a vaccine, adequate testing and treatments and the prevalence of widespread immunity to COVID-19; the impacts on our tenants' supply chain; the health of our and our tenants' employees, service providers; and the reactions of U.S. and global markets and their effects on consumer confidence and spending. Such adverse effects, however, may include lower patient volumes or reduced revenues of our tenants, an increase in rent deferral requests, requests to extend the repayment periods for deferred rent, or a failure by our tenants to pay rent to us, which may materially impact our business, financial condition, results of operation, our ability to pay distributions on our common and preferred stock and the market prices of our common and preferred stock during the fourth quarter of 2020 and beyond, as well as our ability to satisfy the covenants in our existing and any future debt agreements, including the Credit Facility, and service our outstanding indebtedness. The impact of COVID-19 may also exacerbate other risks discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2019, filed with the Commission on March 9, 2020, any of which could have a material effect on us.

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

None.

Item 6. Exhibits

(a) Exhibits

Exhibit No.	Description
2.1	Stock Purchase Agreement, dated July 9, 2020, by and among Global Medical REIT Inc., Zensun Enterprises Limited and Mr. Jeffrey Busch (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K as filed with the SEC on July 9, 2020).
3.1	Articles of Restatement of Global Medical REIT Inc. (incorporated herein by reference to Exhibit 3.1 to the Company's Report on Form 10-Q as filed with the SEC on August 8, 2018).
3.2	Third Amended and Restated Bylaws of Global Medical REIT Inc., adopted as of August 13, 2019 (incorporated herein by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K as filed with the SEC on August 14, 2019).
4.1	Specimen of Common Stock Certificate (incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-11/A filed with the SEC on June 15, 2016).
4.2	Specimen of 7.50% Series A Cumulative Redeemable Preferred Stock Certificate (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K as filed with the SEC on September 14, 2017).
10.1	Employment Agreement, dated as of July 9, 2020, by and between Jeffrey Busch and Inter-American Management LLC (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K as filed with the SEC on July 9, 2020).
10.2	Employment Agreement, dated as of July 9, 2020, by and between Robert Kiernan and Inter-American Management LLC (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K as filed with the SEC on July 9, 2020).
10.3	Employment Agreement, dated as of July 9, 2020, by and between Alfonzo Leon and Inter-American Management LLC (incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K as filed with the SEC on July 9, 2020).
10.4	Severance Plan (incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K as filed with the SEC on July 9, 2020).
10.5	Employment Agreement, dated December 1, 2016, by and between Allen Webb and Inter-American Management LLC (incorporated herein by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K as filed with the SEC on July 9, 2020).
10.6	Form of LTIP Award Agreement (incorporated herein by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K as filed with the SEC on July 9, 2020).
10.7*	Consent and Third Amendment to the Amended and Restated Credit Agreement, dated July 9, 2020, by and among Global Medical REIT L.P., Global Medical REIT Inc., the certain subsidiaries from time to time party thereto as guarantors, the lenders party thereto and BMO Harris Bank N.A., as administrative agent.
10.8*	Second Amended and Restated Management Agreement, dated July 9, 2020, by and between Global Medical REIT L.P., Global Medical REIT Inc. and Inter-American Management LLC.
31.1*	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.

31.2*	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.
32.1*	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.
101.INS *	Inline 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
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* 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.

Date: November 6, 2020	By:	/s/ *Jeffrey M. Busch* Jeffrey M. Busch Chief Executive Officer (Principal Executive Officer)
Date: November 6, 2020	By:	/s/ *Robert J. Kiernan* Robert J. Kiernan Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 10.7

CONSENT AND THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

This Consent and Third Amendment to Amended and Restated Credit Agreement (herein, this *"Amendment"*) is entered into as of July 9, 2020 (the *"Third Amendment Effective Date"*), 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"*), as a Guarantor, the other Guarantors party hereto, the Lenders party hereto, and BMO HARRIS BANK N.A., as Administrative Agent (in such capacity, the *"Administrative Agent"*).

PRELIMINARY STATEMENTS

A. Borrower, Parent, the other Guarantors party thereto, the Lenders party thereto, and the Administrative Agent have heretofore entered into that certain Amended and Restated Credit Agreement, dated as of August 7, 2018, as amended by the First Amendment to Amended and Restated Credit Agreement, dated as of September 30, 2019 and the Second Amendment to Amended and Restated Credit Agreement dated as of October 12, 2019 (such Credit Agreement, as amended, restated, supplemented or otherwise modified from time to time, being referred to herein as the *"Credit Agreement"*). All capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement, as amended by this Amendment.

B. Borrower has requested that (i) the Lenders consent to the Internalization Acquisition (as hereinafter defined) and the Internalization (as hereinafter defined), and (ii) certain other changes be made to the Credit Agreement, and Administrative Agent and the Lenders are willing to do so pursuant to the terms below.

C. This Amendment shall constitute a Loan Document and these Preliminary Statements shall be construed as part of this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. CONSENT TO INTERNALIZATION ACQUISITION AND INTERNALIZATION.

The Borrower has informed the Administrative Agent that (i) Global Medical REIT intends to consummate the Internalization Acquisition pursuant to the Internalization Acquisition Agreement on or about the Third Amendment Effective Date, and (ii) pursuant to the Internalization, Global Medical REIT intends to internalize all of the services provided to it by the Manager (as hereinafter defined). As a result, the Borrower has requested that the Administrative Agent and the Required Lenders consent to the Internalization Acquisition and the Internalization. By their execution of this Amendment and upon satisfaction of the conditions precedent set forth in Section 4 below, Administrative Agent and the Required Lenders acknowledge the satisfaction of the conditions precedent set forth in Section 4 below, and the Administrative Agent and the Required Lenders hereby consent to the Internalization Acquisition and the Internalization subject to the terms and conditions herein.

SECTION 2. AMENDMENT TO CREDIT AGREEMENT.

Subject to the satisfaction of the conditions precedent set forth in Section 4 below, the Credit Agreement is hereby amended as follows:

2.1. Section 1.1 (Commitments) of the Credit Agreement is hereby amended by inserting a new Section 1.1(c) in its appropriate alphabetical order to read as follows:

> (c) Notwithstanding anything to the contrary in this Agreement, subject to the terms and conditions set forth in this Agreement, each of the Lenders severally agrees to lend to Global Medical REIT upon notice by Global Medical REIT to the Administrative Agent given in accordance with Section 1.6 (with references to the Borrower deemed for purposes hereof to refer to Global Medical REIT), an amount not greater than Twenty-Five Million Dollars ($25,000,000) (the *"Global Medical REIT Loan"*) through one or more advances made on or before September 9, 2020. The principal amount of the Global Medical REIT Loan shall constitute usage of the Revolving Credit Commitment. The Global Medical REIT Loan shall be made pro rata in accordance with each Lender's Revolver Percentage. Each request with respect to the Global Medical REIT Loan hereunder shall constitute a representation and warranty by Global Medical REIT (and, for the sake of clarity, not the Borrower) that all of the conditions required of Global Medical REIT set forth in Section 7.1 have been satisfied on the date of such request. The Administrative Agent may assume that the conditions in Section 7 have been satisfied unless it receives prior written notice from a Lender that such conditions have not been satisfied. No amount repaid or prepaid on the Global Medical REIT Loan may be borrowed again by Global Medical REIT (but, for the sake of clarity, such repayments or prepayments shall not constitute a commitment reduction of the Revolving Credit Commitment and may be reborrowed by the Borrower subject to the terms and conditions hereof). Global Medical REIT (and, for the sake of clarity, not the Borrower) promises to pay interest on the Global Medical REIT Loan in arrears on each Interest Payment Date with respect thereto at the same interest rate and otherwise on the same terms as provided in the Loan Documents for other Borrowings under the Revolving Credit Commitment. Upon receipt by the Administrative Agent from each Lender of such Lender's Revolver Percentage of the amount of the requested Global Medical REIT Loan and the satisfaction of the conditions set forth in Section 7.1 hereof, the Administrative Agent will make available to Global Medical REIT the aggregate amount of the Global Medical REIT Loan as instructed by Global Medical REIT. Global Medical

REIT will use the proceeds of the Global Medical REIT Loan solely for (a) the consummation of the Internalization and Internalization Acquisition, (b) payment of costs and expenses in connection with the Internalization Acquisition, and (c) anticipated post-closing working capital and other adjustments, and costs expected to be incurred to carry the Global Medical REIT Loan, in each case to the extent not prohibited by applicable law or by the organizational documents of Global Medical REIT. Global Medical REIT promises to pay on the Termination Date and there shall become absolutely due and payable on the Termination Date all of the Global Medical REIT Loan outstanding on such date, together with any and all accrued and unpaid interest thereon. Notwithstanding anything to the contrary in this Agreement, Sections 1, 3, 5, 9.1(a), 9.2, 9.3, 9.4, 10, 11 and 12 of this Agreement shall be applicable to Global Medical REIT, with references to the Borrower deemed for purposes hereof to refer to Global Medical REIT. Except as expressly provided in the foregoing sentence, all other Sections of this Agreement shall not apply to Global Medical REIT as a borrower under the Global Medical REIT Loan; *provided,* that, as applicable, such Sections shall continue to apply to Global Medical REIT in its capacity as a Guarantor. Global Medical REIT represents and warrants to the Administrative Agent and the Lenders that: (i) the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party and the transactions contemplated hereby and thereby (a) are within the authority of Global Medical REIT, (b) have been duly authorized by all necessary proceedings on the part of Global Medical REIT, (c) do not and will not conflict with or result in any breach or contravention of any provision of any applicable Legal Requirement to which Global Medical REIT is subject, (d) do not and will not conflict with or constitute a default (whether with the passage of time or the giving of notice, or both) under any provision of the partnership agreement, articles of incorporation, declaration of trust or other charter documents or bylaws of Global Medical REIT, (e) do not and will not conflict with or result in any breach or contravention of any other agreement or other instrument binding upon, Global Medical REIT or any of its properties, where such contravention or default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, (f) do not and will not result in or require the imposition of any lien or other encumbrance on any of the properties, assets or rights of Global Medical REIT other than the liens and encumbrances in favor of the Administrative Agent contemplated by this Agreement and the other Loan Documents, and (g) do not require the approval or consent of any Person other than those already obtained and delivered to the Administrative Agent; (ii) the execution and delivery of this Agreement and the other Loan Documents to which Global Medical REIT is a party are valid and legally binding obligations of Global Medical REIT enforceable in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws relating to or affecting generally the enforcement of creditors' rights and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law); and (iii) the execution, delivery and performance of this Agreement and the other Loan Documents to which Global Medical REIT is a party and the transactions contemplated hereby and thereby do not require the approval or consent of, or filing or registration with, or the giving of any notice to, any court, department, board, governmental agency or authority other than those already obtained, and filings after the date hereof of disclosures with the SEC or as may be required hereafter with respect to tenant improvements, repairs or other work with respect to any Real Estate. Global Medical REIT covenants and agrees that (i) it will duly and punctually pay or cause to be paid the principal and interest on the Global Medical REIT Loan and all interest and fees provided for with respect thereto in this Agreement, all in accordance with the terms of this Agreement and the Notes (all as if Global Medical REIT had been an original signatory thereto) for other Borrowings under the Revolving Credit Commitment, and (ii) it shall not, directly or indirectly, use the proceeds of the Global Medical REIT Loan or lend, contribute or otherwise make available such proceeds to any Guarantor, Subsidiary or other Person (x) 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 itself the subject of territorial sanctions under applicable OFAC Sanctions Programs, (y) in any manner that would result in a violation of applicable OFAC Sanctions Programs or Anti-Corruption Laws by any Person (including any Person participating in the credit facilities hereunder, whether as underwriter, lender, advisor, investor, or otherwise), or (z) in any manner that would cause it, the Guarantors or any of their respective Subsidiaries to violate the FCPA. To remove all doubt and avoid any confusion, the parties agree that the Borrower shall not be a co-borrower with Global Medical REIT under the Global Medical REIT Loan, and Global Medical REIT shall not be a co-borrower with the Borrower for any of the other Obligations.

2.2. Section 1.8(b) (Prepayments, Mandatory) of the Credit Agreement is hereby amended by inserting a new clause (iii) in its appropriate numerical order to read as follows:

> (iii) From and after the extension of the Global Medical REIT Loan, upon the occurrence of Global Medical REIT's receipt of proceeds from any offering of Stock or Stock Equivalents of Global Medical REIT to any Person, the Borrower shall, within three (3) Business Days, and without notice or demand, pay to the Administrative Agent for the account of the Lenders the aggregate net proceeds received by Global Medical REIT with respect to such offering as and for a mandatory prepayment on the Obligations, with each such prepayment to be applied to the Global Medical REIT Loan until the Global Medical REIT Loan is paid in full.

2.3. Section 4.1 (Guaranties) of the Credit Agreement is hereby amended by (i) deleting the period at the end of that Section and (ii) inserting the below new phrase:

> *provided*, *however*, that Global Medical REIT shall not guarantee its own Obligations, Hedging Liability, and Bank Product Obligations.

2.4. Section 5.1 (Definitions) of the Credit Agreement is hereby amended by inserting the following defined terms in appropriate alphabetical order to read as follows:

> *"Internalization"* means the internalization by Global Medical REIT of the services provided to it by the Manager as more fully described in the Internalization Acquisition Agreement.
>
> *"Internalization Acquisition"* means the purchase by Global Medical REIT from Jeff Busch and Zensun Enterprises Limited or its affiliates of all of the outstanding Equity Interests of Inter-American Group Holdings Inc. (*"Inter-American Group Holdings"*) pursuant to the Internalization Acquisition Agreement, for a purchase price (including working capital and other post- closing adjustments, if any) plus reasonable transaction and carrying costs and expenses related thereto not to exceed the Internalization Consideration, and the contribution to the Borrower by Global Medical REIT of certain Equity Interests of the Manager, such that following such purchase and contribution Borrower and its Subsidiaries will own 100% of the outstanding Equity Interests of the Manager.
>
> *"Internalization Acquisition Agreement"* means that certain Stock Purchase Agreement dated as of July 9, 2020, between Global Medical REIT and Jeff Busch and Zensun Enterprises

Limited pursuant to which Global Medical REIT will acquire substantially all of the Equity Interests of Inter-American Group Holdings owned by Jeff Busch and Zensun Enterprises Limited or its affiliates on the Third Amendment Effective Date.

"Internalization Consideration" means the costs and expenses incurred by Global Medical REIT in connection with the Internalization; *provided*, *however*, that such Internalization Consideration shall not exceed $25,000,000.

"Management Agreement" means that certain Second Amended and Restated Asset Management Agreement dated as of July 9, 2020, by and among Global Medical REIT, the Borrower and the Manager, which Management Agreement is approved by Administrative Agent.

"Manager" means Inter-American Management, LLC, a Delaware limited liability company, or such successor entity approved by Administrative Agent.

2.5. Section 5.1 (Definitions) of the Credit Agreement is hereby further amended by amending and restating the following defined terms in their entirety to read as follows:

"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, (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, or (d) the failure of Borrower to directly or indirectly (i) control the Manager and (ii) own more than 98% of the total economic interest in the Equity Interests of the Manager. 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.

"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 and the Internalization Consideration to the extent incurred during the fiscal quarter ending September 30, 2020, in an amount not to exceed $25,000,000; (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.

"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 the Revolving Credit Commitments then in effect.

"Loan" means (i) the Global Medical REIT Loan and (ii) 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. Notwithstanding the foregoing or anything else to the

contrary in this Agreement or any other Loan Document, as each may be amended, the inclusion of the Global Medical REIT Loan in the foregoing definition of "Loan" shall not be deemed to render (x) Borrower a co-borrower under or in any way liable for the repayment of the Global Medical REIT Loan, it being the parties' intention that the Global Medical REIT Loan is an independent obligation of Global Medical REIT, or (y) Global Medical REIT a co-borrower under any of the other Loans.

"Obligations" means all obligations of (i) Global Medical REIT to pay principal and interest on the Global Medical REIT Loan only and (ii) the Borrower to pay principal and interest on the Loans (excluding the Global Medical REIT Loan), 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. Notwithstanding the foregoing or anything else to the contrary in this Agreement or any other Loan Document, as each may be amended, the inclusion of the Global Medical REIT Loan in the foregoing definition of "Obligations" shall not be deemed to render (x) Borrower a co-borrower under or in any way liable for the repayment of the Global Medical REIT Loan, it being the parties' intention that the Global Medical REIT Loan is an independent obligation of Global Medical REIT, or (y) Global Medical REIT a co-borrower under any of the other Loans that evidence the Obligations, but it being further understood that all of the Collateral (including the Collateral owned by the Borrower) constitutes Collateral securing the Global Medical REIT Loan. Further, any reference in this Agreement or in any other Loan Document to Borrower's payment of the Obligations or Obligations being payable by the Borrower shall be deemed to exclude any obligation of Borrower to pay the Global Medical REIT Loan and shall instead be deemed to refer to Global Medical REIT's obligation to pay the Global Medical REIT Loan.

"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 Revolving Credit Commitments constitute more than 50% of the sum of the total outstanding Loans, interests in Letters of Credit, and Unused Revolving Credit Commitments of the Lenders on such date. To

the extent provided in Section 12.13, the Loans, interests in Letters of Credit and Unused Revolving Credit Commitments of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

2.6. Section 6.4 (Use of Proceeds; Margin Stock) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

> 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. Global Medical REIT will use the proceeds of the Global Medical REIT Loan solely for (a) the consummation of the Internalization and Internalization Acquisition, (b) payment of costs and expenses in connection with the Internalization Acquisition, and (c) anticipated post-closing working capital and other adjustments, and costs expected to be incurred to carry the Global Medical REIT Loan, in each case to the extent not prohibited by applicable law or by the organizational documents of Global Medical REIT. None of Global Medical REIT, 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.

2.7. Section 8.8 (Investments, Acquisitions, Loans and Advances) of the Credit Agreement is hereby amended by (i) deleting the *"and"* appearing at the end of clause (n), (ii) deleting the period at the end of clause (o) and replacing it with *"; and"* in lieu thereof, and (iii) inserting a new clause (p) in its appropriate alphabetical order to read as follows:

(p) the Internalization Acquisition.

2.8. Section 8.9 (Mergers, Consolidations and Sales) of the Credit Agreement is hereby amended by (i) deleting the *"and"* appearing at the end of clause (h), (ii) deleting the period at the end of clause (i) and replacing it with *"; and"* in lieu thereof, and (iii) inserting a new clause (j) in its appropriate alphabetical order to read as follows:

(j) the Internalization.

2.9. Section 8 (Covenants) of the Credit Agreement is hereby further amended by inserting a new Section 8.26 in its appropriate numerical order to read as follows:

> *Section 8.26. Management Fees*. The Borrower shall not pay, and shall not permit any Guarantor to pay, any management fees or other payments under any management agreement to the Borrower or to any other manager that is an Affiliate of the Borrower or any other manager, in the event that a Default or an Event of Default shall have occurred and be continuing; *provided*, that notwithstanding any such Default or Event of Default, the Borrower and any Guarantor may continue to pay (i) management fees and other payments due to Manager under the Management Agreement or any successor management agreement approved by Administrative Agent and (ii) management fees and other payments to the Borrower or an Affiliate of the Borrower if such management fees and other payments do not exceed amounts paid or payable by the Borrower or such Affiliate to third-party managers engaged pursuant to a sub-management agreement to provide management services for the Borrower and/or its Affiliates.

2.10. The following sentence is added to the end of Section 9.1 of the Credit Agreement:

> Notwithstanding anything herein to the contrary, all Loans and Obligations hereunder are cross-defaulted and an Event of Default with respect to any Loan shall result in an immediate Event of Default with respect to all Loans.

2.11. The first sentence of Section 13.1 (The Guarantees) of the Credit Agreement shall be amended and restated in its entirety to read as follows:

> To induce the Lenders to provide the credits described herein and in consideration of benefits expected to accrue to the Borrower and Global Medical REIT 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 or Global Medical REIT 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; *provided further*, that Global Medical REIT shall not guarantee its own Obligations, Hedging Liability, and Bank Product Obligations.

2.12. Exhibit E attached to the Credit Agreement shall be amended and restated in its entirety to read as set forth on Exhibit E attached hereto.

SECTION 3. REAFFIRMATION OF GUARANTIES.

Each Guarantor hereby (i) acknowledges and consents to the terms of this Amendment and the Credit Agreement as amended by this Amendment, (ii) confirms that its Guaranty in favor of the Administrative Agent, for the benefit of the Lenders, and all of its obligations thereunder, as amended, remain in full force and effect and (iii) reaffirms all of the terms, provisions, agreements and covenants contained in its Guaranty. Each Guarantor agrees that its consent to any further amendments or modifications to the Credit Agreement and other Loan Documents shall not be required solely as a result of this acknowledgment and consent having been obtained, except to the extent, if any, required by any Guaranty.

SECTION 4. CONDITIONS PRECEDENT.

The effectiveness of this Amendment is subject to the satisfaction of all of the following conditions precedent:

4.1. The Administrative Agent shall have received this Amendment duly executed by the Borrower, each Guarantor, and the Required Lenders.

4.2. The Administrative Agent shall have received copies, certified as true and correct by a Responsible Officer of Borrower, of the Internalization Acquisition Agreement. All conditions precedent set forth in the Internalization Acquisition Agreement shall be satisfied in all material respects (or waived) in accordance with the terms of the Internalization Acquisition Agreement, and each of the Internalization Acquisition Agreement shall not have been amended or otherwise modified, nor any term or provision thereof been waived (except in either case as disclosed to the Administrative Agent in writing), in a manner that would materially and adversely affect Borrower's or any Guarantor's ability to repay its Indebtedness, Obligations and liabilities to the Lenders under the Loan Documents or the financial condition of Borrower and the Guarantors taken as a whole. The Internalization Acquisition shall close substantially concurrently with the Third Amendment Effective Date.

4.3. The Administrative Agent shall have received copies, certified as true and correct by a Responsible Officer of Global Medical REIT, of the Management Agreement.

4.4. The Administrative Agent shall have received reasonably satisfactory evidence that there shall be no injunction, temporary restraining order or other legal action in effect which would prohibit the closing of the Internalization Acquisition or the transactions contemplated hereby.

4.5. Legal matters incident to the execution and delivery of this Amendment shall be reasonably satisfactory to the Administrative Agent and its counsel.

SECTION 5. REPRESENTATIONS.

In order to induce the Administrative Agent and the Lenders to execute and deliver this Amendment, the Borrower and each other Guarantor hereby represents to the Administrative Agent and the Lenders that (a) after giving effect to this Amendment, the representations and warranties set forth in Section 6 of the Credit Agreement, as amended by this Amendment, are and shall be and remain true and correct in all material respects as of the date hereof (or, if any such representation and warranty is expressly stated to have been made as of a specific date, as of such specific date) and (b) no Default or Event of Default has occurred and is continuing under the Credit Agreement or shall result after giving effect to this Amendment.

SECTION 6. MISCELLANEOUS.

6.1. Except as specifically amended herein, the Credit Agreement shall continue in full force and effect in accordance with its original terms. Reference to this specific Amendment need not be made in the Credit Agreement, the Notes, the other Loan Documents, or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Credit Agreement, any reference in any of such items to the Credit Agreement being sufficient to refer to the Credit Agreement as amended hereby. The Borrower and each Guarantor party hereto hereby, to the extent it granted liens on or security interests in any property pursuant to any Loan Documents, ratifies and reaffirms such grant of security and confirms that such liens and security interests continue to secure the obligations set forth therein and as amended hereby.

6.2. The Borrower agrees to pay on demand all reasonable costs and out-of-pocket expenses of or incurred by the Administrative Agent in connection with the negotiation, preparation, execution and delivery of this Amendment, including the reasonable fees and out-of- pocket expenses of counsel for the Administrative Agent.

6.3. In order to induce the Administrative Agent and the Lenders to enter into this Amendment, Borrower and each Guarantor (collectively, the *"Releasing Parties"*) hereby absolutely and unconditionally releases and forever discharges the Administrative Agent, the L/C Issuer, and each Lender, and any and all participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents, attorneys, consultants, representatives and employees of any of the foregoing (each a *"Released Party"*), from any and all claims, demands or causes of action of any kind, nature or description relating to or arising out of or in connection with or as a result of any of the Obligations, the Credit Agreement, and any other Loan Documents, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise, which each Releasing Party has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this Agreement, whether such claims, demands and causes of action are matured or unmatured or known or unknown, other than, in each instance, as determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Released Party. Each Releasing Party acknowledges that it may hereafter discover facts different from or in addition to those now known or believed to be true with respect to such claims, demands, or causes of action and agree that this instrument shall be and remain effective in all respects notwithstanding any such differences or additional facts. Each Releasing Party understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

6.4. This Amendment may be executed in any number of counterparts, and by the different parties on different counterpart signature pages, all of which taken together shall constitute one and the same agreement. Any of the parties hereto may execute this Amendment by signing any such counterpart and each of such counterparts shall for all purposes be deemed to be an original. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Amendment. THIS AMENDMENT, 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.

[SIGNATURE PAGES FOLLOW]

This Consent and Third Amendment to Amended and Restated Credit Agreement is entered into as of the date and year first above written.

BORROWERS:

GLOBAL MEDICAL REIT L.P.

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
Date: Treasurer and Chief Financial Officer

GLOBAL MEDICAL REIT INC., as Borrower for the
Global Medical REIT Loan

By /s/ Robert Kiernan
Name: Robert Kiernan
Title: Treasurer and Chief Financial Officer

[SIGNATURE PAGE TO CONSENT AND THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT
(GLOBAL MEDICAL REIT L.P.)]

GUARANTORS:

GLOBAL MEDICAL REIT INC.

By /s/ Robert Kiernan
Name: Robert Kiernan
Title: Treasurer and Chief Financial Officer

[SIGNATURE PAGE TO CONSENT AND THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (GLOBAL MEDICAL REIT L.P.)]

GMR ALBERTVILLE, LLC
GMR ALTOONA, LLC
GMR AMARILLO, LLC
GMR ASHEVILLE, LLC
GMR AURORA, LLC
GMR AUSTIN, LLC
GMR BANNOCKBURN, LLC
GMR BASTROP, LLC
GMR BEAUMONT, LLC
GMR BELPRE, LLC
GMR BOUNTIFUL, LLC
GMR BROCKPORT, LLC
GMR CAPE CORAL, LLC
GMR CARSON CITY, LLC
GMR CHANDLER DOBSON, LLC
GMR CHANDLER PECOS I, LLC
GMR CHANDLER PECOS II, LLC
GMR CHANDLER VAL VISTA I, LLC
GMR CINCINNATI BEECHMONT, LLC
GMR CLERMONT, LLC
GMR CORONA, 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 GILBERT, LLC
GMR GRAND RAPIDS BELTLINE, LLC
GMR GRAND RAPIDS WALKER, LLC
GMR GRAND RAPIDS WILSON, LLC
GMR GREENWOOD, LLC
GMR HIGH POINT, LLC
GMR JACKSONVILLE PONTE VEDRA, LLC
GMR JACKSONVILLE RIVERSIDE, LLC
GMR LANSING JOLLY 3390, LLC
GMR LANSING JOLLY 3400, LLC
GMR LANSING JOLLY PATIENT, LLC
GMR LAS CRUCES, LLC
GMR LAS VEGAS, LLC
GMR LEE'S SUMMIT, LLC
GMR LEWISBURG, LLC
GMR LIVONIA, LLC
GMR LUBBOCK, LLC
GMR MCALLEN, LLC
GMR MECHANICSBURG, LLC
GMR MELBOURNE PINE, LLC
GMR MESA, LLC
GMR MOLINE, LLC

GMR MORGANTOWN, LLC
GMR OKLAHOMA CITY, LLC
GMR OKLAHOMA NORTHWEST, LLC
GMR OMAHA, LLC
GMR ORLANDO, LLC
GMR PANAMA CITY, LLC
GMR PANAMA CITY CHIPLEY, LLC
GMR PANAMA PCB, LLC
GMR PRESCOTT, LLC
GMR READING, LLC
GMR SAINT GEORGE, LLC
GMR SAN MARCOS, LLC
GMR SANDUSKY, LLC
GMR SHERMAN, LLC
GMR SOUTH BEND, LLC
GMR SOUTHERN IL, LLC
GMR SOUTHERN IL CARBONDALE, LLC
GMR SOUTHERN IL SHILOH 1191, LLC
GMR SOUTHERN IL SHILOH 1197, LLC
GMR SURPRISE, LLC
GMR VERNON, LLC
GMR VERNON KEYNOTE, LLC
GMR WATERTOWN, LLC
GMR WEST ALLIS, LLC
GMR WYOMISSING, LLC
GMR ZACHARY, 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

ADMINISTRATIVE AGENT:

BMO HARRIS BANK N.A., as L/C Issuer and as Administrative Agent

By: /s/ Michael Kauffman
Name: Michael Kauffman
Title: Managing Director

LENDERS:

BMO HARRIS BANK N.A., as a Lender

By: /s/ Michael Kauffman
Name: Michael Kauffman
Title: Managing Director

CITIZENS BANK, N.A.

By /s/ Frank Kaplan
Name: Frank Kaplan
Title: Vice President

[SIGNATURE PAGE TO CONSENT AND THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (GLOBAL MEDICAL REIT L.P.)]

TRUIST BANK (AS SUCCESSOR BY MERGER TO SUNTRUST BANK)

By /s/ Anton Brykalin

Name Anton Brykalin

Title Vice President

THE HUNTINGTON NATIONAL BANK

By /s/ Eva S. McQuillen
Name Eva S. McQuillen
Title Vice President

[SIGNATURE PAGE TO CONSENT AND THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT
(GLOBAL MEDICAL REIT L.P.)]

WELLS FARGO BANK, NATIONAL ASSOCIATION

By /s/ Darin Mullis
Name Darin Mullis
Title Managing Director

COMERICA BANK

By /s/ Casey L. Stevenson
Name Casey L. Stevenson
Title Vice President

[SIGNATURE PAGE TO CONSENT AND THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT
(GLOBAL MEDICAL REIT L.P.)]

KEYBANK NATIONAL ASSOCIATION

By /s/ Gregory W. Lane
Name: Gregory W. Lane
Title: Senior Vice President

[SIGNATURE PAGE TO CONSENT AND THIRD AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (GLOBAL MEDICAL REIT L.P.)]

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.	Maximum Consolidated Leverage Ratio (Section 8.20(a))	
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.	Minimum Fixed Charge Coverage Ratio (Section 8.20(b))	
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 and the Internalization Consideration in an amount not to exceed $25,000,000	________________
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 *minus* Line B12 (*"EBITDA"*) ________________
14. EBITDA ________________
15. Acquisition expenses with respect to any Real Property ________________
16. Capital Reserve ________________
17. Line B14 *plus* Line B15 *minus* Line B16 and computed on an Annualized basis (*"Adjusted EBITDA"*) ________________
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 *plus* Line B19 (*"Debt Service"*) ________________
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 (*"Fixed Charges"*)
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. Maintenance of Net Worth (Section 8.20(c))

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. Other Investments (Section 8.8(o)(v))

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. Aggregate Investment Limitation to Total Asset Value (Section 8.8)

1. Sum of Lines E1, F1, G1, H1 and II $____________
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. Distributions to Adjusted FFO (Section 8.24(a))[3]

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.

EXHIBIT A TO SCHEDULE I
TO COMPLIANCE CERTIFICATE
OF GLOBAL MEDICAL REIT L.P.

This Exhibit A is attached to Schedule I to the Compliance Certificate of Global Medical REIT L.P. dated **[_________]**, 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 Total Asset Value as of the last day of the Fiscal Quarter most recently ended:

1. REAL PROPERTIES (OTHER THAN ASSETS UNDER DEVELOPMENT AND LAND ASSETS):

PROPERTY	GAAP BOOK VALUE (PLUS ALLOWANCE FOR ACCUMULATED DEPRECIATION)
TOTAL:	$____________

2. ASSETS UNDER DEVELOPMENT:

PROPERTY	GAAP BOOK VALUE OF ACTUAL FUNDED PORTION (PLUS ALLOWANCE FOR ACCUMULATED DEPRECIATION)
TOTAL:	$____________

3. LAND ASSETS

PROPERTY	GAAP BOOK VALUE
TOTAL:	$____________

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 10.8

Execution Version

SECOND AMENDED AND RESTATED MANAGEMENT AGREEMENT

By and Among

GLOBAL MEDICAL REIT L.P.,

INTER-AMERICAN MANAGEMENT, LLC,

and,

For the Sole Purpose of Acknowledging that it Consents to the Amendment and Restatement of the Amended and Restated Management Agreement and to the Execution of this Second Amended and Restated Management Agreement,

GLOBAL MEDICAL REIT INC.

SECOND AMENDED AND RESTATED
ASSET MANAGEMENT AGREEMENT

THIS SECOND AMENDED AND RESTATED MANAGEMENT AGREEMENT (this "**Agreement**"), dated as of the 9th day of July, 2020, (the "**Effective Date**"), is entered into by and among Global Medical REIT L.P., a Delaware limited partnership (the "**Operating Partnership**"), Inter-American Management, LLC, a Delaware limited liability company (the "**Manager**"), and, for the sole purpose of acknowledging that it consents to the amendment and restatement of the Previous Management Agreement (as defined below) and to the execution of this Second Amended and Restated Management Agreement, Global Medical REIT Inc., a Maryland corporation ("**GMRE**"). Capitalized terms used herein shall have the meanings ascribed to them in ARTICLE I below.

W I T N E S S E T H

WHEREAS, the Manager has been providing management services to the Operating Partnership pursuant to that certain amended and restated management agreement dated December 1, 2016 (the "**Previous Management Agreement**") by and between the Manager and GMRE;

WHEREAS, as of the Effective Date, GMRE has transferred ownership of 100% of the membership interests in the Manager to the Operating Partnership as a capital contribution, thereby causing the Manager to become wholly owned by the Operating Partnership;

WHEREAS, the Operating Partnership and the Manager desire, with the consent of GMRE, to amend and restate the Previous Management Agreement, in its entirety, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified below:

Asset Management Fee means the fee payable to the Manager pursuant to ARTICLE VI.

Board means the board of directors of GMRE, as of any particular time.

Code means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto. Reference to any provision of the Code shall mean such provision as in effect from time to time, as the same may be amended, and any successor provision thereto, as interpreted by any applicable regulations as in effect from time to time.

Gross Operating Expenses shall mean the aggregate (without duplication) expenses actually incurred by the Manager in connection with the services performed by the Manager under this Agreement, including salaries, wages, bonuses, payroll taxes; and employee benefits (including, but not limited to, life, medical, disability insurance, retirement and other benefits) incurred by Manager.

Investment Guidelines means the general criteria, parameters and policies relating to the Properties as established by the Board, as the same may be modified from time-to-time.

Partnership Agreement means the limited partnership agreement of the Operating Partnership, as it may be amended from time to time.

Properties means any properties held, directly or indirectly, by the Operating Partnership, at a given time.

ARTICLE II
APPOINTMENT

The Operating Partnership hereby appoints the Manager to serve as its asset manager on the terms and conditions set forth in this Agreement, and the Manager hereby accepts such appointment.

ARTICLE III
DUTIES OF THE MANAGER

The Manager is responsible for managing, operating, directing, and supervising the operations and administration of the Operating Partnership and its assets. Subject to the limitations set forth in this Agreement, including ARTICLE IV hereof and the continuing and exclusive authority of the Board over the management of GMRE and its subsidiaries, the Manager shall, either directly or by engaging an affiliate or third party, perform the following duties:

(i) Serve as the Operating Partnership's asset manager and, where reasonably requested, provide the Operating Partnership with reports relating to the operation and maintenance of the Properties;

(ii) Supervise the performance of such ministerial and administrative functions as may be necessary in connection with the daily operations of the Operating Partnership and its Properties, including (a) providing executive and administrative personnel, office space, and office services required in rendering services to the Operating Partnership, (b) providing to GMRE, at the request of the Board, the services of its senior management team to act as GMRE's chief executive officer, president, chief financial officer, treasurer, general counsel, secretary, chief investment officer, chief operating officer, and senior vice president, SEC reporting and technical accounting, of GMRE, and (c) collecting revenues (including, but not limited to, rent from the Properties) and paying the Operating Partnership's and its subsidiaries' debts and obligations (including, but not limited to, Property operating expenses), maintaining appropriate computer services to perform such administrative functions, maintaining and administering separate bank accounts and books of account on behalf of the Operating Partnership, and rendering appropriate accountings of such collections and payments to the Board and, upon request of the Board, to the auditors of GMRE;

(iii) Prepare statements documenting the operating expenses of the Operating Partnership incurred during each fiscal quarter, and deliver the same to the Operating Partnership within 40 days following the end of the applicable fiscal quarter;

(iv) Prepare, cause to be prepared, with respect to any Property, (a) reports and information on the Operating Partnership's operations and asset performance and (b) other information reasonably requested by the Operating Partnership;

(v) Prepare, or cause to be prepared, (a) all reports, financial or otherwise, with respect to the Operating Partnership reasonably required in order for the Operating Partnership to comply with the Partnership Agreement or any other materials required to be filed with any governmental entity or agency, and (b) all materials and data necessary to complete such reports and other materials;

(vi) Prepare regular reports for the Board to enable the Board to review the Operating Partnership's acquisitions, portfolio composition and characteristics, credit quality, performance and compliance with the Investment Guidelines and policies approved by the Board;

(vii) Perform and administer any and all other acts and services that are reasonably necessary in order for the Manager to perform the services described in this Agreement;

(viii) Structure the terms and conditions of the Operating Partnership's acquisitions, sales and joint ventures;

(ix) Enter into leases and service contracts for the Properties and other investments;

(x) Approve and oversee the Operating Partnership's debt financing strategies;

(xi) Approve joint ventures, limited partnerships, and other such relationships with third parties;

(xii) Approve any potential liquidity transaction;

(xiii) Obtain market research and economic and statistical data in connection with the Operating Partnership's investments and investment objectives and policies;

(xiv) Oversee and conduct the due diligence process related to prospective investments;

(xv) Prepare reports regarding prospective investments which include recommendations and supporting documentation necessary for its' investment committee to evaluate the proposed investments;

(xvi) Negotiate and execute approved investments and other transactions; and

(xvii) any additional services as may from time-to-time be agreed to in writing by the Manager and the Operating Partnership for which the Manager will be compensated on terms to be agreed upon among the parties hereto.

ARTICLE IV
AUTHORITY OF THE MANAGER

Section 4.1 Powers of the Manager. Subject to the express limitations set forth in this Agreement and the continuing and exclusive authority of the Board over the management of GMRE and its subsidiaries, the Manager shall have the power to perform those services described in ARTICLE III hereof. The Manager shall have the power to delegate all or any part of its rights and powers hereunder to such officers, employees, affiliates, agents, and representatives of the Manager or the Operating Partnership as it may deem appropriate. Any authority delegated by the Manager to any other person shall be subject to the limitations on the rights and powers of the Manager specifically set forth in this Agreement.

Section 4.2 Approval by the General Partner. Notwithstanding the foregoing, the Manager may not take any action on behalf of the Operating Partnership without the prior approval of the general partner of the Partnership, Global Medical REIT GP, LLC, a Delaware limited liability company (the "**General Partner**"), if the Partnership Agreement, the Delaware Revised Uniform Limited Partnership Act, or the policies and procedures adopted by the Operating Partnership require the prior approval of the General Partner. If the General Partner must approve a proposed investment, financing or disposition or chooses to do so, the Manager will deliver to the General Partner all documents required by it to evaluate such investment, financing or disposition.

Section 4.3 Modification or Revocation of Authority of Manager. The Operating Partnership may, at any time upon the giving of notice to the Manager, modify or revoke the authority or approvals set forth in ARTICLE III and this ARTICLE IV hereof.

ARTICLE V
LIMITATION ON ACTIVITIES

Notwithstanding any provision in this Agreement to the contrary, the Manager shall not take any action that, in its sole judgment made in good faith, would (i) adversely affect the ability of GMRE to qualify or continue to qualify as a REIT under the Code unless GMRE has determined that it will not seek or maintain REIT qualification, (ii) violate any law, rule, regulation or statement of policy of any governmental body or agency having jurisdiction over GMRE and/or the Operating Partnership or (iii) violate the any of the Operating Partnership's governing documents. In the event an action that would violate (i) through (iii) of the preceding sentence but such action has been ordered by the Operating Partnership, the Manager shall notify the Operating Partnership of the Manager's judgment of the potential impact of such action and shall refrain from taking such action until it receives further clarification or instructions from the Operating Partnership. In such event, the Manager shall have no liability for acting in accordance with the specific instructions of the Operating Partnership so given.

ARTICLE VI
ASSET MANAGEMENT FEE

Section 6.1 The Operating Partnership shall pay the Manager, as compensation for the services described in ARTICLE III hereof, an Asset Management Fee equal to the Manager's Gross Operating Expenses, plus 10% of such Gross Operating Expenses.

Section 6.2 The Asset Management Fee shall be payable in arrears in cash, in quarterly installments commencing with the fiscal quarter in which this Agreement is executed. Within 45 days following the last day of each fiscal quarter, the Manager shall deliver to the Operating Partnership the quarterly calculation of the Asset Management Fee with respect to such fiscal quarter and the Operating Partnership shall pay the Manager the Asset Management Fee for such quarter in cash within 15 business days thereafter.

ARTICLE VII
TERM AND TERMINATION OF THE AGREEMENT

This Agreement shall continue indefinitely unless terminated earlier by written notice made by (i) the Operating Partnership or (ii) the Manager.

ARTICLE VIII
INDEMNIFICATION AND LIMITATION OF LIABILITY

Section 8.1 Indemnification. Except as prohibited by the restrictions provided in this Section 8.1, Section 8.2, and Section 8.3, the Operating Partnership shall indemnify, defend, and hold harmless the Manager and its affiliates, including their respective officers, directors, equity holders, partners and employees, from all liability, claims, damages, or losses arising in the performance of their duties hereunder, and related expenses, including reasonable attorneys' fees, to the extent such liability, claims, damages, or losses and related expenses are not fully reimbursed by insurance.

Section 8.2 Limitation on Indemnification. Notwithstanding the foregoing, the Operating Partnership shall not provide for indemnification of the Manager or its affiliates for any liability or loss suffered by any of them, nor shall any of them be held harmless for any loss or liability suffered by the Operating Partnership, unless all of the following conditions are met:

(i) The Manager or its affiliates were acting on behalf of or performing services for the Operating Partnership.

(ii) Such liability or loss was not the result of gross negligence or willful misconduct by the Manager or its affiliates.

(iii) Such indemnification or agreement to hold harmless is recoverable only out of the Operating Partnership's net assets and not from its partners or security holders.

Section 8.3 Limitation on Payment of Expenses. The Operating Partnership shall pay or reimburse reasonable legal expenses and other costs incurred by the Manager or its affiliates in advance of the final disposition of a proceeding only if all of the following are satisfied: (i) the proceeding relates to acts or omissions with respect to the performance of duties or services on behalf of the Operating Partnership, (ii) the legal proceeding was initiated by a third party, and (iii) the Manager or its affiliates undertake to repay the amount paid or reimbursed by the Operating Partnership, if it is ultimately determined that the particular indemnitee is not entitled to indemnification.

Section 8.4 Indemnification by Manager. The Manager shall indemnify and hold harmless the Operating Partnership from contract or other liability, claims, damages, taxes, or losses and related expenses including attorneys' fees, to the extent that such liability, claims, damages, taxes, or losses and related expenses are not fully reimbursed by insurance and are incurred by reason of the Manager's bad faith, fraud, misfeasance, willful misconduct, or gross negligence in the performance of its duties under this Agreement, as determined by a final, nonappealable ruling of a court of competent jurisdiction; *provided*, *however*, that the Manager shall not be held responsible for any action of the Operating Partnership in following or declining to follow any advice or recommendation given by the Manager. Any indemnified expense, pursuant to this ARTICLE VIII, which is paid or payable by the Manager, shall be excluded from the definition of Gross Operating Expenses.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Notices. Any notice, report, or other communication required or permitted to be given hereunder shall be in writing unless some other method of giving such notice, report, or other communication is accepted by the party to whom it is given, and shall be given by being delivered by hand or by overnight mail or other overnight delivery service to the addresses set forth herein:

To the Operating Partnership:	Global Medical REIT L.P. 4800 Montgomery Lane Suite 440 Bethesda, Maryland 20814
To the Manager:	Inter-American Management, LLC 4800 Montgomery Lane Suite 450 Bethesda, Maryland 20814

Either party may at any time give notice in writing to the other party of a change in its address for the purposes of this Section 9.1.

Section 9.2 Modification. This Agreement shall not be changed, modified, terminated, or discharged, in whole or in part, except by an instrument in writing signed by all parties hereto, or their respective successors or permitted assigns.

Section 9.3 Severability. The provisions of this Agreement are independent of and severable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

Section 9.4 Construction. The provisions of this Agreement shall be construed and interpreted in accordance with the laws of the State of Maryland.

Section 9.5 Entire Agreement. This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements, and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing.

Section 9.6 Waiver. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege preclude any other or further exercise of the same or of any other right, remedy, power, or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

Section 9.7 Gender. Words used herein regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context requires.

Section 9.8 Titles Not to Affect Interpretation. The titles of Articles and Sections contained in this Agreement are for convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation hereof.

Section 9.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

GLOBAL MEDICAL REIT L.P.,
a Delaware limited partnership

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/ Jamie Barber
Name: Jamie Barber
Title: General Counsel

INTER-AMERICAN MANAGEMENT, 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/ Jamie Barber
Name: Jamie Barber
Title: General Counsel

Global Medical REIT Inc. is executing this Agreement for the sole purpose of acknowledging that it consents to the amendment and restatement of the Previous Management Agreement and to the execution of this Second Amended and Restated Management Agreement by and between the Manager and the Operating Partnership.

GLOBAL MEDICAL REIT INC., a
Maryland corporation

By: /s/ Jamie Barber
Name: Jamie Barber
Title: General Counsel

[Signature Pages to the Amended and Restated Management Agreement]

Exhibit 31.1

CERTIFICATIONS

I, Jeffrey M. Busch, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended September 30, 2020 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.

Date: November 6, 2020

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

Exhibit 31.2

CERTIFICATIONS

I, Robert J. Kiernan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended September 30, 2020 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.

Date: November 6, 2020

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

Exhibit 32.1

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 September 30, 2020 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.

Date: November 6, 2020	*/s/ Jeffrey M. Busch* Jeffrey M. Busch, Chief Executive Officer (Principal Executive Officer)
Date: November 6, 2020	*/s/ Robert J. Kiernan* Robert 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.