

MEDICAL PROPERTIES TRUST INC

Form 10-K/A

April 09, 2010

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

**FORM 10-K/A  
(Amendment No. 1)**

**(Mark One)**

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

**For the fiscal year ended December 31, 2009**

**or**

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

**Commission file number 001-32559**

**Medical Properties Trust, Inc.**

*(Exact Name of Registrant as Specified in Its Charter)*

**Maryland**

*(State or Other Jurisdiction of Incorporation or  
Organization)*

**20-0191742**

*(IRS Employer Identification No.)*

**1000 Urban Center Drive, Suite 501  
Birmingham, AL**

*(Address of Principal Executive Offices)*

**35242**

*(Zip Code)*

**(205) 969-3755**

*(Registrant's telephone number, including area code)*

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

**Title of Each Class**

**Name of Each Exchange on Which Registered**

Common Stock, par value \$0.001 per share

New York Stock Exchange

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

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this

chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

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

As of June 30, 2009, the aggregate market value of the 80,164,801 shares of common stock, par value \$0.001 per share ( Common Stock ), held by non-affiliates of the Registrant was \$486,600,342 based upon the last reported sale price of \$6.07 on the New York Stock Exchange. For purposes of the foregoing calculation only, all directors and executive officers of the Registrant have been deemed affiliates.

As of February 10, 2010, 80,414,982 shares of the Registrant's Common Stock were outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the Registrant's definitive Proxy Statement for the Annual Meeting of Stockholders to be held on May 20, 2010 are incorporated by reference into Part III, Items 9 through 13 of this Annual Report on Form 10-K.

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**MEDICAL PROPERTIES TRUST, INC.  
AMENDMENT NO. 1 TO ANNUAL REPORT ON FORM 10-K  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009**

This Amendment No. 1 to the Annual Report on Form 10-K for the fiscal year ended December 31, 2009 of Medical Properties Trust, Inc. is filed for the sole purpose of adding the consolidated financial statements of Prime Healthcare Services, Inc. and Subsidiaries ( Prime ) as Exhibit 99.1 and of including consents from our independent registered public accounting firms and that of our significant lessee. At December 31, 2009, our properties leased to Prime were more than 20% of our assets. Since these properties are leased to Prime under long-term, triple-net leases that transfer substantially all operating costs to Prime, financial information about Prime may be relevant to investors. The audited financial statements of Prime for the years ended December 31, 2009 and 2008 are attached to this report as Exhibit 99.1. Refer to our 2008 Form 10-K/A filed on May 11, 2009 for the audited financial statements of Prime for the years ended December 31, 2008 and 2007. These financial statements were provided to us by Prime and Medical Properties Trust, Inc. did not participate in their preparation or review. Accordingly, Item 14 of Part IV has also been amended to reflect the filing of these exhibits.

Other than as expressly set forth above, this Amendment does not, and does not purport to, update or restate the information in any other Item of the originally filed annual report.

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**PART IV**

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EX-23.2 CONSENT OF KPMG LLP

EX-23.3 CONSENT OF MOSS ADAMS LLP

EX-31.1 SECTION 302, CERTIFICATION OF THE CEO

EX-31.2 SECTION 302, CERTIFICATION OF THE CFO

EX-99.1 CONSOLIDATED FINANCIAL STATEMENTS

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**Item 14. Exhibits and Financial Statement Schedules.**

**(a) Financial Statements and Financial Statement Schedules**

The financial statements and financial statement schedules were previously filed with the Annual Report on Form 10-K for the fiscal year ended December 31, 2009, filed on February 12, 2010.

**(b) Exhibits**

**Exhibit**

| <b>Number</b> | <b>Exhibit Title</b>  |
|---------------|---|
| 3.1(1)        | Registrant's Second Articles of Amendment and Restatement   |
| 3.2(2)        | Registrant's Second Amended and Restated Bylaws   |
| 3.3(3)        | Articles of Amendment of Registrant's Second Articles of Amendment and Restatement  |
| 4.1(1)        | Form of Common Stock Certificate  |
| 4.2(4)        | Indenture, dated July 14, 2006, among Registrant, MPT Operating Partnership, L.P. and the Wilmington Trust Company, as trustee  |
| 4.3(5)        | Indenture, dated November 6, 2006, among Registrant, MPT Operating Partnership, L.P. and the Wilmington Trust Company, as trustee   |
| 4.4(5)        | Registration Rights Agreement among Registrant, MPT Operating Partnership, L.P. and UBS Securities LLC and J.P. Morgan Securities Inc., as representatives of the initial purchasers, dated as of November 6, 2006  |
| 4.5(13)       | Indenture, dated as of March 26, 2008, among MPT Operating Partnership, L.P., as Issuer, Medical Properties Trust, Inc., as Guarantor, and Wilmington Trust Company, as Trustee.  |
| 4.6(13)       | Registration Rights Agreement among MPT Operating Partnership, L.P., Medical Properties Trust, Inc. and UBS Securities LLC, as representative of the initial purchasers of the notes, dated as of March 26, 2008  |
| 10.1(11)      | Second Amended and Restated Agreement of Limited Partnership of MPT Operating Partnership, L.P.   |
| 10.2(6)       | Amended and Restated 2004 Equity Incentive Plan   |
| 10.3(7)       | Form of Stock Option Award  |
| 10.4(7)       | Form of Restricted Stock Award  |
| 10.5(7)       | Form of Deferred Stock Unit Award   |
| 10.6(1)       | Employment Agreement between Registrant and Edward K. Aldag, Jr., dated September 10, 2003  |
| 10.7(1)       | First Amendment to Employment Agreement between Registrant and Edward K. Aldag, Jr., dated March 8, 2004  |
| 10.8(1)       | Employment Agreement between Registrant and R. Steven Hamner, dated September 10, 2003  |
| 10.9          | Not used  |
| 10.10(1)      | Employment Agreement between Registrant and Emmett E. McLean, dated September 10, 2003  |
| 10.11(1)      | Employment Agreement between Registrant and Michael G. Stewart, dated April 28, 2005  |
| 10.12(1)      | Form of Indemnification Agreement between Registrant and executive officers and directors   |
| 10.13(8)      | Credit Agreement dated October 27, 2005, among MPT Operating Partnership, L.P., as borrower, and Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services, Inc., as Administrative Agent and Lender, and Additional Lenders from Time to Time a Party thereto |
| 10.14(1)      | Third Amended and Restated Lease Agreement between 1300 Campbell Lane, LLC and 1300 Campbell Lane Operating Company, LLC, dated December 20, 2004   |
| 10.15(1)      | First Amendment to Third Amended and Restated Lease Agreement between 1300 Campbell Lane, LLC and 1300 Campbell Lane Operating Company, LLC, dated December 31, 2004  |
| 10.16(1)      | Second Amended and Restated Lease Agreement between 92 Brick Road, LLC and 92 Brick Road, Operating Company, LLC, dated December 20, 2004   |
| 10.17(1)      | First Amendment to Second Amended and Restated Lease Agreement between 92 Brick Road, LLC and 92 Brick Road, Operating Company, LLC, dated December 31, 2004  |
| 10.18(1)      |   |

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- Ground Lease Agreement between West Jersey Health System and West Jersey/Mediplex Rehabilitation Limited Partnership, dated July 15, 1993
- 10.19(1) Third Amended and Restated Lease Agreement between San Joaquin Health Care Associates Limited Partnership and 7173 North Sharon Avenue Operating Company, LLC, dated December 20, 2004
- 10.20(1) First Amendment to Third Amended and Restated Lease Agreement between San Joaquin Health Care Associates Limited Partnership and 7173 North Sharon Avenue Operating Company, LLC, dated December 31, 2004
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| <b>Exhibit<br/>Number</b> | <b>Exhibit Title</b>  |
|---------------------------|---|
| 10.21(1)                  | Second Amended and Restated Lease Agreement between 8451 Pearl Street, LLC and 8451 Pearl Street Operating Company, LLC, dated December 20, 2004  |
| 10.22(1)                  | First Amendment to Second Amended and Restated Lease Agreement between 8451 Pearl Street, LLC and 8451 Pearl Street Operating Company, LLC, dated December 31, 2004   |
| 10.23(1)                  | Second Amended and Restated Lease Agreement between 4499 Acushnet Avenue, LLC and 4499 Acushnet Avenue Operating Company, LLC, dated December 20, 2004  |
| 10.24(1)                  | First Amendment to Second Amended and Restated Lease Agreement between 4499 Acushnet Avenue, LLC and 4499 Acushnet Avenue Operating Company, LLC, dated December 31, 2004   |
| 10.25(1)                  | Purchase and Sale Agreement among MPT Operating Partnership, L.P., MPT of Sherman Oaks, LLC, Prime A Investments, L.L.C., Prime Healthcare Services II, LLC, Prime Healthcare Services, Inc., Desert Valley Medical Group, Inc. and Desert Valley Hospital, Inc., dated December 30, 2005   |
| 10.26(11)                 | Form of Medical Properties Trust, Inc. 2007 Multi-Year Incentive Plan Award Agreement (LTIP Units)  |
| 10.27(11)                 | Form of Medical Properties Trust, Inc. 2007 Multi-Year Incentive Plan Award Agreement (Restricted Shares)   |
| 10.28(12)                 | Term Loan Credit Agreement among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., as Borrower, the Several Lenders from Time to Time Parties Thereto, KeyBank National Association, as Syndication Agent, and JP Morgan Chase Bank, N.A. as Administrative Agent, with J.P. Morgan Securities Inc. and KeyBank National Association, as Joint Lead Arrangers and Bookrunners  |
| 10.29(10)                 | First Amendment to Term Loan Agreement  |
| 10.30(17)                 | Revolving Credit and Term Loan Agreement, dated November 30, 2007, among Medical Properties Trust, Inc., MPT Operating Partnership, L.P., as Borrower, the Several Lenders from Time to Time Parties Thereto, KeyBank National Association, as Syndication Agent, and JPMorgan Chase Bank, N.A. as Administrative Agent, with J.P. Morgan Securities Inc. and KeyBank National Association, as Joint Lead Arrangers and Bookrunners |
| 10.31(16)                 | Second Amendment to Employment Agreement between Registrant and Edward K. Aldag, Jr., dated September 29, 2006  |
| 10.32(16)                 | First Amendment to Employment Agreement between Registrant and R. Steven Hamner, dated September 29, 2006   |
| 10.33(16)                 | First Amendment to Employment Agreement between Registrant and Emmett E. McLean, dated September 29, 2006   |
| 10.34(16)                 | First Amendment to Employment Agreement between Registrant and Michael G. Stewart, dated September 29, 2006   |
| 10.35(8)                  | Second Amended and Restated 2004 Equity Incentive Plan  |
| 10.36(14)                 | First Amendment to Revolving Credit and Term Loan Agreement dated March 13, 2008  |
| 10.37(14)                 | Purchase and Sale Agreement among MPT Operating Partnership, L.P., HCP Inc., FAEC Holdings(BC), LLC, HCPI Trust, HCP Das Petersburg VA, LP, and Texas HCP Holdings, L.P. dated as of March 13, 2008   |
| 10.38(14)                 | First Amendment to Purchase and Sale Agreement among MPT Operating Partnership, L.P., HCP Inc., FAEC Holdings(BC), LLC, HCPI Trust, HCP Das Petersburg VA, LP, and Texas HCP Holdings, L.P. dated as of March 28, 2008  |
| 10.39(15)                 | Second Amendment to Purchase and Sale Agreement among MPT Operating Partnership, L.P., HCP Inc., FAEC Holdings(BC), LLC, HCPI Trust, HCP Das Petersburg VA, LP, and Texas HCP Holdings, L.P. dated as of April 1, 2008  |
| 10.40(15)                 | Third Amendment to Purchase and Sale Agreement among MPT Operating Partnership, L.P., HCP Inc., FAEC Holdings(BC), LLC, HCPI Trust, HCP Das Petersburg VA, LP, and Texas HCP Holdings, L.P. dated as of April 17, 2008  |

10.41(15) Fourth Amendment to Purchase and Sale Agreement among MPT Operating Partnership, L.P., HCP Inc., FAEC Holdings(BC), LLC, HCPI Trust, HCP Das Petersburg VA, LP, and Texas HCP Holdings, L.P. dated as of May 14, 2008

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| <b>Exhibit<br/>Number</b> | <b>Exhibit Title</b>  |
|---------------------------|---|
| 10.42(15)                 | Fifth Amendment to Purchase and Sale Agreement among MPT Operating Partnership, L.P., HCP Inc., FAEC Holdings(BC), LLC, HCPI Trust, HCP Das Petersburg VA, LP, and Texas HCP Holdings, L.P. dated as of June 18, 2008 |
| 10.43(15)                 | Sixth Amendment to Purchase and Sale Agreement among MPT Operating Partnership, L.P., HCP Inc., FAEC Holdings(BC), LLC, HCPI Trust, HCP Das Petersburg VA, LP, and Texas HCP Holdings, L.P. dated as of June 30, 2008 |
| 10.44(18)                 | Second Amendment to Employment Agreement between Registrant and William G. McKenzie, dated February 27, 2009  |
| 10.45(18)                 | Second Amendment to Employment Agreement between Registrant and Michael G. Stewart, dated January 1, 2008   |
| 10.46(18)                 | Third Amendment to Employment Agreement between Registrant and Michael G. Stewart, dated January 1, 2009  |
| 10.47(18)                 | Second Amendment to Employment Agreement between Registrant and Emmett E. McLean, dated January 1, 2008   |
| 10.48(18)                 | Third Amendment to Employment Agreement between Registrant and Emmett E. McLean, dated January 1, 2009  |
| 10.49(18)                 | Second Amendment to Employment Agreement between Registrant and Richard S. Hamner, dated January 1, 2008  |
| 10.50(18)                 | Third Amendment to Employment Agreement between Registrant and R. Steven Hamner, dated January 1, 2009  |
| 10.51(18)                 | Third Amendment to Employment Agreement between Registrant and Edward K. Aldag, Jr., dated January 1, 2008  |
| 10.52(18)                 | Fourth Amendment to Employment Agreement between Registrant and Edward K. Aldag, Jr., dated January 1, 2009   |
| 10.53(18)                 | Third Amendment to Employment Agreement between Registrant and William G. McKenzie, dated January 1, 2008   |
| 10.54(18)                 | Fourth Amendment to Employment Agreement between Registrant and William G. McKenzie, dated January 1, 2009  |
| 12.1(19)                  | Statement re Computation of Ratios  |
| 21.1(19)                  | Subsidiaries of Registrant  |
| 23.1(21)                  | Consent of PricewaterhouseCoopers LLP   |
| 23.2(21)                  | Consent of KPMG LLP   |
| 23.3(21)                  | Consent of Moss Adams LLP   |
| 31.1(21)                  | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934   |
| 31.2(21)                  | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934   |
| 32 (19)                   | Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350  |
| 99.1(20) (21)             | Consolidated Financial Statements of Prime Healthcare Services, Inc. as of December 31, 2009 and 2008   |
| (1)                       | Incorporated by reference to Registrant's Registration  |

Statement on  
Form S-11 filed  
with the  
Commission on  
October 26, 2004,  
as amended (File  
No. 333-119957).

- (2) Incorporated by  
reference to  
Registrant's  
current report on  
Form 8-K, filed  
with the  
Commission on  
November 24,  
2009.
  - (3) Incorporated by  
reference to  
Registrant's  
quarterly report  
on Form 10-Q for  
the quarter ended  
September 30,  
2005, filed with  
the Commission  
on November 10,  
2005.
  - (4) Incorporated by  
reference to  
Registrant's  
current report on  
Form 8-K, filed  
with the  
Commission on  
July 20, 2006.
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- (5) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on November 13, 2006.
- (6) Incorporated by reference to Registrant's definitive proxy statement on Schedule 14A, filed with the Commission on September 13, 2005.
- (7) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on October 18, 2005.
- (8) Incorporated by reference to Registrant's definitive proxy statement on Schedule 14A, filed with the Commission on April 14, 2007.
- (9) Not used.
- (10) Incorporated by reference to Registrant's quarterly report on Form 10-Q for the quarter

ended  
September 30,  
2007, filed with  
the Commission  
on November 9,  
2007.

- (11) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on August 6, 2007.
- (12) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on August 15, 2007.
- (13) Incorporated by reference to Registrant's current report on Form 8-K, filed with the Commission on March 26, 2008.
- (14) Incorporated by reference to Registrant's quarterly report on Form 10-Q for the quarter ended March 31, 2008, filed with the Commission on May 9, 2008.
- (15) Incorporated by reference to Registrant's quarterly report

on Form 10-Q  
for the quarter  
ended June 30,  
2008, filed with  
the Commission  
on August 8,  
2008.

(16) Incorporated by  
reference to  
Registrant's  
annual report on  
Form 10-K/A  
for the period  
ended  
December 31,  
2007, filed with  
the Commission  
on July 11,  
2008.

(17) Incorporated by  
reference to  
Registrant's  
quarterly report  
on Form 10-Q  
for the period  
ended  
September 30,  
2009, filed with  
the Commission  
on November 9,  
2009.

(18) Incorporated by  
reference to  
Registrant's  
annual report on  
Form 10-K for  
the period ended  
December 31,  
2008, filed with  
the Commission  
on March 13,  
2009.

(19) Previously filed  
as an exhibit to  
Registrant's  
Annual Report  
on form 10-K,

filed with the  
Commission on  
February 12,  
2010.

- (20) Since affiliates of Prime Healthcare Services, Inc. lease more than 20% of our total assets under triple net leases, the financial status of Prime may be considered relevant to investors. Prime's most recently available audited consolidated financial statements (as of and for the years ended December 31, 2009 and 2008) are attached as Exhibit 99.1 to this Amendment No. 1 to the Annual Report on Form 10-K. Refer to our 2008 Form 10-K/A filed on May 11, 2009 for the audited financial statements of Prime for the years ended December 31, 2008 and 2007. We have not participated in the preparation of Prime's

financial  
statements nor  
do we have the  
right to dictate  
the form of any  
financial  
statements  
provided to us  
by Prime.

(21) Included in this  
Form 10-K/A.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

MEDICAL PROPERTIES TRUST, INC.

By: /s/ R. Steven Hamner  
R. Steven Hamner  
Executive Vice President and  
Chief Financial Officer  
(Principal Financial and Accounting  
Officer)

Date: April 9, 2010

**INDEX TO EXHIBITS**

| <b>Exhibit<br/>Number</b> | <b>Description</b>  |
|---------------------------|---|
| 23.1                      | Consent of PricewaterhouseCoopers LLP   |
| 23.2                      | Consent of KPMG LLP   |
| 23.3                      | Consent of Moss Adams LLP   |
| 31.1                      | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 |
| 31.2                      | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 |
| 99.1                      | Consolidated Financial Statements of Prime Healthcare Services, Inc. as of December 31, 2009 and 2008         |