Risk Factors Comparison 2024-03-15 to 2023-03-17 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Set forth below are the risk factors that we believe are material to our investors and a summary thereof. The occurrence of any of the risks discussed in this Annual Report on Form 10- K could have a material adverse effect on our business, financial condition, results of operations and ability to pay dividends and they may also impact other distributions and the value of an investment in our common and preferred stock. Summary Risk Factors • Our operating results are affected by economic and regulatory changes that have an adverse impact on the real estate market ~~in general~~. • Our property portfolio has a high concentration of properties located in Florida **and Pennsylvania** . Our properties may be adversely affected by economic cycles and risks inherent to those states. • **We have not paid our** ~~Our Credit Facility restricts us from paying cash~~ distributions on ~~or repurchasing~~ our common stock ~~until we satisfy certain conditions~~ **in cash since 2020,** and there can be no assurance we will **pay** ~~be able to resume paying~~ distributions on our common stock **in** ~~, and at what rate, or continue paying dividends on our 7. 375 % Series A Cumulative Redeemable Perpetual Preferred Stock, $ 0. 01 par value per share (the " Series A Preferred Stock ") and our 7. 125 % Series B Cumulative Redeemable Perpetual Preferred Stock, par value $ 0. 01 par value per share (the " Series B Preferred Stock "). • Our Credit Facility restricts our ability to use~~ cash **in** ~~that would otherwise be available to us, and there~~ -- **the future** ~~can be no assurance our available liquidity will be sufficient to meet our capital needs. • We are subject to risks associated with a pandemic, epidemic or outbreak of a contagious disease, such as the ongoing global COVID- 19 pandemic, including negative impacts on our tenants and operators and their respective businesses~~. • Inflation ~~and continuing increases in the inflation rate~~ will have an adverse effect on our investments and results of operations. • **Our real estate investments** ~~No public market currently exists, or may ever exist, for shares of our common stock and our shares~~ are **concentrated in** ~~, and may continue to be, illiquid. • In owning properties we may experience, among other things, unforeseen costs associated with complying with laws and regulations and other costs, potential difficulties selling properties and potential damages or losses resulting from climate change. • We focus on acquiring and owning a diversified portfolio of~~ healthcare- related **facilities,** ~~assets located in the United States~~ and ~~are subject to risks inherent in concentrating investments~~ **we may be negatively impacted by adverse trends** in the healthcare industry. • The healthcare industry is heavily regulated, and ~~we, our tenants, and operators may be impacted by~~ new **laws** or **regulations, changes to** existing laws or regulations, ~~or changes to these laws or regulations, such as the CARES Act and the auditing and reporting requirements instituted by the CARES Act. • Loss~~ **loss** of licensure or failure to obtain licensure could result in the inability of **our** tenants to make **rent payments to us. • If a tenant or** lease **guarantor declares** ~~payments to us. • We depend on tenants for our rental revenue and, accordingly, our rental revenue depends upon the success and economic viability of our tenants. Lease terminations, tenant default and~~ bankruptcy ~~have adversely affected and could in the future adversely affect our~~ - **or** ~~income and cash flow~~ **becomes insolvent, we may be unable to collect balances due under relevant leases** . • We assume additional operating risks and are subject to additional regulation and liability because we depend on eligible independent contractors to manage some of our facilities. • **Joint venture investments could be adversely affected by our lack of sole decision- making authority, our reliance on the financial condition of co- venturers and disputes between us and our co- venturers. •** We **may be unable to renew leases or re- lease space as leases expire. • Our level of indebtedness may increase our business risks. • Our financing arrangements** have **restrictive covenants** ~~substantial indebtedness and may be unable to repay~~ , ~~refinance, restructure~~ **which may limit** ~~or~~ **our** ~~extend~~ **ability to pursue strategic alternatives and react to changes in our business and industry** ~~our~~ - **or pay dividends** ~~indebtedness as it becomes due. Increases in interest rates could increase the amount of our debt payments. We will likely incur additional indebtedness in the future~~. • We depend on our Advisor and ~~our~~ Property Manager to provide us with executive officers, key personnel and all services required for us to conduct our operations and our operating performance may be impacted by ~~an~~ **any** adverse changes in the financial health or reputation of our Advisor and ~~our~~ Property Manager. • All of our executive officers **, some of our directors and the key real estate and other professionals assembled by our Advisor and Property Manager** face conflicts of interest ~~, such as conflicts created~~ - **related** ~~by the terms of our agreements with the Advisor and compensation payable thereunder, conflicts allocating investment opportunities~~ to ~~us, and conflicts in allocating~~ their **positions** ~~time and attention to our~~ - **or interests** ~~matters. Conflicts that arise may not be resolved~~ in ~~our favor and~~ **entities related to AR Global, which** could **hinder our ability** ~~result in actions that are adverse~~ to ~~us~~ **implement our business strategy** . • We ~~have long- term agreements with our Advisor and its affiliates that~~ may ~~be terminated~~ - **terminate our advisory agreement in** only ~~in~~ limited circumstances ~~and~~ **, which** may require **payment of** ~~us to pay~~ a termination fee ~~in some cases~~. • **The** Estimated Per- Share NAV **of our common stock is based upon subjective judgments, assumptions and opinions about future events, and** may not ~~accurately~~ reflect the **amount** ~~value of our assets and may not represent what~~ **that** ~~a~~ **our** ~~stockholder~~ **stockholders** ~~may~~ **might** receive **for** ~~on a sale of the~~ **their** shares ~~, what they may receive upon a liquidation of our assets and distribution of the net proceeds or what a third party may pay to acquire us~~. • ~~The stockholder rights plan adopted by our board of directors, our classified board and other aspects of our corporate structure and~~ Maryland law **prohibits certain business combinations, which may make it more difficult for us to be acquired and** may discourage a third **-** party from acquiring us in a manner that might result in a premium price to our stockholders. • **The** ~~Restrictions on~~ share ownership ~~contained~~ **restrictions for REITs and the 9. 8 % share ownership limit** in our charter may inhibit market activity in shares of our stock and restrict our business combination opportunities. • **Our failure** ~~We may fail~~ to **remain** ~~continue to qualify~~ **qualified** as a REIT **would subject us to U. S. federal income tax and potentially state and local tax. • Complying with REIT requirements may force us to forgo or liquidate otherwise attractive investment opportunities** . Risks Related to Our Properties and Operations Our property

portfolio has a high concentration of properties located in one state. Our properties may be adversely affected by economic cycles and risks inherent to those states. A total of 10 % or more of our consolidated annualized rental income on a straight- line basis for the fiscal year ended December 31, ~~2022~~ **2023** was generated from the state below: StatePercentage of Straight- Line Rental IncomeFlorida19. ~~2~~ **9 % Pennsylvania10. 6** % Any adverse situation that disproportionately affects operations or investments in the states listed above may have a magnified adverse effect on our portfolio. Real estate markets are subject to economic downturns, as they have been in the past, and we cannot predict how economic conditions will impact this market in both the short and long- term. Declines in the economy or a decline in the real estate ~~market~~ **markets** in these states could hurt our financial performance and the value of our properties. **Historically, Florida has been at greater risk of acts of nature such as hurricanes and tropical storms, which may have worsened as a result of climate change, and has been subject to more pronounced real estate downturns than other regions. Accordingly, our business, financial condition and results of operations may be particularly susceptible to downturns or changes in the local Florida economies where we operate. Other** ~~Factors~~ **factors** that may negatively affect economic conditions include: • business layoffs or downsizing; • industry slowdowns; • relocations of businesses; • climate change; • changing demographics; • increased telecommuting and use of alternative workplaces; • infrastructure quality; • any oversupply of, or reduced demand for, real estate; • concessions or reduced rental rates under new leases for properties where tenants defaulted; • increased insurance premiums; • state budgets and payment to providers under Medicaid or other state healthcare programs; and • changes in reimbursement for healthcare services from commercial insurers. We may be unable to enter into contracts for and complete property acquisitions on advantageous terms or our property acquisitions may not perform as we expect. One of our goals is to increase assets through acquiring additional properties, and pursuing this investment objective exposes us to numerous risks, including: • competition from other real estate investors with significant capital resources; • we may acquire properties that are not accretive; • we may not successfully integrate, manage and lease the properties we acquire in a fashion that meets our expectations or market conditions may result in future vacancies and lower- than expected rental rates; • we ~~expect to finance future acquisitions primarily with additional borrowings under our Revolving Credit Facility, and there can be no assurance as to how much borrowing capacity will be available for this purpose • we~~ may be unable to assume existing debt financing or obtain property- level debt financing or raise equity required to fund acquisitions from other sources on favorable terms, or at all; • we may need to spend more than budgeted amounts to make necessary improvements or renovations to acquired properties; • agreements for the acquisition of properties are typically subject to customary conditions to closing that may or may not be completed, and we may spend significant time and money on potential acquisitions that we do not consummate; • the process of acquiring or pursuing the acquisition of a new property may divert the attention of our management team from our existing business operations; and • we may acquire properties without recourse, or with only limited recourse, for liabilities, whether known or unknown. We rely upon our Advisor and the real estate professionals employed by affiliates of our Advisor to identify suitable investments. There can be no assurance that our Advisor will be successful in doing so on financially attractive terms or that our objectives will be achieved. If our Advisor is unable to timely locate suitable investments, **or if the terms governing our investments are unfavorable,** we may be unable to meet our investment objectives **, which could adversely affect our business** . We have not paid ~~our~~ **any** distributions on our common stock in cash since 2020, and there can be no assurance we will pay distributions on our common stock in cash in the future. All dividends or other distributions on our common stock are paid in the discretion of our ~~board~~ **Board** ~~of directors~~ . We have not paid cash distributions since 2020. We have recently been issuing dividends in the form of common stock valued at the Estimated Per- Share NAV in effect on the applicable date. There is no assurance we will continue to do so or when or if we will pay dividends or distributions in cash. We last published an Estimated Per- Share NAV on ~~April 1~~ **March 31** , ~~2022~~ **2023** . The estimate was as of December 31, ~~2021~~ **2022** and has not been adjusted since publication and will not be adjusted until the Board determines a new Estimated Per- Share NAV which is expected in ~~early April~~ **late March** ~~2023~~ **2024** . Dividends issued in the form of additional shares of common stock will, all things **being** equal, cause the value of each share of common stock to decline because the number of shares outstanding will increase when stock dividends are issued; however, because each common stockholder will receive the same number of new shares **per share of common stock held** , the total value of a common stockholder' s investment, all things **being** equal, will not change assuming no sales or other transfers ~~. As described herein, we will not be able to pay cash distributions on our common stock until we satisfy certain conditions set forth in our Revolving Credit Facility~~ . Our ability to make future cash distributions on our common stock will depend on our future cash flows and indebtedness and may further depend on our ability to obtain additional liquidity, which may not be available on favorable terms, or at all. Further, if we do not pay dividends on our Series A Preferred Stock or Series B Preferred Stock, any accrued and unpaid dividends payable with respect to the Series A Preferred Stock or Series B Preferred Stock become part of the liquidation preference thereof, as applicable, and, whenever dividends on the Series A Preferred Stock or Series B Preferred Stock are in arrears, whether or not authorized or declared, for six or more quarterly periods, holders of Series A Preferred Stock or Series B Preferred Stock will have the right to elect two additional directors to serve on our board ~~. We are subject to risks associated with a pandemic, epidemic or outbreak of a contagious disease, such as the COVID- 19 pandemic. The COVID- 19 pandemic has had, and another pandemic in the future could have, repercussions across many sectors and areas of the global economy and financial markets, leading to significant adverse impacts on economic activity including volatility in financial markets. The impact of the COVID- 19 pandemic evolved rapidly. In many states and cities where our properties are located, measures including " shelter- in- place " or " stay- at- home " orders were issued by local, state and federal authorities for much of 2020 and early part of 2021 and social distancing measures that resulted in closure and limitations on the operations of many businesses and organizations. Although most of these measures have been lifted, they may be reinstated in the future in response to COVID- 19 or other pandemics, endemics or health emergencies. Our tenants and SHOP properties operate businesses that require in- person interactions with their patients and residents. COVID- 19 has impacted, and will likely continue to impact, the willingness of persons to, among other things, live in or use facilities at our~~

properties, and impact the revenues generated by our tenants which may further impact the ability of our tenants to pay their rent obligations to us when due. Our ability to lease space and negotiate and maintain favorable rents and the results of operations at our SHOPs could also continue to be negatively impacted by a prolonged recession in the U. S. Additionally, downturns or stagnation the U. S. housing market as a result of an economic downturn could adversely affect the ability, or perceived ability, of seniors to afford the resident fees and services at our seniors housing properties. Moreover, the demand for leasing space at our MOB properties could decline further negatively impacting occupancy percentage, revenue and net income. MOB Segment Within our MOB portfolio, the transmission of COVID- 19 has impacted, and could continue to impact, the willingness of persons to seek medical care for non- urgent issues. Further, the COVID- 19 pandemic adversely impacted, and may continue to impact, the business of our MOB tenants by causing a decline in the number of patients seeking treatment, by disrupting or delaying production and delivery of medical supplies such as necessary pharmaceuticals (including due to a diversion of resources and priorities toward the treatment of COVID- 19) or by causing staffing shortages, which disrupted property operations. The complete or partial closures of, or other operational issues at, one or more of our properties resulting from the impacts of COVID- 19, and may continue to increase the risk of rent deferrals or non- payment of contractual obligations by our tenants or operators. As a result of these and other factors, tenants or operators that experience deteriorating financial conditions as a result of the outbreak of COVID- 19 have been, or may, in the future be, unwilling or unable to pay us in full or on a timely basis due to bankruptcy, lack of liquidity, lack of funding, operational failures, or for other reasons. We reported cash collections of nearly 100 % for the MOB facilities segment for the year ended December 31, 2022 as of February 28, 2023. However, the impact of the COVID- 19 pandemic on our tenants and operators and thus our ability to collect rents in future periods cannot be determined as present and the amount of cash rent collected during the past two years may not be indicative of any future period. SHOP Segment Starting in March 2020, the COVID- 19 pandemic and measures to prevent its spread began to affect us in a number of ways. In our SHOP portfolio, occupancy has decreased compared to that in March 2020. During the pandemic, governmental policies and implementation of infection control best practices materially limited or closed communities to new resident move- ins which affected our ability to fill vacancies. We have also experienced lower inquiry volumes and reduced in-person tours during the pandemic. In addition, starting in mid- March 2020, operating costs began to rise materially, including for services, labor and personal protective equipment and other supplies, as our tenants and operators took appropriate actions to protect residents and caregivers. At the SHOP facilities, we generally bear these cost increases. See below for additional information on the CARES Act. These trends accelerated beginning in the second quarter of 2020, continued into early 2021, until stabilizing in the third quarter. Future developments in the course of the pandemic may have adverse impacts on our occupancy and cost levels, and these trends may continue to impact us in the future and have a material adverse effect on our revenues and results of operations. COVID- 19 and its variants have been particularly harmful to seniors and persons with other pre- existing health conditions. There have been incidences of infection among the residents and staff at our SHOPs. Further incidences, or the perception that outbreaks may occur, could materially and adversely affect our revenues and net income, as well as cause significant reputational harm to us and our tenants, managers and operators. Due to the contagious nature of COVID- 19, residents at our SHOPSs may decide to leave the community and the workforce at these facilities may similarly shrink. The tenants and operators may be required, or may otherwise determine that it would be prudent, to impose a quarantine of an indeterminate duration. We have and may also be required to incur additional costs to identify, contain and remedy the direct or indirect impacts of the COVID- 19 pandemic, including costs related to implementing quarantines and vaccinations. Moreover, if seniors housing properties across the U. S. experience high levels of residents infected with COVID- 19, including its variants, and related deaths, potential residents may delay or forego moving into seniors housing properties. As a result, our operating results from our SHOPs, and the value of these properties, may be materially adversely affected. The long- term impact on our tenants and operators in our SHOP segment cannot be determined at present. We may continue to experience defaults and additional requests for rent deferrals or abatements or other allowances particularly if our tenants continue to experience financial distress and increased operating costs or if healthcare facilities and SHOPs continue to experience downward pressures on occupancy and increased costs. Furthermore, if we declare any tenants in default for non- payment of rent or other potential breaches of their leases with us, we might not be able to recover and may experience delays and additional costs in enforcing our rights as landlord to recover amounts due to us. Our ability to recover amounts under the terms of our leases may also be restricted or delayed as a result of any federal, state or local restrictions on tenant evictions for failure to make contractual rent payments, which may result in higher reserves for bad debt. If any of our tenants, any guarantor of a tenant' s lease obligations or an operator, files for bankruptcy, we could be further adversely affected due to loss of revenue and a decline in income produced by the property or properties. Other Impacts In addition to the impacts on us, our tenants and operators described above, the COVID- 19 pandemic has also impacted us in other ways and enhanced certain risks that could have a significant adverse effect on our business, financial condition and results of operations and our ability to pay distributions (including dividends on our Series A Preferred Stock and Series B Preferred Stock) and other distributions to our stockholders including: • difficulty accessing debt and equity capital on favorable terms, or at all, if global financial markets become disrupted or unstable or credit conditions deteriorate; • disruption and instability in financial markets or deteriorations in credit and financing conditions could have an impact on the overall amount of capital being invested in real estate and could result in price or value decreases for real estate assets, which could negatively impact the value of our assets and may result in future acquisitions generating lower overall economic returns; • the volatility in stock markets caused by, among other things, the COVID- 19 pandemic or the ongoing war in Ukraine could negatively impact the trading price of our Series A Preferred Stock, our Series B Preferred Stock and the value of our common stock and dilute our stockholders' interest in us if we sell additional equity securities at prices less than the prices our stockholders paid for their shares; • limiting the number of properties we may seek to acquire due to capital availability; • that planned dispositions may not occur within the expected timeframe or at all because of buyer terminations or withdrawals related to the pandemic, capital constraints or other factors relating to the

~~pandemic, including closing conditions that are dependent on the occurrence of events linked to the pandemic; • until we satisfy certain conditions, our Credit Facility restricts us from paying cash distributions on, or repurchasing, shares of our common stock, and we must use all of the net cash proceeds from any capital event (such as an asset sale, financing or equity issuance) to prepay amounts outstanding under the revolving portion of the Credit Facility; • our ability to maintain sufficient availability under our Credit Facility to fund the purchase of properties and meet other capital requirements which may be adversely affected to the extent the decreases in cash rent collected from our tenants and income from our operators cause a decrease in availability of future borrowings under our Credit Facility; • if we are unable to comply with financial covenants and other obligations under our Credit Facility and other debt agreements we could default under those agreements which could potentially result in an acceleration of our indebtedness and foreclosure on our properties and could otherwise negatively impact our liquidity; • we have recognized, and may need to recognize further, impairment charges on our assets; • one or more counterparties to our derivative financial instruments could default on their obligations to us increasing the risk that we may not realize the benefits of utilizing these instruments; • we may be required to record reserves on previously accrued amounts in cases where it is subsequently concluded that collection is not probable; • tenants and operators may be subject to lawsuits related to COVID- 19 outbreaks that may occur at our properties and insurance coverage may not be sufficient to cover any potential losses further straining their financial condition; • difficulty in repositioning properties where we or our tenants or operators have terminated or do not renew the leases or management agreements with another tenant or operator may be exacerbated by the COVID- 19 pandemic, as new tenants or operators may not be willing to take on the increased exposure, especially while active cases are occurring; • difficulties completing capital improvements at our properties on a timely basis, on budget or at all, could affect the value of our properties; • our ability to ensure business continuity in the event our Advisor' s continuity of operations plan is not effective or is improperly implemented or deployed during a disruption; • increased operating risks resulting from changes to our Advisor' s operations and remote work arrangements, including the potential effects on our financial reporting systems and internal controls and procedures, cybersecurity risks and increased vulnerability to security breaches, information technology disruptions and other similar events; • increased operating risks resulting from changes to operations of our operators, including their personnel, which may adversely impact the service provided by our operators with respect to our SHOPs; and • complying with REIT requirements during a period of reduced cash flow could cause us to liquidate otherwise attractive investments or borrow funds on unfavorable conditions. The extent to which the COVID- 19 pandemic, or a future pandemic, impacts our operations and those of our tenants and operators will depend on future developments, including the scope, severity and duration of the pandemic, one or more resurgences of the virus, or its variants, which could result in further government restrictions, the efficacy of available vaccines and boosters or other remedies developed, the efficacy of on- going efforts to distribute and administer available vaccines and boosters, the actions taken to contain the pandemic or mitigate its impact, including vaccine mandates and the direct and indirect economic effects of the pandemic and containment measures, among others, which are highly uncertain and cannot be predicted with confidence but could be material. The situation is rapidly changing and additional impacts to the business may arise that we are not aware of currently. The rapid development and fluidity of this situation precludes any prediction as to the full adverse impact of the COVID- 19 pandemic, but a prolonged or resurgent outbreak as well as related mitigation efforts could continue to have a material adverse effect. Moreover, many risk factors set forth in this Annual Report on Form 10- K should be interpreted as heightened risks as a result of the COVID- 19 pandemic. There is uncertainty surrounding the administration and effect of the CARES Act and the auditing and reporting requirements instituted by the CARES Act. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (" CARES Act ") was signed into law, which provided funding to Medicare providers in order to provide financial relief during the COVID- 19 pandemic. Funds provided under the program were to be used for the preparation, prevention, and medical response to COVID- 19, and were designated to reimburse providers for healthcare related expenses and lost revenues attributable to COVID- 19. We received $ 4. 5 million, $ 5. 1 million and $ 3. 6 million in these funds during the years ended December 31, 2022, 2021, and 2020, respectively. We do not anticipate that any further funds under the CARES Act will be received and, there can be no assurance that any further amounts will be received under potential future government programs related to COVID- 19. We consider the funds to be a grant contribution from the government and the full amount was recognized as a reduction of property operating expenses in our consolidated statements of operations for the years ended December 31, 2022, 2021 and 2020. As a condition of the funds received under the CARES Act, we had to attest to certain terms and conditions, and must comply with detailed reporting and auditing requirements. While we do not anticipate any finding of non- compliance, such a finding could result in consequences including repayment of funds received. If a tenant or lease guarantor declares bankruptcy or becomes insolvent, we may be unable to collect balances due under relevant leases~~ . We have previously had tenants file for bankruptcy and seek the protections afforded under Title 11 of the United States Code. There is no assurance we will not experience this in the future. A bankruptcy filing by one of our tenants or any guarantor of a tenant' s lease obligations would result in a stay of all efforts by us to collect pre- bankruptcy debts from these entities or their assets, unless we receive an enabling order from the bankruptcy court. Post- bankruptcy debts would be required to be paid currently. If a lease is assumed by the tenant, all pre- bankruptcy balances owing under it must be paid in full. If a lease is rejected by a tenant in bankruptcy, we would only have a general unsecured claim for damages. If a lease is rejected, it is unlikely we would receive any payments from the tenant because our claim is capped at the rent reserved under the lease, without acceleration, for the greater of one year or 15 % of the remaining term of the lease, but not greater than three years, plus rent already due but unpaid as of the date of the bankruptcy filing (post- bankruptcy rent would be payable in full). This claim could be paid only if funds were available, and then only in the same percentage as that realized on other unsecured claims. A tenant or lease guarantor bankruptcy could delay efforts to collect past due balances under the relevant leases, and could ultimately preclude full collection of these sums. A tenant or lease guarantor bankruptcy could cause a decrease or cessation of rental payments that would mean a reduction in our cash flow and the amount available for dividends and other distributions to our stockholders. In the event of a bankruptcy, there is no

assurance that the debtor in possession or the bankruptcy trustee will assume the lease. A sale- leaseback transaction may be recharacterized in a tenant' s bankruptcy proceeding. We may enter into sale- leaseback transactions, where we purchase a property and then lease the same property back to the seller, who becomes our tenant as part of the transaction. In the event of the bankruptcy of a tenant, a transaction structured as a sale- leaseback may be recharacterized as either a financing or a joint venture, and either type of recharacterization could adversely affect our business. If the sale- leaseback were recharacterized as a financing, we might not be considered the owner of the property, and as a result would have the status of a creditor. In that event, we would no longer have the right to sell or encumber our ownership interest in the property. Instead, we would have a claim against the tenant for the amounts owed under the lease. The tenant / debtor might have the ability to propose a plan restructuring the term, interest rate and amortization schedule of its outstanding balance. If this plan were confirmed by the bankruptcy court, we would be bound by the new terms. If the sale- leaseback were recharacterized as a joint venture, our lessee and we could be treated as co- venturers with regard to the property. As a result, we could be held liable, under some circumstances, for debts incurred by the lessee relating to the property. Either of these outcomes could adversely affect our cash flow. Our results of operations have been, and may continue to be, adversely impacted by our inability to collect rent from tenants. On occasion, tenants at certain properties in our MOB segment and residents at certain properties in our SHOP segment have been in default under their leases to us. These defaults negatively impact our results of operations. We incurred $ ~~3~~ **1** . 2 million, $ **3. 2 million and $** 1. 1 ~~million and $ 2. 7~~ million of bad debt expense, including straight- line rent write- offs, related to tenants in default under their leases to us during the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. Further, even if we replace tenants in default to us in a manner that will allow us to transition the properties leased to those tenants to our SHOP segment, there can be no assurance this strategy will be successful and we may be more exposed to changes in property operating expenses. There also can be no assurance that we will be able to replace these tenants on a timely basis, or at all, and our results of operations may therefore continue to be adversely impacted by bad debt expenses related to our inability to collect rent from defaulting tenants. Transitions will also increase our exposure to risks associated with operating in this structure. Our tenants or operators that experience deteriorating financial conditions have been, or may, in the future be, unwilling or unable to pay us in full or on a timely basis due to bankruptcy, lack of liquidity, lack of funding, operational failures, or for other reasons. There is no assurance we will continue to collect at the current rates. Our ability to collect rents in future periods may be impacted by issues or events that cannot be determined as present and the amount of cash rent collected during ~~2022~~ **2023** may not be indicative of any future period ~~. Our operating results are affected by economic and regulatory changes that have an adverse impact on the real estate market. Our operating results and the value of our properties are subject to risks, including: • changes in national and market- specific economic conditions; • changes in supply of or demand for competing properties in our market area; • changes in interest rates and availability of financing on favorable terms; • changes in tax, real estate, environmental and zoning laws; • periods of high interest rates and tight money supply; and • the possibility that one or more of our tenants will not pay their rental obligations. Properties may have vacancies for a significant period of time. A property may have vacancies either due to tenant defaults or the expiration of leases. If vacancies continue for a long period of time, our revenues and net income will be adversely impacted. In addition, the value of a property depends principally on the cash flow generated by the properties. Prolonged vacancies reduce our cash flow~~ . We obtain only limited warranties when we purchase a property and therefore have only limited recourse if our due diligence did not identify any issues that lower the value of our property. We have acquired and may continue to acquire properties in " as is " condition on a " where is " basis and " with all faults, " without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements we entered into **in the past, or may enter into in the future,** may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. The purchase of properties with limited warranties increases the risk that we may lose some or all our invested capital in the property as well as the loss of rental income from that property if a situation or loss occurs after the fact for which we have limited or no remedy. Our properties and tenants may be unable to compete successfully. The properties we have acquired and will acquire may face competition from nearby hospitals, senior housing properties and other medical office buildings and medical facilities that provide comparable services. Some of those competing facilities are owned by governmental agencies and supported by tax revenues, and others are owned by nonprofit corporations and may be supported to a large extent by endowments and charitable contributions. These types of support are not available to our properties. Similarly, our tenants face competition from other medical practices in nearby hospitals and other medical facilities. Additionally, the introduction and explosion of new stakeholders competing with traditional providers in the healthcare market, including companies such as telemedicine, telehealth and mhealth, are disrupting the healthcare industry. Our tenants' failure to compete successfully with these other practices and providers could adversely affect their ability to make rental payments, which could adversely affect our rental revenues. Further, from time to time and for reasons beyond our control, referral sources, including physicians and managed care organizations, may change their lists of hospitals or physicians to which they refer patients. This could adversely affect the ability of our tenants to make rental payments **, which could have a material adverse impact on us** . We may be unable to secure funds for future tenant improvements or capital needs. If a tenant does not renew its lease or otherwise vacates its space, we will likely be required to expend substantial funds to improve and refurbish the vacated space. In addition, we are typically responsible for any major structural repairs, such as repairs to the foundation, exterior walls and rooftops, even if our leases with tenants may require tenants to pay routine property maintenance costs **, and the impact of such costs on our results of operations may be exacerbated during inflationary periods, such as that experienced in recent years** . If we need additional capital in the future to improve or maintain our properties or for any other reason, we may have to obtain financing from sources beyond our cash flow from operations, such as borrowings, property sales or future equity offerings to fund these capital requirements. These sources of funding may not be available on attractive terms or at all **, including, as a result of rising interest rates** . Failure to procure additional funding for additional funding improvements would impact the value of the applicable property or

our ability to lease the applicable property on favorable terms, if at all. We have acquired or financed, and may continue to acquire or finance, properties with lock- out provisions which may prohibit us from selling a property, or may require us to maintain specified debt levels for a period of years on some properties. Lock- out provisions, such as the provisions contained in certain mortgage loans we have entered into, could materially restrict our ability to sell or otherwise dispose of properties or refinance properties, including by requiring a yield maintenance premium to be paid in connection with the required prepayment of principal upon a sale or disposition. Lock- out provisions may also prohibit us from reducing the outstanding indebtedness with respect to any properties, refinancing such indebtedness on a non- recourse basis at maturity, or increasing the amount of indebtedness with respect to such properties. Lock- out provisions could also impair our ability to take other actions during the lock- out period that may otherwise be in the best interests of our stockholders. In particular, lock- out provisions could preclude us from participating in major transactions that could result in a disposition of our assets or a change in control. Payment of yield maintenance premiums in connection with dispositions or refinancings could adversely affect our cash flow **, affecting our results of operations and the ability to pay distributions to our stockholders** . Rising expenses could reduce cash flow. The properties that we own or may acquire are subject to operating risks, any or all of which may negatively affect us. If any property is not fully occupied or if rents are being paid in an amount that is insufficient to cover operating expenses, we could be required to expend funds with respect to that property for operating expenses. Properties may be subject to increases in tax rates, utility costs, operating expenses, insurance costs, repairs and maintenance and administrative expenses. **Following the COVID- 19 pandemic, we have experienced shortages in qualified labor and supply chain disruptions that have increased our operating costs, particularly in our SHOP segment.** We may not be able to negotiate leases on a triple- net basis or on a basis requiring the tenants to pay all or some of such expenses, in which event we may have to pay those costs. If we are unable to lease properties on a triple- net basis or on a basis requiring the tenants to pay all or some of such expenses, or if tenants fail to pay required tax, utility and other impositions, we could be required to pay those costs **, which could adversely affect our cash flow, affecting our results of operations and ability to pay distributions to our stockholders** . Inflation ~~and continuing increases in the inflation rate~~ may have an adverse effect on our investments and results of operations. Recent increases and continuing increases in the rate of inflation, both real and anticipated, may impact our investments and results of operations. Inflation could erode the value of long- term leases that do not contain indexed escalation provisions, or contain fixed annual rent escalation provisions that are at rates lower than the rate of inflation, and increase expenses including those that cannot be passed through under our leases. Increased inflation could also increase our general and administrative expenses and, as a result of an increase in market interest rate in response to higher than anticipated inflation rate, increase our mortgage and debt interest costs, and these costs could increase at a rate higher than our rent increases. An increase in our expenses, or expenses paid or incurred by our Advisor or its affiliates that are reimbursed by us pursuant to the advisory agreement, or a failure of revenues to increase at least with inflation could adversely impact our results of operations. For the year ended December 31, ~~2022~~ **2023** , the increase to the 12- month Consumer Price Index for all items, as published by the Bureau of Labor Statistics, was ~~6~~ **3** . ~~5~~ **4** %. To help mitigate the adverse impact of inflation, **most** ~~approximately 90 %~~ of our leases with tenants in our MOB segment contain rent escalation provisions ~~in~~ **which increase the cash that is due under these leases over** their **respective terms** ~~base rent which average 2. 3 % per year~~ . These provisions generally increase rental rates during the terms of the leases either at fixed rates or indexed escalations (based on the Consumer Price Index or other measures). Leases with fixed or no escalation provisions may not keep pace with current rates of inflation, whereas leases with indexed escalations may provide more protection against inflation. **Although most of our leases** ~~Approximately 86 % are fixed- rate, 4. 1 % are based on the Consumer Price Index and 10 % do not~~ contain ~~any~~ **rent** escalation provisions **, these escalation rates are generally below the rate of inflation** . In addition to base rent, our net leases require the single- tenant MOB leases to pay all the properties operating expenses and our multi- tenant MOB leases to pay their allocable share of operating expenses, which may include common area maintenance costs, real estate taxes and insurance. Increased operating costs paid by our tenants under these net leases could have an adverse impact on our tenants if increases in their operating expenses exceed increases in their revenue, which may adversely affect our tenants' ability to pay rent owed to us or property expenses to be paid, or reimbursed to us, by our tenants. Renewals of leases or future leases for our net lease properties may not be negotiated on a triple- net basis or on a basis requiring the tenants to pay all or some of such expenses, in which event we may have to pay those costs. If we are unable to lease properties on a triple- net basis or on a basis requiring the tenants to pay all or some of such expenses, or if tenants fail to pay required tax, utility and other impositions, we could be required to pay those costs. Leases with residents at our SHOPs typically do not have rent escalations, however, we are able to renew leases at market rates as they mature due to their short- term nature. As inflation rates increase ~~or persist at high levels~~ , the cost of providing medical care at our SHOPs, particularly labor costs, will increase. If we are unable to admit new residents or renew resident leases at market rates, while bearing these increased costs from providing services to our residents, our results of operations may be affected. Damage from catastrophic weather and other natural events and climate change could result in losses to us. Certain of our properties are located in areas that may experience catastrophic weather and other natural events from time to time, including hurricanes or other severe weather, flooding, fires, snow or ice storms, windstorms or, earthquakes. These adverse weather and natural events could cause substantial damages or losses to our properties which could exceed our insurance coverage. In the event of a loss in excess of insured limits, we could lose our capital invested in the affected property, as well as anticipated future revenue from that property. We could also continue to be obligated to repay any mortgage indebtedness or other obligations related to the property. To the extent that significant changes in the climate occur, we may experience extreme weather and changes in precipitation and temperature and rising sea levels, all of which may result in physical damage to or a decrease in demand for properties located in these areas or affected by these conditions. The impact of climate change may be material in nature, including destruction of our properties, or occur for lengthy periods of time. Growing public concern about climate change has resulted in the increased focus of local, state, regional, national and international regulatory bodies on

greenhouse gas (“ GHG ”) emissions and climate change issues. Legislation to regulate GHG emissions has periodically been introduced in the U. S. Congress, and there has been a wide- ranging policy debate, both in the U. S. and internationally, regarding the impact of these gases and possible means for their regulation. Federal, state or foreign legislation or regulation on climate change could result in increased capital expenditures to improve the energy efficiency of our existing properties or to protect them from the consequence of climate change and could also result in increased compliance costs or additional operating restrictions that could adversely impact the businesses of our tenants and their ability to pay rent. We may suffer uninsured losses relating to real property or have to pay expensive premiums for insurance coverage. Our general liability, property and umbrella liability insurance coverage on all our properties may not be adequate to insure against liability claims and provide for the costs of defense. Similarly, we may not have adequate coverage against the risk of direct physical damage or to reimburse us on a replacement cost basis for costs incurred to repair or rebuild each property. Moreover, there are types of losses, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, floods, hurricanes, pollution or environmental matters that are uninsurable or not economically insurable, or may be insured subject to limitations, such as large deductibles or co- payments. Insurance risks associated with such catastrophic events could sharply increase the premiums we pay for coverage against property and casualty claims. This risk is particularly relevant with respect to potential acts of terrorism. The Terrorism Risk Insurance Act of 2002 (the “ TRIA ”), under which the U. S. federal government bears a significant portion of insured losses caused by terrorism, will expire on December 31, 2027, and there can be no assurance that Congress will act to renew or replace the TRIA following its expiration. In the event that the TRIA is not renewed or replaced, terrorism insurance may become difficult or impossible to obtain at reasonable costs or at all, which may result in adverse impacts and additional costs to us. Changes in the cost or availability of insurance due to the non- renewal of the TRIA or for other reasons could expose us to uninsured casualty losses. If any of our properties incurs a casualty loss that is not fully insured, the value of our assets will be reduced by any uninsured loss. In addition, other than any working capital reserve or other reserves we may establish, we have no source of funding to repair or reconstruct any uninsured property. Also, to the extent we must pay unexpectedly large amounts for insurance, we could suffer reduced earnings that would result in less cash flow. Additionally, mortgage lenders insist in some cases that commercial property owners purchase coverage against terrorism as a condition for providing mortgage loans. Accordingly, to the extent terrorism risk insurance policies are not available at reasonable costs, if at all, our ability to finance or refinance indebtedness secured by our properties could be impaired. In such instances, we may be required to provide other financial support, either through financial assurances or self- insurance, to cover potential losses. We may not have adequate, or any, coverage for the losses. ~~Actual or threatened terrorist attacks and other acts of violence, civilian unrest or war may affect the markets in which we operate our business and our profitability. We own properties in densely populated areas that are susceptible to terrorist attack or damage. Because our properties are generally open to the public, they are exposed to a number of incidents that may take place within or around their premises and that are beyond our control or ability to prevent. Any actual or threatened act of terror, mass shooting or other violence could have a negative effect on our business, including us losing our tenants or being forced to close one or more of our properties for some time. If any of these incidents were to occur, the relevant property could face material damage to its image and the revenue generated therefrom. In addition, we may be exposed to civil liability and be required to indemnify the victims, and our insurance premiums could rise, any of which could adversely affect us. In addition, actual or threatened terrorist activity or violent criminal acts, including terrorist acts against public institutions or buildings or modes of public transportation (including airlines, trains or buses) could have a negative effect on our business, the value of our properties and our results of operations. More generally, any terrorist attack, other act of violence or war, including armed conflicts, could result in increased volatility in, or damage to, the worldwide financial markets and economy, including demand for properties and availability of financing. Increased economic volatility could adversely affect our tenants' abilities to conduct their operations profitably or our ability to borrow money or issue capital stock at acceptable prices. Real estate- related taxes may increase and these increases may not be passed on to tenants. From time to time our property taxes increase as property values or assessment rates change or for other reasons. An increase in the assessed valuation of a property for real estate tax purposes will result in an increase in the related real estate taxes on that property. There is no assurance that renewal leases or future leases will be negotiated on a basis that passes such taxes on to the tenant.~~ Covenants, conditions and restrictions may impact our ability to operate a property. Some of our properties are contiguous to other parcels of real property, comprising part of the same commercial center. In connection with such properties, there are significant covenants, conditions and restrictions restricting the operation of such properties and any improvements on such properties, and related to granting easements on such properties. Moreover, the operation and management of the contiguous properties may impact such properties. Compliance with covenants, conditions and restrictions may adversely affect our operating costs and reduce the amount of cash flow that we generate. Our operating results may be negatively affected by potential development and construction delays and resultant increased costs and risks. We have acquired and developed, and may in the future acquire and develop, properties upon which we will construct improvements. In connection with our development activities, we are subject to uncertainties associated with re- zoning for development, environmental concerns of governmental entities or community groups and our builder or partner' s ability to build in conformity with plans, specifications, budgeted costs, and timetables. Performance also may be affected or delayed by conditions beyond our control. For example, we experienced substantial delays and incurred significant additional costs associated with development of a property located in Jupiter, Florida, a property we subsequently sold at a price below the amount we had invested. We would be exposed to the risks in connection with any other properties we develop. We may incur additional risks when we make periodic progress payments or other advances to builders before they complete construction. If a builder or development partner fails to perform, we may resort to legal action to rescind the purchase or the construction contract or to compel performance, but there can be no assurance any legal action would be successful. These and other factors can result in increased costs of a project or loss of our investment. In addition, we will be subject to normal lease- up risks relating to newly constructed projects. We also must rely on

rental income and expense projections and estimates of the fair market value of property upon completion of construction when agreeing upon a price at the time we acquire the property. If our projections are inaccurate, we may pay too much for a property, and our return on our investment could suffer. We compete with third parties in acquiring properties and other investments and attracting credit worthy tenants. We compete with many other entities engaged in real estate investment activities, including individuals, corporations, private investment funds, bank and insurance company investment accounts, other REITs, real estate limited partnerships, and other entities engaged in real estate investment activities, many of which have greater resources than we do. These entities may enjoy significant competitive advantages that result from, among other things, a lower cost of capital and enhanced operating efficiencies. In addition, the number of entities and the amount of funds competing for suitable investments may increase. Increased demand for assets will likely increase acquisition prices. We also compete with other comparable properties for tenants, which impacts our ability to rent space and the amount of rent charged. We could be adversely affected if additional competitive properties are built in locations near our properties, causing increased competition for creditworthy tenants. This could result in decreased cash flow from our properties and may require us to make capital improvements to properties that we would not have otherwise made, further impacting property cash flows. Discovery of previously undetected environmentally hazardous conditions may adversely affect our operating results. We are subject to various federal, state and local laws and regulations that (a) regulate certain activities and operations that may have environmental or health and safety effects, such as the management, generation, release or disposal of regulated materials, substances or wastes, (b) impose liability for the costs of cleaning up, and damages to natural resources from, past spills, waste disposals on and off- site, or other releases of hazardous materials or regulated substances, and (c) regulate workplace safety. Compliance with these laws and regulations could increase our operational costs. Violation of these laws may subject us to significant fines, penalties or disposal costs, which could negatively impact our results of operations, financial position and cash flows. Under various federal, state and local environmental laws (including those of foreign jurisdictions), a current or previous owner or operator of currently or formerly owned, leased or operated real property may be liable for the cost of removing or remediating hazardous or toxic substances on, under or in such property. The costs of removing or remediating could be substantial. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Certain environmental laws and common law principles could be used to impose liability for release of, and exposure to, hazardous substances, including asbestos- containing materials into the air, and third parties may seek recovery from owners or operators of real properties for personal injury or property damage associated with exposure to released hazardous substances. In addition, when excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. Concern about indoor exposure to mold has been increasing, as exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. As a result, the presence of significant mold at any of our properties could require us to undertake a costly remediation program to contain or remove the mold from the affected property or development project. Accordingly, we may incur significant costs to defend against claims of liability, to comply with environmental regulatory requirements, to remediate any contaminated property, or to pay personal injury claims. Moreover, environmental laws also may impose liens on property or other restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures or prevent us or our Property Manager and its assignees from operating such properties. Compliance with new or more stringent laws or regulations or stricter interpretation of existing laws may require us to incur material expenditures. Future laws, ordinances or regulations or the discovery of currently unknown conditions or non- compliances may impose material liability under environmental laws. If we sell properties by providing financing to purchasers, defaults by the purchasers ~~would~~ **could** adversely affect our cash flows. In some instances, we may sell our properties by providing financing to purchasers. If we do so, we will bear the risk that the purchaser may default on its debt, requiring us to seek remedies, a process which may be time- consuming and costly. Further, the borrower may have defenses that could limit or eliminate our remedies. In addition, even in the absence of a purchaser default, the proceeds from the sale will be delayed until the promissory notes or other property we may accept upon the sale are actually paid, sold, refinanced or otherwise disposed of. In some cases, we may receive initial down payments in cash and other property in the year of sale in an amount less than the selling price and subsequent payments will be spread over a number of years. We assume additional operational risks and are subject to additional regulation and liability because we depend on eligible independent contractors to manage some of our facilities. We invest in SHOPs using the RIDEA structure which permits REITs such as us to lease certain types of healthcare facilities that we own or partially own to a TRS, provided that our TRS hires an independent qualifying management company to operate the facility. Under this structure, the independent qualifying management company, which we also refer to as an operator, receives a management fee from our TRS for operating the facility as an independent contractor. As the owner of the facility, we assume most of the operational risk because we lease our facility to our own partially- or wholly- owned subsidiary rather than a third- party operator. We are therefore responsible for any operating deficits incurred by the facility. As of December 31, ~~2022~~ **2023** , we had four eligible independent contractors operating ~~52~~ **46** SHOPs ~~(including two land parcels)~~ . We may in the future, transition other MOB facilities, which may or may not be experiencing declining performance, to third- party managed facilities using the RIDEA structure, in connection with which they would also transition from our MOB segment to our SHOP segment. There can be no assurance these transitions will improve performance of the properties, and they will also increase our exposure to risks associated with operating in this structure. The income we generate from SHOPs is subject to a number of operational risks including fluctuations in occupancy levels and resident fee levels, increases in the cost of food, materials, energy, labor (as a result of unionization or otherwise) or other services, rent control regulations, national and regional economic conditions, the imposition of new or increased taxes, capital expenditure requirements, professional and general liability claims, and the availability and cost of professional and general liability insurance. As noted herein, we have experienced declines in occupancy at our SHOPs since the onset of the

pandemic. There is no assurance we will be able to mitigate these declines. Further, we rely on the personnel, expertise, technical resources and information systems, proprietary information, good faith and judgment of our operators to set appropriate resident fees, provide accurate property- level financial results for our properties in a timely manner and to otherwise operate our SHOPs in compliance with the terms of our management agreements and all applicable laws and regulations. We also depend on our operators to attract and retain skilled management personnel who are responsible for the day- to- day operations of our SHOPs. A shortage of nurses or other trained personnel or general inflationary pressures have forced the operator to enhance pay and benefit packages to compete effectively for personnel, but it may not be able to offset these added costs by increasing the rates charged to residents. The impact on staffing has resulted in increased turnover amongst staff and greater reliance on staffing agencies, which could have the effect of increased insurance premiums. Any additional increase in labor costs and other property operating expenses, any failure to attract and retain qualified personnel, or significant changes in the operator' s senior management or equity ownership could adversely affect the income we receive from our SHOPs. The tenants of our SHOPs are generally required to be holders of the applicable healthcare licenses for the healthcare services they administer. Any delay in obtaining the license, or failure to obtain one at all, could result in a delay or an inability to collect a significant portion of our revenue from the impacted property. Furthermore, this licensing requirement subjects us (through our ownership interest in our TRS) to various regulatory laws, including those described herein. Most states regulate and inspect healthcare facility operations, patient care, construction and the safety of the physical environment. If one or more of our healthcare real estate facilities fails to comply with applicable laws, our TRS, if it holds the healthcare license and is the entity enrolled in government health care programs, would be subject to penalties including loss or suspension of license, certification or accreditation, exclusion from government healthcare programs such as Medicare or Medicaid, administrative sanctions, civil monetary penalties, and in certain instances, criminal penalties. Additionally, when we receive individually identifiable health information relating to residents of our TRS- operated healthcare facilities, we may be subject to federal and state data privacy and confidentiality laws and rules, and could be subject to liability in the event of an audit, complaint, or data breach. Furthermore, to the extent our TRS holds the healthcare license, it could have exposure to professional liability claims arising out of an alleged breach of the applicable standard of care rules ~~. Joint venture investments could be adversely affected by our lack of sole decision- making authority, our reliance on the financial condition of co- venturers and disputes between us and our co- venturers~~ . We have made investments in certain assets through joint ventures and may continue to enter into joint ventures, partnerships and other co- ownership arrangements (including preferred equity investments) in the future. In such event, we may not be in a position to exercise sole decision- making authority regarding the joint venture. Investments in joint ventures may, under certain circumstances, involve risks not present were a third- party not involved, including the possibility that partners or co- venturers might become bankrupt or fail to fund their required capital contributions. Co- venturers may have economic or other business interests or goals which are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. These investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the co- venturer would have full control over the joint venture. Disputes between us and co- venturers may result in litigation or arbitration that would increase our expenses and prevent our officers or directors from focusing their time and effort on our business. Consequently, actions by or disputes with co- venturers might result in subjecting properties owned by the joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our co- venturers. We may incur costs associated with complying...... adverse impact upon our cash flow. Net leases may not result in fair market lease rates over time. Some of our rental income is generated by properties leased to tenants under net leases, which generally provide the tenant greater discretion in using the leased property than ordinary property leases, such as the right to freely sublease the property, to make alterations in the leased premises and to terminate the lease prior to its expiration under specified circumstances. Furthermore, net leases typically have longer lease terms and, thus, there is an increased risk that contractual rental increases in future years will fail to result in fair market rental rates during those years. Moreover, inflation could erode the value of long- term leases that do not contain indexed escalation provisions. We may be unable to renew ~~leases or re- lease space as leases expire. We may be unable to renew~~ expiring leases on terms and conditions that are as, or more, favorable as the terms and conditions of the expiring leases. In addition, vacancies may occur at one or more of our properties due to a default by a tenant on its lease or expiration of a lease. **Vacancies may reduce the value of a property as a result of reduced cash flow generated by the property.** Healthcare facilities in general and MOBs in particular tend to be specifically suited for the particular needs of their tenants and **we may not be able to locate suitable replacement tenants to lease the property for their specialized uses. Alternatively,** major renovations and expenditures may be required **to adapt the properties for other uses** in order for us to re- lease vacant space **or** ~~. Vacancies~~ may ~~reduce~~ **be required to decrease the rent we intend to charge or provide** ~~the~~ **other** ~~value of a~~ **concessions in order to lease the** property ~~as a~~ **to another tenant, which could adversely affect our business, financial condition and** ~~result~~ **results** of ~~reduced cash flow generated by the property~~ **operations and our ability to make distributions to stockholders** . Our properties have been and may continue to be subject to impairment charges. We periodically evaluate our real estate investments for impairment indicators. The judgment regarding the existence of impairment indicators is based on factors such as market conditions, tenant performance and legal structure. For example, the early termination of, or default under, a lease by a major tenant may lead to an impairment charge. If we determine that an impairment has occurred, we are required to make a downward adjustment to the net carrying value of the property. Impairment charges also indicate a potential permanent adverse change in the fundamental operating characteristics of the impaired property. There is no assurance that these adverse changes will be reversed in the future and the decline in the impaired property' s value could be permanent. We have incurred impairment charges, which have an immediate direct impact on our net ~~income~~ **loss** for GAAP purposes, including $ ~~27~~ **4** . ~~6~~ **7** million, during the year ended December 31, ~~2022~~ **2023** . There can be no assurance that we will not take additional charges in the future. Any future impairment could have a material adverse effect on our **financial position and** results **of operations and liquidity** ~~in the period~~

~~in which the charge is taken~~ . Our real estate investments are relatively illiquid, and therefore we may not be able to dispose of properties when we desire to do so or on favorable terms. Investments in real properties are relatively illiquid. We may not be able to quickly alter our portfolio or generate capital by selling properties. The real estate market is affected by many factors, such as general economic conditions, the availability of financing, interest rates and other factors, including supply and demand, that are beyond our control. If we need or desire to sell a property or properties, we cannot predict whether we will be able to do so at a price or on the terms and conditions acceptable to us. We cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. Further, we may be required to invest monies to correct defects or to make improvements before a property can be sold. We can make no assurance that we will have funds available to correct these defects or to make these improvements. Moreover, in acquiring a property or incurring debt securing a property, we may agree to restrictions that prohibit the sale of that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. These types of provisions restrict our ability to sell a property. In addition, applicable provisions of the Code impose restrictions on the ability of a REIT to dispose of properties that are not applicable to other types of real estate companies. Thus, we may be unable to realize our investment objectives by selling or otherwise disposing of a property, or refinancing debt secured by the property, at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy. **The** ~~Geopolitical instability due to the~~ ongoing ~~military~~ **Russia- Ukraine** conflict ~~between Russia~~ and ~~Ukraine~~ **the recent escalation of the Israel- Hamas conflict** may adversely impact ~~the U~~ **our business operations and financial performance** . ~~S.~~ **The United States** and global ~~economies. On February 24, 2022,~~ **markets are experiencing volatility and disruption following the geopolitical instability resulting from the ongoing** ~~Russian~~ - **Russia-** ~~troops invaded~~ Ukraine ~~starting a~~ **conflict, as the North Atlantic Treaty Organization (“ NATO ”) has deployed additional** military **forces** ~~conflict, the length and breadth of which is highly unpredictable. Coupled with existing supply disruptions and changes in Federal Reserve policies on interest rates, this war has exacerbated, and may continue~~ to ~~exacerbate~~ **eastern Europe** , ~~inflation~~ and ~~significant volatility in commodity prices, credit and capital markets, as well as supply chain disruptions. Additionally,~~ the ~~U. S.~~ **United States, the United Kingdom** , the European Union ~~,~~ and other countries ~~, as well as other public and private actors and companies~~ have ~~imposed~~ **announced various** sanctions and ~~other penalties on~~ **restrictive actions against** Russia **, Belarus and related individuals and entities,** including ~~removing Russian-based~~ **the removal of certain** financial institutions from the Society for Worldwide Interbank Financial Telecommunication **(“ SWIFT ”)** payment system **. Certain countries, including the United States, have also provided** and ~~restricting imports~~ **may continue to provide military aid or other assistance to Ukraine and to Israel, increasing geopolitical tensions among a number** of **nations. The invasion of Ukraine by** ~~Russian~~ - **Russia** ~~oil~~ **and the escalation of the Israel- Hamas conflict and the resulting measures that have been taken** , ~~liquefied natural~~ **and could be taken in the future, by NATO, the United States, the United Kingdom, the European Union, Israel and its neighboring states and other countries have created global security concerns that could have a lasting impact on regional and global economies. Although the length and impact of the ongoing conflicts are highly unpredictable, they could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets,** ~~gas~~ - **as well as supply chain interruptions** and ~~coal~~ **increased cyber- attacks against U. S. companies. Additionally, any resulting sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets** . These **ongoing conflicts** ~~sanctions have caused supply disruptions in the oil~~ and ~~gas markets~~ **the resulting geopolitical instability can adversely impact our business operations** and ~~could continue to cause~~ **financial performance. These factors may also result in the weakening of the financial condition of a** significant ~~increases in energy prices~~ **tenant or a number of smaller tenants** , which could ~~have a material effect on inflation and may trigger a recession in the U. S., among other areas. These factors may result in the weakening of the financial condition of or the bankruptcy or insolvency of a significant tenant or a number of smaller tenants, which would~~ adversely impact their ability to **timely** pay ~~rents~~ - **rent** ~~as they come due~~ . **Our** ~~As a result, our financial condition and results of operations may be negatively affected since our revenue~~ **revenues** ~~is~~ **are** largely dependent on the success and economic viability of our tenants ~~. These~~ and **, as a result, our financial condition and results of operations may be adversely impacted. We are subject to risks associated with public health crises, such as pandemics and epidemics, which may have a material adverse effect on our business. We are subject to risks associated with public health crises, such as pandemics and epidemics, including** ~~other~~ -- **the COVID- 19 pandemic. The COVID- 19 pandemic has subsided with the normalization of living with COVID- 19 following the increase in accessibility to COVID- 19 vaccines and antiviral treatments. While the U. S. has removed or reduced the restrictions taken in response to the COVID- 19 pandemic, a resurgence of the COVID- 19 pandemic could once again impact our operations and the operations of our tenants as a result of quarantines, location closures, illnesses, and travel restrictions. Any future resurgence of COVID- 19 or variants of the virus, and the severity and duration thereof, remain uncertain, however, a substantial and continuous deterioration in the business environment in the U. S. as a consequence thereof could have a material adverse effect on our business, financial condition and results of operations. The scope and duration of any future public health crisis, including the potential emergence of new variants of the COVID- 19 virus, the pace at which government restrictions are imposed and lifted, the scope of additional** ~~sanctions~~ -- **actions taken to mitigate the spread of disease, global vaccination and booster rates, the speed and extent to which global markets fully recover from the disruptions caused by such a public health crisis, and the impact of these factors on our business, financial condition and results of operations, will depend on future developments** that **are highly** ~~may be imposed as well as the ongoing conflict could further adversely affect the global economy and financial markets and cause further instability, negatively impacting liquidity in the capital markets and potentially making it more difficult for us to access additional debt or equity financing on attractive terms in the future. In addition, the U. S. government has warned of the potential for Russian cyberattacks. The risk of Russian cyberattacks may also create market volatility and economic uncertainty~~ -- **uncertain** ~~particularly if these attacks occur~~ and **cannot be predicted with**

confidence ~~spread to a broad array of countries and networks~~ . Risks Related to the Healthcare Industry ~~Our real estate investments are concentrated in healthcare- related facilities, and we may be negatively impacted by adverse trends in the healthcare industry.~~ We own and seek to acquire a diversified portfolio of healthcare- related assets including MOBs, SHOPs and other healthcare- related facilities. We are subject to risks inherent in concentrating investments in real estate and, in particular, healthcare- related assets. A downturn in the commercial real estate industry generally could significantly adversely affect the value of our properties. A downturn in the healthcare industry could particularly negatively affect our lessees' ability to make lease payments to us and our ability to pay dividends and other distributions to our stockholders. These adverse effects could be more pronounced than if we diversified our investments outside of real estate or if our portfolio did not include a concentration in healthcare- related assets. Furthermore, the healthcare industry currently is experiencing rapid regulatory changes and uncertainty; changes in the demand for and methods of delivering healthcare services; changes in third- party reimbursement policies; significant unused capacity in certain areas, which has created substantial competition for patients among healthcare providers in those areas; expansion of insurance providers into patient care; continuing pressure by private and governmental payors to reduce payments to providers of services; and increased scrutiny of billing, referral and other practices by federal and state authorities. These factors may adversely affect the economic performance of some or all of our tenants and, in turn, our revenues and cash flows. ~~Certain of our properties in our MOB Segment may not have efficient alternative uses, so the loss of a tenant may cause us to not be able to find a replacement or cause us to spend considerable capital to adapt the property to an alternative use. Some of our properties and the properties we will seek to acquire are healthcare- related assets that may only be suitable for similar healthcare- related tenants. If we or our tenants terminate the leases for these properties or our tenants lose their regulatory authority to operate such properties, we may not be able to locate suitable replacement tenants to lease the properties for their specialized uses. Alternatively, we may be required to spend substantial amounts to adapt the properties to other uses. The healthcare industry is heavily regulated, and new laws or regulations, changes to existing laws or regulations, loss of licensure or failure to obtain licensure could result in the inability of our tenants to make rent payments to us.~~ The healthcare industry is heavily regulated by federal, state and local governmental bodies. Our tenants and operators generally are subject to laws and regulations covering, among other things, licensure, certification for participation in government programs, relationships with physicians and other referral sources, and the privacy and security of patient health information. Changes in these laws and regulations could negatively affect the ability of our tenants to make lease payments to us. In some states, healthcare facilities are subject to various state CON laws requiring governmental approval prior to the development or expansion of healthcare facilities and services. The approval process in these states generally requires a facility to demonstrate the need for additional or expanded healthcare facilities or services. CONs, where applicable, can also be conditions to regulatory approval of changes in ownership or control of licensed facilities, addition of beds, investment in major capital equipment, introduction of new services, termination of services previously approved through the CON process and other control or operational changes. Many of our medical facilities and their tenants may require a license or CON to operate. Failure to obtain a license or CON, or loss of a required license or CON, would prevent a facility from operating in the manner intended by the tenant and may restrict a tenant' s or operator' s ability to expand properties and grow the tenant' s or operator' s business in certain circumstances, which could have an adverse effect on the operator' s or tenant' s revenues, and in turn, negatively impact their ability to make rental payments under, and otherwise comply with the terms of their leases with us. State CON laws are not uniform throughout the United States and are subject to change. We cannot predict the impact of state CON laws on our improvement of medical facilities or the operations of our tenants and operators. In addition, state CON laws often materially impact the ability of competitors to enter into the marketplace of our facilities. The repeal of CON laws could allow competitors to freely operate in previously closed markets. This could negatively affect the ability of our tenants' to make rental payments to us. In limited circumstances, loss of state licensure or certification or closure of a facility could ultimately result in loss of authority to operate the facility and require new CON authorization to re- institute operations. Furthermore, uncertainty surrounding the implementation of the Affordable Care Act may adversely affect our tenants. As the primary vehicle for comprehensive healthcare reform in the United States, the Affordable Care Act was designed to reduce the number of individuals in the United States without health insurance and change the ways in which healthcare is organized, delivered and reimbursed. The Affordable Care Act has faced ongoing legal challenges, including litigation seeking to invalidate some or all of the law or the manner in which it has been interpreted. The legal challenges and legislative initiatives to roll back the Affordable Care Act continues and the outcomes are uncertain. In June of 2021, the Supreme Court of the United States for a third time declined to invalidate the Affordable Care Act. There is no assurance that future litigation or legislative initiatives will not attempt to do so. There are no current challenges to the Affordable Care Act but that could change based on the makeup of Congress and presidential administration. The regulatory uncertainty and the potential impact on our tenants could have an adverse material effect on their ability to satisfy their contractual obligations. Further, we are unable to predict the scope of future federal, state and local regulations and legislation, including Medicare and Medicaid statutes and regulations or judicial decisions, or the intensity of enforcement efforts with respect to such regulations and legislation, and any changes in the regulatory or judicial framework may have a material adverse effect on our tenants. Health insurance coverage under the Affordable Care Act is likely going to continue to expand **in** ~~2023~~ **2024** . However, the repeal of the individual mandate penalty included in the Tax Cuts and Jobs Act of 2017, recent actions to increase the availability of insurance policies that do not include Affordable Care Act minimum benefit standards, and support for Medicaid work requirements will likely impact the market. Accordingly, current and future payments under federal and state healthcare programs may not be sufficient to sustain a facility' s operations, which could adversely affect its ability to satisfy its contractual obligations, including making rental payments under, and otherwise complying with the terms of, the facility' s leases and other agreements with us. These risks could be mitigated by our limited participation in governmental- sponsored payor programs. The Affordable Care Act includes program integrity provisions that both create new authorities and expand existing authorities for federal and state governments to address

fraud, waste and abuse in federal health programs. In addition, the Affordable Care Act expands reporting requirements and responsibilities related to facility ownership and management, patient safety and care quality. In the ordinary course of their businesses, our tenants and operators may be regularly subjected to inquiries, investigations and audits by federal and state agencies that oversee these laws and regulations. If they do not comply with the additional reporting requirements and responsibilities, the ability of our tenants' to participate in federal health programs may be adversely affected. Moreover, there may be other comprehensive healthcare reform legislation, which, depending on how they are implemented, could materially and adversely affect our operators. The Affordable Care Act also requires the reporting and return of overpayments. Healthcare providers that fail to report and return an overpayment could face potential liability under the FCA and the CMPL and exclusion from federal healthcare programs. Accordingly, if our tenants fail to comply with the Affordable Care Act' s requirements, they may be subject to significant monetary penalties and excluded from participation in Medicare and Medicaid, which could materially and adversely affect their ability to pay rent and satisfy other financial obligations to us. Reductions or changes in reimbursement from third- party payors, including Medicare and Medicaid, or delays in receiving these reimbursements, could adversely affect the profitability of our tenants and operators and hinder their ability to make rent payments to us. Our tenants and operators may receive payments from the federal Medicare program, state Medicaid programs, private insurance carriers and health maintenance organizations, among others. Efforts by such payors to reduce healthcare costs have intensified in recent years and will likely continue, which may result in reductions or slower growth in reimbursement for certain services provided by some of our tenants and operators. The Medicare and Medicaid programs have adopted a variety of initiatives which have been incorporated and expanded by private insurance carriers, including health maintenance organizations and other health plans, to extract greater discounts and impose more stringent cost controls upon healthcare provider operations. Examples include, but are not limited to, changes in reimbursement rates and methodologies, such as bundled payments, capitation payments and discounted fee structures. As a result, our tenants and operators may face significant limits on the reimbursed and on reimbursement rates and fees. All of these changes could impact the ability of our tenants' to pay rent or our operator' s ability to meet their obligations to us. In addition, tenants and operators in certain states have experienced delays; some of which are, have been, and may be late in receiving reimbursements, which have adversely affected their ability to make rent payments to us. Further, failure of any of our tenants or operators to comply with various laws and regulations could jeopardize their ability to continue participating in Medicare, Medicaid and other government- sponsored payment programs. The healthcare industry continues to face various challenges, including increased government and private payor pressure on healthcare providers to control or reduce costs. Coverage expansions under the Affordable Care Act through the Medicaid expansion and health insurance exchanges may be scaled back or eliminated in the future due to ongoing legal challenges and the future status of the Affordable Care Act is unknown. We cannot ensure that of our tenants or operators who currently depend on governmental or private payer reimbursement will be adequately reimbursed for the services they provide. Any slowdown in the United States economy can negatively affect state budgets, thereby putting pressure on states to decrease spending on state programs including Medicaid. The need to control Medicaid expenditures may be exacerbated by the potential for increased enrollment in state Medicaid programs due to unemployment and declines in family incomes. Historically, some states have attempted to reduce Medicaid spending by limiting benefits and tightening Medicaid eligibility requirements. Potential reductions to Medicaid program spending in response to state budgetary pressures could negatively impact the ability of our tenants and operators to successfully operate their businesses. Our tenants and operators may continue to experience a shift in payor mix away from fee- for- service payors, resulting in an increase in the percentage of revenues attributable to managed care payors, and general industry trends that include pressures to control healthcare costs. In addition, some of our tenants and operators may be subject to value- based purchasing programs, which base reimbursement on the quality and efficiency of care provided by facilities and require the public reporting of quality data and preventable adverse events to receive full reimbursement. Pressures to control healthcare costs and a shift away from traditional health insurance reimbursement to managed care plans have resulted in an increase in the number of patients whose healthcare coverage is provided under managed care plans, such as health maintenance organizations and preferred provider organizations. Medicare Access and CHIP Reauthorization Act (" MACRA ") has also established a new payment framework, which modified certain Medicare payments to eligible clinicians, representing a fundamental change to physician reimbursement. These changes could have a material adverse effect on the financial condition of some or all of our tenants in our properties. The financial impact on our tenants could restrict their ability to make rent payments to us. Required regulatory approvals can delay or prohibit transfers of our healthcare facilities. Transfers of healthcare facilities to successor tenants and / or operators are typically subject to regulatory approvals or ratifications, including, but not limited to, change of ownership approvals, zoning approvals, and Medicare and Medicaid provider arrangements that are either not required, or enjoy reduced requirements, in connection with transfers of other types of commercial operations and other types of real estate. The replacement of any tenant and / or operator could be delayed by the regulatory approval process of any federal, state or local government agency necessary for the transfer of the facility or the replacement of the tenant or, if applicable, operator, licensed to operate the facility. If we are unable to find a suitable replacement tenant or operator upon favorable terms, or at all, we may take possession of a facility, which could expose us to successor liability, require us to indemnify subsequent entities to whom we transfer the operating rights and licenses, or require us to spend substantial time and funds to preserve the value of the property and adapt the facility to other use. Furthermore, transitioning to a new tenant and / or operator could cause disruptions at the operations of the properties and, if there is a delay in the new tenant or operator obtaining its ability to receive reimbursement from third- party payors. A reduction in Medicare payment rates for skilled nursing facilities may have an adverse effect on the Medicare reimbursements received by one of our tenants. Several government initiatives have resulted in reductions in funding of the Medicare and Medicaid programs and additional changes in reimbursement regulations by the ~~Centers for Medicare & Medicaid Services ("~~ CMS ~~")~~ , contributing to pressure to contain healthcare costs and additional operational requirements, which may impact the ability of our tenant to make rent payments to

us. The Medicare and Medicaid programs have adopted a variety of initiatives which have been incorporated and expanded by private insurance carriers, including health maintenance organizations and other health plans, to extract greater discounts and impose more stringent cost controls upon healthcare provider operations. As a result, our tenant may face reductions in reimbursement rates and fees. A delay in receiving reimbursements could adversely affect its ability to make rent payments to us. Similar delays, or reductions in reimbursements, may continue to impose financial and operational challenges for our tenants and tenant, which may affect its ability to make contractual payments to us. These risks could be mitigated by our limited participation in government- sponsored payor programs. There have been numerous initiatives on the federal and state levels for comprehensive reforms affecting the payment for, and availability of, healthcare services. We may own and acquire skilled nursing facility assets that rely on revenue from Medicaid or Medicare. Our one SNF has, and may continue to experience, limited increases or reductions in Medicare payments and aspects of certain of these government initiatives, such as further reductions in funding of the Medicare and Medicaid programs, additional changes in reimbursement regulations by CMS, enhanced pressure to contain healthcare costs by Medicare, Medicaid and other payors, and additional operational requirements may adversely affect their ability to make rental payments. For example, CMS is focused on reducing what it considers to be payment errors by identifying, reporting, and implementing actions to reduce payment error vulnerabilities. In addition, CMS is currently in the midst of transitioning Medicare from traditional fee for service reimbursement models to a capitated system, which means medical providers are given a set fee per patient regardless of treatment required, and value- based and bundled payment approaches, where the government pays a set amount for each beneficiary for a defined period of time, based on that person' s underlying medical needs, rather than based on the actual services provided. Providers and facilities are increasing responsible to care for and be financially responsible for certain populations of patients under the population health models and this shift in patient management paradigm is creating and will continue to create unprecedented challenges for providers and impact their ability to pay rent to us. Certain of our facilities may be subject to pre- and post- payment reviews and audits by governmental authorities, which could result in recoupments, denials or delay of payments and could adversely affect the profitability of our tenants and operators. Certain of our facilities may be subject to periodic pre- and post- payment reviews and audits by governmental authorities. If the review or audit shows a facility is not in compliance with federal and state requirements, previous payments to the facility may be recouped and future payments may be denied or delayed. Recoupments, denials or delay of payments could adversely affect the profitability of our tenants and hinder their ability to make rent payments to us and the ability of our operators to satisfy their ongoing contractual obligations ~~.~~ We may incur costs associated with complying with the Americans with Disabilities Act.Our properties must also comply with the Americans with Disabilities Act of 1990 (the " Disabilities Act ").Under the Disabilities Act,all places of public accommodation are required to comply with federal requirements related to access and use by disabled persons.The Disabilities Act has separate compliance requirements for " public accommodations " and " commercial facilities " that generally require that buildings and services,including restaurants and retail stores,be made accessible and available to people with disabilities.The Disabilities Act' s requirements could require removal of access barriers and could result in the imposition of injunctive relief,monetary penalties,or,in some cases,an award of damages.A determination that a property does not comply with the Disabilities Act could result in liability for both governmental fines and damages.If we are required to make unanticipated major modifications to any of our properties to comply with the Disabilities Act which are determined not to be the responsibility of our tenants,we could incur unanticipated expenses that could have an adverse impact upon our cash flow **.** . Events that adversely affect the ability of seniors and their families to afford daily resident fees at our SHOPs could cause our occupancy rates and resident fee revenues to decline. Assisted and independent living services generally are not reimbursable under as Medicare and our facilities have limited participation in Medicaid. Most of the resident fee revenues generated by our SHOPs, therefore, are derived from private pay sources consisting of the income or assets of residents or their family members. The rates for these residents are set by the facilities based on local market conditions and operating costs. In light of the significant expense associated with building new properties and staffing and other costs of providing services, typically only seniors with income or assets that meet or exceed the comparable region median can afford the daily resident and care fees at our SHOPs. A weak economy, depressed housing market or changes in demographics could adversely affect their continued ability to do so. If the operators of our SHOPs are unable to attract and retain seniors that have sufficient income, assets or other resources to pay the fees associated with assisted and independent living services, the occupancy rates, resident fee revenues and results of operations of our SHOPs could decline. **Termination of** ~~Residents in our SHOPs~~ - **SHOP** ~~may terminate~~ leases **by residents pursuant to state law mandated contractual provisions could have an adverse effect on our business, financial condition and results of operations** . State regulations generally require assisted living communities to have a written lease agreement with each resident that permits the resident to terminate his or her lease for any reason on reasonable notice, unlike typical apartment lease agreements that have initial terms of one year or longer. Due to these lease termination rights and the advanced age of the residents, the resident turnover rate in our SHOPs may be difficult to predict. A large number of resident lease agreements may terminate at or around the same time, and the affected units may remain unoccupied **, which could have an adverse effect on our business, financial condition and results of operations** . Some tenants and operators of our healthcare- related assets must comply with fraud and abuse laws, the violation of which by either may jeopardize the tenant' s ability to make rent payments to us. There are various federal and state laws prohibiting fraudulent and abusive business practices by healthcare providers who participate in, receive payments from or are in a position to make referrals in connection with government- sponsored healthcare programs, including the Medicare and Medicaid programs. Our lease arrangements with certain tenants and our management agreements with certain operators may also be subject to these fraud and abuse laws. These laws include the Federal Anti- Kickback Statute, which prohibits, among other things, the knowing and willful offer, payment, solicitation or receipt of any form of remuneration in return for, or to induce, the referral of any item or service reimbursed by Medicare or Medicaid; the Federal Physician Self- Referral Prohibition (commonly referred to as the " Stark Law "), which, subject to specific exceptions, restricts physicians from

making referrals for specifically designated health services for which payment may be made under Medicare or Medicaid programs to an entity with which the physician, or an immediate family member, has a financial relationship; the FCA, which prohibits any person from knowingly presenting false or fraudulent claims for payment to the federal government, including claims paid by the Medicare and Medicaid programs; and the CMPL, which authorizes the U. S. Department of Health and Human Services to impose monetary penalties for certain fraudulent acts. Additionally, some states may have laws similar to the Federal Anti- Kickback Statute and the Stark Law expanding their respective prohibitions to private insurance. Each of these laws includes substantial criminal or civil penalties for violations that range from punitive sanctions, damage assessments, penalties, imprisonment, denial of Medicare and Medicaid payments or exclusion from the Medicare and Medicaid programs. Certain laws, such as the FCA, allow for individuals to bring whistleblower actions on behalf of the government for violations thereof. ~~Individuals have tremendous potential financial gain in bringing whistleblower claims as the FCA statute provides that the individual will receive between 15 % and 30 % of the money recouped. Additionally, violations of the FCA can result in treble damages. Significant enforcement activity has been the result of actions brought by these individuals.~~ Additionally, certain states in which the facilities are located also have similar fraud and abuse laws. Federal and state adoption and enforcement of such laws increase the regulatory burden and costs, and potential liability, of healthcare providers. Investigation by a federal or state governmental body for violation of fraud and abuse laws ~~, and these state laws have their own penalties which may be in additional to federal penalties. Investigation by a federal or state governmental body for violation of fraud and abuse laws~~ or imposition of any of these penalties upon one of our tenants could jeopardize that tenant' s and operator' s business, reputation, and ability to operate or to make rent payments ~~. Increased funding for investigation and enforcement efforts~~ , ~~accompanied by an increased pressure to eliminate government waste, has led to a significant increase in the number of investigations and enforcement actions over the past several years, a trend~~ which ~~is not anticipated to decrease considerably~~ **could have a material adverse effect on us** . Tenants and operators of our healthcare- related assets may be subject to significant legal actions that could subject them to increased operating costs and substantial uninsured liabilities, which may affect their ability to pay their rent payments to us. **Our** ~~As is typical in the healthcare industry, certain types of~~ tenants and operators of our healthcare- related assets may often become subject to claims that their services have resulted in patient injury or other adverse effects. The insurance coverage maintained by these tenants and operators may not cover all claims made against them or continue to be available at a reasonable cost, if at all. In some states, insurance coverage for the risk of punitive damages arising from professional liability and general liability claims or litigation may not, in certain cases, be available to these tenants due to state law prohibitions or limitations of availability. As a result, these types of tenants and operators operating in these states may be liable for punitive damage awards that are either not covered or are in excess of their insurance policy limits. Recently, there has been an increase in governmental investigations of certain healthcare providers, particularly in the area of Medicare and Medicaid false claims, as well as an increase in enforcement actions resulting from these investigations. Insurance may not be available to cover such losses. Any adverse determination in a legal proceeding or governmental investigation, whether currently asserted or arising in the future, could have a material adverse effect on a tenant' s or operator' s financial condition. If a tenant or operator is unable to obtain or maintain insurance coverage, if judgments are obtained in excess of the insurance coverage, if a tenant or operator is required to pay uninsured punitive damages, or if a tenant or operator is subject to an uninsurable government enforcement action, the tenant could be exposed to substantial additional liabilities, which may affect the tenant' s or operator' s business, operations and the tenant' s ability to pay rent to **us, which could have a material adverse effect on** us. We may experience adverse effects as a result of potential financial and operational challenges faced by the tenants and operators of any seniors housing facilities and skilled nursing facilities we own or acquire. Tenants and operators of any seniors housing facilities and skilled nursing facilities may face operational challenges from potentially reduced revenue streams and increased demands on their existing financial resources. The resources of our skilled nursing units are primarily derived from government- funded reimbursement programs, such as Medicare and Medicaid. Accordingly, our one SNF and limited assisted living facilities that participate in Medicaid could be subject to the potential negative effects of decreased reimbursement rates or other changes in reimbursement policy or programs offered through such reimbursement programs. Revenue may also be adversely affected as a result of falling occupancy rates or slow lease- ups for assisted and independent living facilities due to various factors ~~, including the ongoing COVID- 19 pandemic and its related effects~~ . In addition, our facility operators may incur additional demands on their existing financial resources as a result of increases in seniors housing facility operator liability, insurance premiums and other operational expenses, which is worsened by the nationwide staffing shortage. The economic deterioration of a tenant or operator could cause such operator to file for bankruptcy protection. The bankruptcy or insolvency of a tenant or operator may adversely affect the income produced by the property or properties it operates. The performance and economic condition of our tenant and operators may be negatively affected if they fail to comply with various complex federal and state laws that govern a wide array of referrals, relationships and licensure requirements in the senior healthcare industry. The violation of any of these laws or regulations by a seniors housing facility tenant or operator may result in the imposition of fines or other penalties that could jeopardize that tenant' s or operator' s ability to make payments to us or to continue operating its facility. In addition, legislative proposals are commonly being introduced or proposed in federal and state legislatures that could affect major changes in the seniors housing sector, either nationally or at the state level. Any such legislation could materially impact our tenant or operators in an adverse fashion. We may change our targeted investments without stockholder consent. We have acquired and expect to continue to acquire a diversified portfolio of healthcare- related assets including MOBs, SHOPs and other healthcare- related facilities. However, the ~~board~~ **Board** may change our investment policies in its sole discretion. We may change our targeted investments and investment guidelines at any time without the consent of our stockholders, which could result in our making investments that are different from, and possibly riskier than, initially anticipated by increasing our exposure to, among other things, interest rate risk, default risk and real estate market fluctuations. If we internalize our management functions,...... Act of 1940, as amended. Risks Related

to our Indebtedness ~~Our level of indebtedness may increase our business risks.~~ As of December 31, ~~2022~~ **2023** , we had total outstanding indebtedness of $ 1. ~~1~~ **2** billion. We may incur additional indebtedness in the future for various purposes. The amount of our indebtedness could have material adverse consequences for us, including: • hindering our ability to adjust to changing market, industry or economic conditions; • limiting our ability to access the capital markets to raise additional equity or debt on favorable terms or at all, whether to refinance maturing debt, to fund acquisitions, to fund dividends and other distributions or for other corporate purposes; • limiting the amount of free cash flow available for future operations, acquisitions, dividends and other distributions, stock repurchases or other uses; and • making us more vulnerable to economic or industry downturns, including interest rate increases. In most instances, we acquire real properties by using either existing financing or borrowing new funds. We may incur debt and pledge the underlying property as security for that debt to obtain funds to acquire additional properties or for other corporate purposes. We may also borrow if we need funds to satisfy the REIT tax qualification requirement that we generally distribute annually to our stockholders at least 90 % of our REIT taxable income (which does not equal net income as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding any net capital gain. We also may borrow if we otherwise deem it necessary or advisable to assure that we maintain our qualification as a REIT. If there is a shortfall between the cash flow from a property and the cash flow needed to service mortgage debt on that property, especially if we acquire the property when it is being developed or under construction, we may use additional borrowings to fund the shortfall. Using debt increases the risk of loss because defaults on indebtedness secured by a property may result in lenders initiating foreclosure actions. In that case, we could lose the property securing the loan that is in default. For U. S. federal income tax purposes, a foreclosure of any of our properties would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds. In this event, we may be unable to pay the amount of distributions required in order to maintain our REIT status. We may also fully or partially guarantee mortgage debt incurred by the subsidiary entities that own our properties. In those cases, we will be responsible to the lender for repaying the debt if it is not paid by the entity. In the case of mortgages containing cross- collateralization or cross- default provisions, a default on a single mortgage could affect multiple properties. ~~Our~~ We may in the future acquire or originate real estate debt or invest in real estate- related securities issued by real estate market participants,which would expose us to additional risks.We may in the future acquire or originate first mortgage debt loans,mezzanine loans,preferred equity or securitized loans,CMBS,preferred equity and other higher- yielding structured debt and equity investments.Doing so would expose us not only to the risks and uncertainties we are currently exposed to through our direct investments in real estate but also to additional risks and uncertainties attendant to investing in and holding these types of investments,such as:• risk of defaults by borrowers in paying debt service on outstanding indebtedness and to other impairments of our loans and investments;• increased competition from entities engaged in mortgage lending and,or investing in our target assets;• deterioration in the performance of properties securing our investments may cause deterioration in the performance of our investments and,potentially,principal losses to us;• fluctuations in interest rates and ~~Credit~~ **credit spreads could reduce our** ~~Facility~~ - **ability** ~~contains various covenants~~ **to** generate income on our loans and other investments;• difficulty in redeploying the proceeds from repayments of our existing loans and investments;• the illiquidity of certain of these investments;• lack of control over certain of our loans and investments;• the potential need to foreclose on certain of the loans we originate or acquire,which could result in losses;• additional risks,including the risks of the securitization process,posed by investments in CMBS and other similar structured finance investments,as well as those we structure,sponsor or arrange;use of leverage may create a mismatch with the duration and interest rate of the investments ~~that~~ that ~~may restrict~~ **we finance; • risks related to the operating performance** ~~our~~ - **or** ~~ability to take certain actions~~ **trading price volatility of any publicly- traded** and ~~may restrict our ability to use our cash~~ **private companies primarily engaged in real estate businesses we invest in;** and ~~make~~ **• the need to structure, select and more closely monitor our** investments **such** ~~. Our Credit Facility contains various covenants~~ that ~~may restrict our ability to take certain actions. For example,~~ we **continue** ~~may not pay distributions~~ to **maintain** ~~holders of common stock in cash or~~ **our** ~~make any~~ **qualification as a REIT and our exemption from registration under** ~~other~~ -- **the Investment Company Act** ~~cash distributions (including repurchases~~ of ~~shares of~~ **1940, as amended. Any one** ~~our~~ - **or** ~~common stock)~~ **a combination of these factors may cause a borrower to default** on **a loan** ~~our~~ - **or** ~~common stock until we meet certain requirements. We may, however, pay dividends on the Series A Preferred Stock and Series B Preferred Stock, or any other preferred stock we may issue and any cash distributions necessary~~ to ~~maintain~~ **declare bankruptcy. If a default** ~~our~~ - **or bankruptcy occurs** ~~status as a REIT. The restrictions on paying cash distributions will no longer apply starting in the quarter in which we make an~~ **and** ~~election and, as of~~ the **underlying** ~~day prior to the commencement of the applicable quarter, we have a combination of cash, cash equivalents and availability for future borrowings under the Revolving Credit Facility totaling at least $ 100. 0 million, giving effect to the aggregate amount of distributions projected to be paid by us during the applicable quarter, our ratio of consolidated total indebtedness to consolidated total~~ asset value ~~(expressed as a percentage)~~ is less than ~~62. 5 %, and our Fixed Charge Coverage Ratio is not less than 1. 50 to 1. 00 for~~ the **loan amount** ~~most recently ended four fiscal quarters. There can be no assurance as to if, or when~~ , we will ~~be able to satisfy~~ **suffer a loss. In** ~~these~~ -- **the** ~~conditions~~ **event of any default under a commercial real estate loan held directly by us, we will bear a risk of loss of principal or accrued interest to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the commercial real estate loan, which could have a material adverse effect on our cash flow from operations** . ~~Moreover~~ **In the event of a default by a borrower on a non- recourse commercial real estate loan** , we will only ~~be permitted~~ **have recourse** to ~~pay cash distributions~~ **the underlying asset (including any escrowed funds and reserves) collateralizing the commercial real estate loan. If a borrower defaults on one of our commercial real estate investments and the underlying property collateralizing the commercial real estate debt is insufficient to satisfy the outstanding balance of the debt, we may suffer a loss of principal or interest. In addition, even** if **we have recourse to a borrower' s assets, we may not have**

full recourse to such assets in the ~~aggregate distributions~~ **event of a borrower bankruptcy as the loan to such borrower will be deemed to be secured only to the extent of the value of the mortgaged property at the time of bankruptcy** (as **determined by** ~~defined in the Credit Facility and including dividends on Series A Preferred Stock, Series B Preferred Stock or any other~~ -- **the bankruptcy court** ~~class of preferred stock that may be issued~~) **and the lien securing the loan will be subject to the avoidance powers of the bankruptcy trustee** ~~for~~ - **or debtor-** ~~any period of four fiscal quarters do not exceed 95 % of Modified FFO (as defined~~ in **- possession to the extent the lien is unenforceable under state law. We are also exposed to** ~~the~~ **these risks** ~~Credit Facility) for the same period based only on fiscal quarters after we make the election and begin paying distributions. The lenders have reduced the covenant requiring a minimum ratio of adjusted consolidated EBITDA to consolidated fixed charges based on the four most recently ended fiscal quarters, from 1. 50: 1. 00 to (a) 1. 20: 1. 00 for the period that commenced with the quarter ended June 30, 2022~~ through the **commercial** ~~quarter ending June 30, 2023, (b) 1. 35: 1. 00 for the period commencing with the quarter ending September 30, 2023 through the quarter ending December 31, 2023 and (c) 1. 45: 1. 00 for the period commencing with the quarter ending March 31, 2024 and continuing thereafter; provided, however, that from and after the Commencement Quarter, we must satisfy a minimum Fixed Charge Coverage Ratio of 1. 50: 1. 00. Prospectively, based upon our current expectations, we believe our operating results through June 30, 2023 will allow us to comply with these covenants. However, we believe our operating results may not be sufficient to comply with the increased Fixed Charge Coverage Ratio, which increases from 1. 20: 1. 00 to 1. 35: 1. 00 commencing with the quarter ending September 30, 2023 and thereafter. Absent a waiver or modification from the lender group, failure to comply with the Fixed Charge Coverage Ratio would constitute an Event of Default and the balance of the Credit Facility would be due and payable. We have obtained such waivers and modifications from the lender group in the past, but there can be no assurance that such a waiver or modification will be granted in future periods. Covenants in our Credit Facility also require us to maintain a combination of cash, cash equivalents and availability for future borrowings under our Revolving Credit Facility totaling at least $ 50. 0 million. As of December 31, 2022, we had $ 53. 7 million of cash and cash equivalents, and $ 203. 4 million was available for future borrowings under our Revolving Credit Facility. Our Credit Facility also restricts how we may use our sources of liquidity. Certain restrictions and conditions contained in the Credit Facility will no longer apply starting in the quarter in which we make an election as, as of the day prior to the commencement of the applicable quarter we have a combination of cash, cash equivalents and availability for future borrowings under the Revolving Credit Facility totaling at least $ 100. 0 million, giving effect to the aggregate amount of distributions projected to be paid by us during the applicable quarter, our ratio of consolidated total indebtedness to consolidated total asset value (expressed as a percentage) is less than 62. 5 % and, as revised by the Fourth Amendment, our Fixed Charge Coverage Ratio is not less than 1. 50 to 1. 00 for the most recently ended four fiscal quarters (the " Commencement Quarter "). The fiscal quarter ended June 30, 2021 was the first quarter that could have been the Commencement Quarter. We did not satisfy the conditions during the quarter ended December 31, 2022 in order to elect the quarter ending March 31, 2023 as the Commencement Quarter. There can be no assurance as to if, or when, we will, or will be able to, elect the Commencement Quarter, including to the extent we may be unable to satisfy these conditions in future periods. Until the first day of the Commencement Quarter, we must use all of the net cash proceeds from any capital event (such as an asset sale, financing or equity issuance) to repay amounts outstanding under the Revolving Credit Facility, to the extent there are any such amounts outstanding. We may borrow additional amounts if all relevant conditions are met, including sufficient availability for future borrowings. There can be no assurance these conditions will be met. The availability for future borrowings under the Credit Facility is calculated using the adjusted net operating income of the~~ real estate **loans underlying** ~~assets comprising the borrowing base, and availability has been, and may continue to be, adversely affected by the decreases in net operating income at the properties comprising the borrowing base from the use of contract labor for care providers and, to~~ a **commercial real estate security** ~~lesser extent, the amount~~ we **hold** ~~pay in overtime wages and bonuses. In connection with the Fourth Amendment~~ , ~~the borrowing base advance rate was reduced from 55 % to 52. 5 % (until we elect the Commencement Quarter, after~~ which ~~the borrowing base advance rate would revert back to 55 %), which~~ may ~~also impact~~ **result in us not recovering a portion** ~~our~~ - **or** ~~availability~~ **all of our investment in such commercial real estate security** . Our ~~ability to increase the amount of cash we generate from property operations depends on a variety of factors as well as our ability to complete acquisitions of new properties on favorable terms and our ability to improve operations at our existing properties. There can be no assurance that we will complete acquisitions on a timely basis or on favorable terms and conditions, if at all, particularly if we do not have a source of capital available that will allow us to do so. Our ability to improve operations at our existing properties is also subject to a variety of risks and uncertainties, many of which are beyond our control, and there can be no assurance we will be successful in achieving this objective. Because shares of common stock are only offered and sold pursuant to our distribution reinvestment plan (" DRIP ") in connection with the reinvestment of distributions paid in cash, participants in the DRIP will not be able to reinvest in shares thereunder for so long as we pay distributions in stock instead of cash, so this source of capital will not be available unless and until we are able to resume paying cash distributions on our common stock. There is also no assurance that participation in the DRIP will be maintained at current or higher levels if the DRIP becomes a source of capital in the future. Other~~ financing arrangements have restrictive covenants **, which may limit our ability to pursue strategic alternatives and react to changes in our business and industry or pay distributions** . The agreements governing our borrowings contain provisions that affect or restrict our policies regarding dividends and other distributions and our operations, require us to satisfy financial coverage ratios, and may restrict our ability to, among other things, incur additional indebtedness, make certain investments, **enter into certain transactions with our affiliates,** replace our Advisor, discontinue insurance coverage, merge with another company, and create, incur or assume liens. These or other limitations may adversely affect our flexibility and our ability to achieve our investment and operating objectives **. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of debt under such agreements. Any such event of default or acceleration could have a material adverse**

effect on our business, financial condition and results of operations . Changes in the debt markets could have a material adverse impact on our earnings and financial condition. The commercial real estate debt markets are subject to volatility, resulting in, from time to time, the tightening of underwriting standards by lenders and credit rating agencies and reductions in the availability of financing. For example, recent credit and capital market conditions have been characterized by volatility and a tightening of credit standards. This may impact our ability to access capital on favorable terms, in a timely manner, or at all, which could make obtaining funding for our capital needs more challenging or expensive. We also face a heightened level of interest rate risk as the U. S. Federal Reserve Board tapers its quantitative easing program and raises interest rates **, such as in recent years** . All of these actions will likely lead to increases in borrowing costs. If our overall cost of borrowings continue to increase, either due to increases in the index rates or due to increases in lender spreads, we will need to factor such increases into pricing and projected returns for any future acquisitions. This may result in future acquisitions generating lower overall economic returns. Volatility in the debt markets, may negatively impact our ability to borrow monies to finance the purchase of, or other activities related to, our real estate assets may be negatively impacted. If we are unable to borrow monies on terms and conditions that we find acceptable, our ability to purchase properties and meet other capital requirements may be limited, and the return on the properties we do purchase may be lower. In addition, we may find it difficult, costly or impossible to refinance maturing indebtedness. Furthermore, the state of the debt markets could have an impact on the overall amount of capital being invested in real estate, which may result in price or value decreases of real estate assets and could negatively impact the value of our assets **, which could have a material adverse effect on us** . Increases in interest rates may make it difficult for us to finance or refinance indebtedness secured by our properties. We have borrowed, and may continue to borrow monies, secured and unsecured by our properties. **The U. S. Federal Reserve Board significantly increased the federal funds rate in 2022 and 2023. Further** ~~Increases~~ **increases** in interest rates may adversely impact our ability to refinance our indebtedness, including the indebtedness secured by our properties, as the loans come due or we otherwise desire to do so on favorable terms, or at all. If interest rates are higher when the indebtedness is refinanced, we may not be able to refinance indebtedness secured by the properties and we may be required to obtain equity to repay the loan or to increase the collateral for the loan **, which could adversely affect our business, financial condition, results of operations and liquidity** . Increasing interest rates could increase the amount of our debt payments ~~and we may be adversely affected by uncertainty surrounding the LIBOR~~ . We have incurred, and may continue to incur, variable- rate debt. **The significant** ~~Increases~~ - **increase** in ~~interest~~ **the federal funds** ~~rates~~ - **rate in 2022 and 2023 has increased the borrowing costs** on our variable- rate debt ~~would~~ **and may** increase **the** ~~our interest~~ cost **of any new debt we incur or refinance** . We have mortgages, credit facilities and derivative agreements that have terms that are based on the ~~London Interbank Offered Rate (" LIBOR "). As of December 31, 2022, we have nine designated interest rate swaps with a notional amount of $ 578. 5 million, which effectively fixes a portion of our variable- rate debt. In July 2017, the Financial Conduct Authority (the authority that regulates LIBOR) announced it intends 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 which identified the~~ Secured Overnight Financing Rate (" SOFR ") ~~as its preferred alternative to LIBOR in derivatives and other financial contracts~~ . **As of** ~~They ceased publishing the one- week and two- month USD LIBOR settings effective~~ December 31, ~~2021~~ **2023** ~~. The remaining USD LIBOR settings~~ , ~~including the USD LIBOR~~ **62. 5 % of our total gross debt bore interest at variable** rates **. As of December 31** ~~currently relevant to us, will continue to be published through June 30~~ , 2023 ~~. We are monitoring and evaluating the risks related to changes in LIBOR availability~~ , **we had** ~~which include potential changes in interest paid on~~ **one designated** ~~debt and amounts received and paid on~~ interest rate ~~swaps~~ - **swap with a notional amount** ~~. In addition, the value~~ of **$ 378. 5 million, which effectively fixes a portion of our variable- rate** debt ~~or derivative instruments tied to LIBOR will also be impacted~~ **, and we had seven interest rate caps with a notional amount of $ 364. 2 million, which, while not designated** as ~~LIBOR is~~ **hedges for accounting purposes, do economically limit our exposure to increasing variable rates, but such interest rate swap and caps may not be effective in reducing our exposure to interest rate changes. SOFR has a** limited **history,** and ~~discontinued and contracts must~~ **the future performance of SOFR cannot** be ~~transitioned to a new alternative~~ **predicted based on historical performance As of December 31, 2023, approximately 62. 5 % of our total gross debt bore interest at variable** ~~rate~~ **rates** ~~. In some instances~~ , **all** ~~transitioning to an alternative rate may require negotiation with lenders and other counterparties and could present challenges. Certain~~ of **which** ~~our agreements that have terms that~~ are based on ~~LIBOR~~ **SOFR. The publication of SOFR began in April 2018, and, therefore, it has a limited history. In addition, the future performance of SOFR cannot be predicted based on the limited historical performance. Future levels of SOFR may bear little or no relation to the historical actual or historical indicative SOFR data. Prior observed patterns, if any, in the behavior of market variables and their relation to SOFR, such as correlations, may change in the future. Hypothetical performance data are not indicative of, and** have **no bearing on,** ~~alternative rates already contained in~~ the ~~agreements while others do~~ **potential performance of SOFR. Although changes in term SOFR and compounded SOFR generally are** not **expected to be as volatile as changes** ~~. We anticipate that we will either utilize the alternative rates contained~~ in **SOFR on** ~~the agreements or negotiate~~ a ~~replacement reference rate~~ **daily basis, the return on, value of and market** for ~~LIBOR with the lenders and derivative counterparties. The consequences of these~~ -- **the SOFR based debt may fluctuate more than floating** ~~developments cannot be entirely predicted and could include an increase in the cost of our variable~~ rate debt **securities with interest** ~~. The consequences of these developments cannot be entirely predicted and could include an increase in the cost of our variable rate~~ **rates** ~~indebtedness~~ **based on less volatile rates** . Any hedging strategies we utilize may not be successful in mitigating our risks. We have **used,** and may continue to ~~enter into hedging transactions~~ **use, derivative financial instruments** to ~~manage risk of~~ **hedge our exposure to changes in** interest ~~rate~~ **rates** ~~changes, price changes or currency fluctuations~~ with respect to borrowings made or to be made to acquire or own real estate assets **, which** ~~. To the extent that we use derivative financial~~ instruments ~~, we will be exposed~~ - **expose us** to credit ~~,~~ basis and legal enforceability risks. Derivative financial instruments may

include interest rate swap contracts, interest rate cap or floor contracts, futures or forward contracts, options or repurchase agreements. In this context, credit risk is the failure of the counterparty to perform under the terms of the derivative contract. If the fair value of a derivative contract is positive, the counterparty owes us, which creates credit risk for us. Basis risk occurs when the index upon which the contract is based is more or less variable than the index upon which the hedged asset or liability is based, thereby making the hedge less effective. Finally, legal enforceability risks encompass general contractual risks, including the risk that the counterparty will breach the terms of, or fail to perform its obligations under, the derivative contract **. These derivative instruments are speculative in nature and there is no guarantee that they will be effective. If we are unable to manage these risks effectively, we could be materially and adversely affected** . Risks Related to Conflicts of Interest Our Advisor faces conflicts of interest relating to the purchase and leasing of properties and these conflicts may not be resolved in our favor, which could adversely affect our investment opportunities. We rely on our Advisor and its executive officers and other key real estate professionals at our Advisor and our Property Manager to identify suitable investment opportunities for us. Several of these individuals are also executive officers or key real estate professionals at AR Global and other entities advised by affiliates of AR Global. Many investment opportunities that are suitable for us may also be suitable for other entities advised by affiliates of AR Global. We do not have any agreements with any of these entities that govern the allocation of investment opportunities. Thus, the executive officers and real estate professionals at our Advisor could direct attractive investment opportunities to other entities advised by affiliates of AR Global. We and other entities advised by affiliates of AR Global also rely on these executive officers and other key real estate professionals to supervise the property management and leasing of properties. These individuals, as well as AR Global, as an entity are not prohibited from engaging, directly or indirectly, in any business or from possessing interests in other businesses and ventures, including businesses and ventures involved in the acquisition, development, ownership, leasing or sale of real estate investments. In addition, we may acquire properties in geographic areas where other entities advised by affiliates of AR Global own properties, and if we may acquire properties from, or sell properties to, other entities advised by affiliates of AR Global. If one of the other entities advised by affiliates of AR Global attracts a tenant that we are competing for, we could suffer a loss of revenue due to delays in locating another suitable tenant **, which could adversely affect our cash flows and ability to make distributions to our stockholders** . Our Advisor faces conflicts of interest relating to joint ventures, which could result in a disproportionate benefit to the other venture partners at our expense. We may enter into joint ventures with other entities advised by affiliates of AR Global for the acquisition, development or improvement of properties. Our Advisor may have conflicts of interest in determining which entities advised by affiliates of AR Global should enter into any particular joint venture agreement. The co- venturer may have economic or business interests or goals that are or may become inconsistent with our business interests or goals. In addition, our Advisor may face a conflict in structuring the terms of the relationship between our interests and the interest of the affiliated co- venturer and in managing the joint venture. Due to the role of our Advisor and its affiliates, agreements and transactions between the co- venturers with respect to any joint venture will not have the benefit of arm' s- length negotiation of the type normally conducted between unrelated co- venturers, which may result in the co - venturer receiving benefits greater than the benefits that we receive. In addition, we may assume liabilities related to the joint venture that exceeds the percentage of our investment in the joint venture. Our Advisor, AR Global and their officers and employees and certain of our executive officers and other key personnel face competing demands relating to their time, and this may cause our operating results to suffer. Our Advisor, AR Global and their officers and employees and certain of our executive officers and other key personnel and their respective affiliates are key personnel, general partners, sponsors, managers, owners and advisors of other real estate investment programs, including entities advised by affiliates of AR Global, some of which have investment objectives and legal and financial obligations similar to ours and may have other business interests as well. Because these entities and individuals have competing demands on their time and resources, they may have conflicts of interest in allocating their time between our business and these other activities **, which may have a material adverse effect on our operating results** . All of our executive officers, some of our directors and the key real estate and other professionals assembled by our Advisor and our Property Manager face conflicts of interest related to their positions or interests in entities related to AR Global, which could hinder our ability to implement our business strategy. All of our executive officers, and the key real estate and other professionals assembled by our Advisor and Property Manager are also executive officers, directors, managers, key professionals or holders of a direct or indirect interests in our Advisor, our Property Manager or other AR Global- affiliated entities. Through AR Global' s affiliates, some of these persons work on behalf of entities advised by affiliates of AR Global. In addition, all of our executive officers and some of our directors serve in similar capacities for other entities advised by affiliates of our Advisor. As a result, they have duties to each of these entities, which duties could conflict with the duties they owe to us and could result in action or inaction detrimental to our business. Conflicts with our business and interests are most likely to arise from (a) allocation of investments and management time and services between us and the other entities; (b) compensation to our Advisor or Property Manager; (c) our purchase of properties from, or sale of properties to, entities advised by affiliates of our Advisor; and (d) investments with entities advised by affiliates of our Advisor. Conflicts of interest may hinder our ability to implement our business strategy, and, if we do not successfully implement our business strategy. Our Advisor faces conflicts of interest relating to the structure of the compensation it may receive. Under our advisory agreement, the Advisor is entitled to substantial minimum compensation regardless of performance as well as incentive compensation. The variable base management fee payable to the Advisor under the advisory agreement increases proportionately with the cumulative net proceeds of any equity (including convertible equity and certain convertible debt but excluding proceeds from the DRIP) raised by us. In addition, the limited partnership agreement of our OP requires it to pay a subordinated incentive listing distribution to the " Special Limited Partner, " an affiliate of our Advisor, in connection with a listing or other liquidity event, such as the sale of all or substantially all of our assets, or if we terminate the advisory agreement, even for " cause. " The Special Limited Partner is also entitled to participate in the distribution of net sales proceeds. These arrangements may result in the Advisor taking actions or recommending investments

that are riskier or more speculative absent these compensation arrangements. In addition, these fees and other compensation payable to the Advisor reduce the cash available for investment or other corporate purposes. Risks Related to our Corporate Structure Our common stock is not traded on a national securities exchange, and our SRP, which provides for repurchases only in the event of death or disability of a stockholder, is suspended. Stockholders may have to hold their shares for an indefinite period of time. Our common stock is not listed on a national securities exchange and there is otherwise no active trading market for the shares and our SRP is suspended. Even if not suspended, our SRP includes numerous restrictions that limit a stockholder' s ability to sell shares of common stock to us, including limiting repurchases only to stockholders that have died or become disabled, limiting the total value of repurchases pursuant to our SRP to the amount of proceeds received from issuances of common stock pursuant to the DRIP and limiting repurchases in any fiscal semester to 2. 5 % of the average number of shares outstanding during the previous fiscal year. These limits are subject to the authority of the ~~board~~ **Board** to identify another source of funds for repurchases under the SRP. The ~~board~~ **Board** may also reject any request for repurchase of shares at its discretion or amend, suspend or terminate our SRP upon notice in its discretion. Shares that are repurchased will be repurchased at a price equal to the applicable Estimated Per- Share NAV and may be at a substantial discount to the price the stockholder paid for the ~~shares. We are also restricted from making any share repurchases until the Commencement Quarter and, after that, to the extent they would be aggregated with dividends and other distributions to our stockholders under the covenant in our Credit Facility, all of which may further limit the amount that may be repurchased. The Estimated Per- Share NAV of our common stock is based upon subjective judgments, assumptions and opinions about future events, and may not reflect the amount that our stockholders might receive for their~~ shares. We intend to publish an updated Estimated Per- Share NAV as of December 31, ~~2022 in early April~~ 2023 **in late March 2024**. Our Advisor has engaged an independent valuer to perform appraisals of our real estate assets in accordance with valuation guidelines established by the ~~board~~ **Board**. As with any methodology used to estimate value, the valuation methodologies that will be used by any independent valuer to value our properties involve subjective judgments concerning factors such as comparable sales, rental and operating expense data, capitalization or discount rate, and projections of future rent and expenses. Under our valuation guidelines, our independent valuer estimates the market value of our principal real estate and real estate- related assets, and our Advisor makes a recommendation as to the net value of our real estate and real estate- related assets and liabilities taking into consideration such estimate provided by the independent valuer. Our Advisor reviews the valuation provided by the independent valuer for consistency with our valuation guidelines and the reasonableness of the independent valuer' s conclusions. The independent directors of the ~~board~~ **Board** oversee and review the appraisals and valuations and make a final determination of the Estimated Per- Share NAV. The independent directors of the ~~board~~ **Board** rely on our Advisor' s input, including its view of the estimate and the appraisals performed by the independent valuer, but the independent directors of the ~~board~~ **Board** may, in their discretion, consider other factors. Although the valuations of our real estate assets by the independent valuer are reviewed by our Advisor and approved by the independent directors of the ~~board~~ **Board**, neither our Advisor nor the independent directors of the ~~board~~ **Board** will independently verify the appraised value of our properties and valuations do not necessarily represent the price at which we would be able to sell any asset. As a result, the appraised value of a particular property may be greater or less than its potential realizable value, which would cause our Estimated per- share NAV to be greater or less than the potential realizable value of our assets. The price at which shares of our common stock may be sold under the DRIP ~~and~~ **, if reinstated, would be** the price at which shares of our common stock may be repurchased by us pursuant to the SRP ~~are~~ **, if reinstated, would be** based on Estimated Per- Share NAV and may not reflect the price that our stockholders would receive for their shares in a market transaction, the proceeds that would be received upon our liquidation or the price that a third- party would pay to acquire us. Because Estimated Per- Share NAV is only determined annually, it may differ significantly from our actual per - share net asset value at any given time. Our ~~board~~ **Board** estimates the per- share net asset value of our common stock only on an annual basis. In connection with any valuation, the ~~board~~ **Board** estimate of the value of our real estate and real estate- related assets will be partly based on appraisals of our properties. Because the process of making this estimate is conducted annually, this process may not account for material events that occur after the estimate has been completed for that year. Material events could include the appraised value of our properties substantially changing actual property operating results differing from what we originally budgeted or dividends and other distributions to stockholders exceeding cash flow generated by us. Any such material event could cause a change in the Estimated Per- Share NAV that would not be reflected until the next valuation. Also, cash dividends and other distributions in excess of our cash flows provided by operations could decrease our Estimated Per- Share NAV. The Estimated Per- Share NAV reflected ~~Stock~~ **stock** ~~Dividends~~ **dividends** actually issued as of December 31, ~~2021~~ **2022**, but has not been adjusted to reflect or consider any of the other stock dividends that were issued and will not be adjusted for stock dividends paid or that may be issued in the future until the Board determines a new Estimated Per- Share NAV which is expected in ~~early April~~ **late March** ~~2023~~ **2024**. Dividends paid in the form of additional shares of common stock will, all things equal, cause the value of each share of common stock to decline because the number of shares outstanding increases when dividends paid in stock are issued reducing the Estimated Per- Share NAV. The Estimated Per- Share NAV may not reflect the value of shares of our common stock at any given time, and our estimated per- share NAV may differ significantly from our actual per- share net asset value at any given time. The trading price of our Series A Preferred Stock and Series B Preferred Stock may fluctuate significantly. The trading price of our Series A Preferred Stock and Series B Preferred Stock may be volatile and subject to significant price and volume fluctuations in response to market and other factors, and is impacted by a number of factors, many of which are outside our control. Among the factors that could affect the trading price are: • our financial condition, including the level of our indebtedness, and performance; • our ability to grow through property acquisitions, the terms and pace of any acquisitions we may make and the availability and terms of financing for those acquisitions; • the financial condition of our tenants, including tenant bankruptcies or defaults; • actual or anticipated quarterly fluctuations in our operating results and financial condition; • the amount and frequency of our payment of dividends and other

distributions; • additional sales of equity securities, including Series A Preferred Stock, Series B Preferred Stock, common stock or any other equity interests, or the perception that additional sales may occur; • the reputation of REITs and real estate investments generally and the attractiveness of REIT equity securities in comparison to other equity securities, and fixed income debt securities; • our reputation and the reputation of AR Global and its affiliates or other entities advised by AR Global and its affiliates; • uncertainty and volatility in the equity and credit markets; • increases in interest rates; • inflation and continuing increases in the real or perceived inflation rate; • changes in revenue or earnings estimates, if any, or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other REITs; • failure to meet analyst revenue or earnings estimates; • strategic actions by us or our competitors, such as acquisitions or restructurings; • the extent of investment in our Series A Preferred Stock and Series B Preferred Stock by institutional investors; • the extent of short- selling of our Series A Preferred Stock and Series B Preferred Stock; • general financial and economic market conditions and, in particular, developments related to market conditions for REITs and other real estate related companies; • failure to maintain our REIT status; • changes in tax laws; • domestic and international economic factors unrelated to our performance; and • all other risk factors addressed elsewhere in this Annual Report on Form 10- K for the year ended December 31, ~~2022~~ **2023** . Moreover, although shares of Series A Preferred Stock and Series B Preferred Stock are listed on The Nasdaq Global Market, there can be no assurance that the trading volume for shares will provide sufficient liquidity for holders to sell their shares at the time of their choosing or that the trading price for shares will equal or exceed the price paid for the shares. Because the shares of Series A Preferred Stock and Series B Preferred Stock carry a fixed dividend rate, the trading price in the secondary market will be influenced by changes in interest rates and will tend to move inversely to changes in interest rates. In particular, an increase in market interest rates may result in higher yields on other financial instruments and may lead purchasers of shares of Series A Preferred Stock and Series B Preferred Stock to demand a higher yield on their purchase price, which could adversely affect the market price of those shares. An increase in interest rates available to investors could also reduce the value of our common stock. **We currently do not pay cash distributions on our common stock and we may be unable to pay or maintain cash distributions in the future or increase distributions over time. There are many factors that can affect the availability and timing of cash distributions to stockholders, and we currently do not pay cash distributions on our common stock. Distributions will be based principally on cash available from our operations. The amount of cash available for distributions is affected by many factors, such as income from our properties and our operating expense levels, as well as many other variables. Actual cash available for distributions may vary substantially from estimates. We cannot assure a stockholder that we will be able to pay distributions or that distributions will increase over time with respect to our capital stock. Our actual results may differ significantly from the assumptions used by our Board in establishing the distribution rate to stockholders. We may not have sufficient cash from operations to make a distribution required to qualify or maintain our qualification as a REIT, which may materially adversely affect a stockholder' s investment.** The limit on the number of shares a person may own may discourage a third- party from acquiring us in a manner that might result in a premium price to our stockholders. Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted (prospectively or retroactively) by the ~~board~~ **Board** , no person may own more than 9. 8 % in value of the aggregate of our outstanding shares of our capital stock or more than 9. 8 % (in value or in number of shares, whichever is more restrictive) of any class or series of shares of our capital stock. This restriction may have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all our assets) that might provide a premium price for holders of our common stock. The terms of our Series A Preferred Stock, Series B Preferred Stock, and the terms of other preferred stock we may issue, may discourage a third- party from acquiring us in a manner that might result in a premium price to stockholders. The change of control conversion and redemption features of the Series A Preferred Stock and Series B Preferred Stock may make it more difficult for a party to acquire us or discourage a party from seeking to acquire us. Upon the occurrence of a change of control, holders of Series A Preferred Stock and Series B Preferred Stock will, under certain circumstances, have the right to convert some of or all their shares of Series A Preferred Stock and Series B Preferred Stock into shares of our common stock (or equivalent value of alternative consideration) and under these circumstances we will also have a change of control redemption right to redeem shares of Series A Preferred Stock and Series B Preferred Stock. Upon exercise of this conversion right, the holders will be limited to a maximum number of shares of our common stock pursuant to a predetermined ratio. These features of the Series A Preferred Stock and Series B Preferred Stock may have the effect of discouraging a third- party from seeking to acquire us or of delaying, deferring or preventing a change of control under circumstances that otherwise could provide the holders of our common stock with the opportunity to realize a premium over the then- current market price or that stockholders may otherwise believe is in their best interests. We may also issue other classes or series of preferred stock that could also have the same effect. We ~~may issue additional equity securities in the future. Our stockholders do not have preemptive rights to any shares issued by us in the future. Our charter authorizes us to issue up to 350, 000, 000 shares of stock, consisting of 300, 000, 000 shares of common stock, par value $ 0. 01 per share, and 50, 000, 000 shares of preferred stock, par value $ 0. 01 per share. As of December 31, 2022, we had the following stock issued and outstanding: (i) 105, 080, 531 shares of common stock; (ii) 3, 977, 144 shares of Series A Preferred Stock; and (iii) 3, 630, 000 shares of Series B Preferred Stock. Subject to the approval rights of holders of our Series A Preferred Stock and Series B Preferred Stock regarding authorization or issuance of equity securities ranking senior to the Series A Preferred Stock or Series B Preferred Stock, the board, without approval of our common stockholders, may amend our charter from time to time to increase or decrease the aggregate number of authorized shares of stock, or the number of authorized shares of any class or series of stock or may classify or reclassify any unissued shares into other classes or series of stock without obtaining stockholder approval and establish the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption~~

~~of the stock. All of our authorized but unissued shares of stock may be issued in the discretion of the board. The issuance of additional shares of our common stock could dilute the interests of the holders of our common stock, and any issuance of shares of preferred stock senior to our common stock, such as our Series A Preferred Stock and Series B Preferred Stock, or any incurrence of additional indebtedness, could affect our ability to pay distributions on our common stock. The issuance of additional shares of preferred stock ranking equal or senior to our Series A Preferred Stock and Series B Preferred Stock, including preferred stock convertible into shares of our common stock, could dilute the interests of the holders of common stock, Series A Preferred Stock, Series B Preferred Stock and any issuance of shares of preferred stock senior to our Series A Preferred Stock, Series B Preferred Stock or incurrence of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Series A Preferred Stock and Series B Preferred Stock. These issuances could also adversely affect our Estimated Per- Share NAV or the trading price of our Series A Preferred Stock and Series B Preferred Stock. We may issue shares in public or private offerings in the future, including shares of our common stock issued as awards to our officers, directors and other eligible persons, pursuant to the advisory agreement in payment of fees thereunder and pursuant to the DRIP. We may also issue partnership units in the OP designated as " Common OP Units " to sellers of properties we acquire which, subject to satisfying certain requirements, would give the holder of Common OP Units the option to redeem Common OP Units for shares of our common stock or cash at our option. We also may issue securities that are convertible into shares of our common stock. Because our decision to issue equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. The issuance of additional equity securities could adversely affect stockholders. We~~ have a classified board, which may discourage a third- party from acquiring us in a manner that might result in a premium price to our stockholders. The ~~board~~ **Board** is divided into three classes of directors. At each annual meeting, directors of one class are elected to serve until the annual meeting of stockholders held in the third year following the year of their election and until their successors are duly elected and qualify. The classification of our directors may have the effect of delaying, deferring or preventing a change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all our assets) that might result in a premium price for ~~our stockholders. Maryland law prohibits certain business combinations, which may make it more difficult for us to be acquired and may discourage a third- party from acquiring us in a manner that might result in a premium price to~~ our stockholders. Under Maryland law, " business combinations " between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include, but are not limited to, a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as: • any person who beneficially owns, directly or indirectly, 10 % or more of the voting power of the corporation' s outstanding voting stock; or • an affiliate or associate of the corporation who, at any time within the two- year period prior to the date in question, was the beneficial owner of, directly or indirectly, 10 % or more of the voting power of the then outstanding stock of the corporation. A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which he or she otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board of directors. After the five- year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least: • 80 % of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and • two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder. These super- majority vote requirements do not apply if the corporation' s common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares. The business combination statute permits various exemptions from its provisions, including business combinations that are exempted by the ~~board~~ **Board** of directors prior to the time that the interested stockholder becomes an interested stockholder. Pursuant to the statute, the board has exempted any business combination involving our Advisor or any affiliate of our Advisor. Consequently, the five- year prohibition and the super- majority vote requirements will not apply to business combinations between us and our Advisor or any affiliate of our Advisor. As a result, our Advisor and any affiliate of our Advisor may be able to enter into business combinations with us that may not be in the best interests of our stockholders, without compliance with the super- majority vote requirements and the other provisions of the statute. The business combination statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer. Our bylaws designate the Circuit Court for Baltimore City, Maryland as the sole and exclusive forum for certain actions and proceedings that may be initiated by our stockholders. Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland, or, if that court does not have jurisdiction, the United States District Court for the District of Maryland, Northern Division, is the sole and exclusive forum for (a) any derivative action or proceeding brought on our behalf, other than actions arising under federal securities laws; (b) any Internal Corporate Claim, as such term is defined in the Maryland General Corporation Law (the " MGCL "), or any successor provision thereof, including, without limitation, (i) any action asserting a claim of breach of any duty owed by any of our directors, officers or other employees to us or to our stockholders or (ii) any action asserting a claim against us or any of our directors, officers or other employees arising pursuant to any provision of the MGCL, our charter or our bylaws; or (c) any other action asserting a claim against us or any of our directors, officers or other employees that is governed by the internal affairs doctrine. Our bylaws also provide that unless we consent in writing, none of the foregoing actions, claims or proceedings may be brought in any court sitting outside the State of Maryland and the federal district courts are, to the fullest

extent permitted by law, the sole and exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act. These choice of forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum that the stockholder believes is favorable. Alternatively, if a court were to find these provisions of our bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving these matters in other jurisdictions. Certain provisions in our bylaws and agreements may deter, delay or prevent a change in our control. Provisions contained in our bylaws may deter, delay or prevent a change in control of our ~~board~~ **Board** ~~of directors~~, including, for example, provisions requiring qualifications for an individual to serve as a director and a requirement that certain of our directors be " Managing Directors " and other directors be " Independent Directors ", as defined in our governing documents. ~~As~~ **Such provisions may have the effect of delaying, deferring or preventing a** ~~changes~~ **change in control of us, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of** ~~occur~~ -- **our assets) that might otherwise result** in ~~the marketplace~~ **a premium** for ~~corporate governance policies, the provisions may change, be removed or~~ **our stockholders** ~~new ones may be added~~. Maryland law limits the ability of a third- party to buy a large stake in us and exercise voting power in electing directors, which may discourage a third- party from acquiring us in a manner that might result in a premium price to our stockholders. The Maryland Control Share Acquisition Act provides that holders of " control shares " of a Maryland corporation acquired in a " control share acquisition " have no voting rights except to the extent approved by the stockholders by the affirmative vote of two- thirds of all the votes entitled to be cast on the matter, excluding all shares of stock owned by the acquirer, by officers or by employees who are directors of the corporation. " Control shares " are voting shares of stock which, if aggregated with all other shares of stock owned by the acquirer or in respect of which the acquirer can exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within specified ranges of voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A " control share acquisition " means the acquisition of issued and outstanding control shares. The Maryland Control Share Acquisition Act does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction, or (b) to acquisitions approved or exempted by the charter or bylaws of the corporation. Our bylaws contain a provision exempting from the Maryland Control Share Acquisition Act any and all acquisitions of our stock by any person. There can be no assurance that this provision will not be amended or eliminated at any time in the future. If **we internalize** our ~~stockholders do~~ **management functions, we would be required to pay a transition fee and would** not ~~agree~~ **have the right to retain our management or personnel. We may engage in an internalization transaction and become self- managed in the future. If we internalize our management functions, under the terms of our advisory agreement we would be required to pay a transition fee to our Advisor upon termination of the advisory agreement in connection** with **an internalization that could be up to 4. 5 times** the ~~decisions of~~ **compensation paid to our Advisor in** the ~~board~~ **previous year** , **plus expenses. We also would not have any right to retain our executive officers** ~~our~~ - **or** ~~stockholders only~~ **other personnel of our Advisor who currently manage our day- to- day operations. An inability to manage an internalization transaction effectively could thus result in our incurring excess costs and suffering deficiencies in our disclosure controls and procedures or our internal control over financial reporting. These deficiencies could cause us to incur additional costs, and our management' s attention could be diverted from most effectively managing our investments, which could result in litigation and resulting associated costs in connection with the internalization transaction. We** have limited **rights to terminate our Advisor. The initial term of our advisory agreement expires on February 16, 2027, but is automatically renewed upon expiration for consecutive ten- year terms unless notice of termination is provided by either party 365 days in advance of the expiration of the term. Further, we may terminate the agreement only under limited circumstances. In the event of a termination in connection with a change in** control ~~over changes in~~ **of us, we would be required to pay a termination fee that could be up to** ~~our~~ **four** ~~policies~~ **times the compensation paid to our Advisor in the previous year, plus expenses. The limited termination rights will make it difficult for us to renegotiate the terms of the advisory agreement or replace our Advisor even if the terms of the advisory agreement are no longer consistent with the terms generally available to externally- managed REITs for similar services, could have a material adverse effect on us. Our business** and operations **could suffer if our Advisor** ~~and may not be able to change our~~ - **or** ~~policies and~~ **any other party that provides us with services essential to our** operations **experiences system failures or cyber incidents or a deficiency in cybersecurity** . The ~~board determines~~ **internal information technology networks and related systems of** our ~~major policies,~~ **Advisor and other parties that provide us with services essential to our operations (** including our **tenants** ~~policies regarding investments~~ , ~~financing~~ **operators** , ~~growth, debt capitalization, REIT qualification and dividends~~ and other ~~distributions. The board may amend or revise these and other policies without a vote of the stockholders except to the extent that the policies are set forth in our charter. Under MGCL and our charter, our common stockholders have a right to vote only on the following: • the election or removal of directors; • amendment of our charter, except that the board may amend our charter without stockholder approval to (a) increase or decrease the aggregate number of our shares of stock or the number of shares of stock of any class or series that we have the authority to issue, (b) effect certain reverse stock splits, and (c) change our name or the name or other designation or the par value of any class or series of our stock and the aggregate par value of our stock; • our liquidation or dissolution; • certain reorganizations of our company; and • certain mergers, consolidations or sales or other dispositions of all or substantially all our assets All other matters are subject to the discretion of the board. Holders of our Series A Preferred Stock and Series B Preferred Stock have extremely limited voting rights. The stockholder rights plan adopted by our board of directors may discourage a~~ third- party **operators of our healthcare facilities) are vulnerable to damage** from ~~acquiring~~ **any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, terrorism, war and telecommunication failures. Any system failure or accident that causes interruptions in our operations could result in a**

material disruption to our business. We may also incur additional costs to remedy damages caused by these disruptions. As reliance on technology has increased, so have the risks posed to those systems. Our Advisor and other parties that provide us **with services essential** ~~in a manner that might result in a premium price~~ to our ~~stockholders~~ **operations must continuously monitor and develop their networks and information technology to prevent, detect, address and mitigate the risk of unauthorized access, misuse, computer viruses, and social engineering, such as phishing** . Our **Advisor is continuously working, including** ~~board of directors previously adopted a stockholder rights plan that will expire in May 2023 or sooner under certain circumstances. In connection~~ with the ~~rights plan, in December 2020, we paid~~ **aid** ~~a dividend~~ of ~~one common share purchase right for each share of our common stock outstanding as authorized by our board in its discretion. If a person or entity, together with its affiliates and associates, acquires beneficial ownership of 2. 0 % or more of our then outstanding common stock, subject to certain exceptions, each right would entitle its holder (other than the acquirer, its affiliates and associates) to purchase additional shares of our common stock at a substantial discount to the then current per share estimated net asset value. In addition, under certain circumstances, we may exchange the rights (other than rights beneficially owned by the acquirer, its affiliates and associates), in whole or in part, for shares of common stock on a one- for- one basis. The stockholder rights plan could make it more difficult for a~~ third- party **service providers,** to ~~acquire the Company~~ **install new, and to upgrade existing, network and information technology systems, to create processes** ~~or~~ **for** ~~a large block of our common stock without~~ **risk assessment, testing, prioritization, remediation, risk acceptance, and reporting, and to provide awareness training around phishing, malware and** ~~the~~ **other** ~~approval of our board~~ **cyber risks to ensure that** ~~or~~ **our** ~~directors~~ **Advisor and other parties that provide us with services essential to our operations are protected against cyber risks and security breaches and that we are also therefore so protected. However** , **these upgrades, processes, new technology and training may not be sufficient to protect us from all risks. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques and technologies used in attempted attacks and intrusions evolve and generally are not recognized until launched against a target. In some cases, attempted attacks and intrusions are designed not to be detected and, in fact, may not be detected. The remediation costs and lost revenues experienced by a subject of an intentional cyberattack or other event** which ~~may discourage a~~ **results in unauthorized** third- party ~~in unauthorized third- party~~ access to systems to disrupt operations,corrupt data or steal confidential information may be significant and significant resources may be required to repair system damage,protect against the threat of future security breaches or to alleviate problems,including reputational harm,loss of revenues and litigation,caused by any breaches.Additionally,any failure to adequately protect against unauthorized or unlawful processing of personal data,or to take appropriate action in cases of infringement may result in significant penalties under privacy law.Furthermore,a security breach or other significant disruption involving the information technology networks and related systems of our Advisor or any other party that provides us with services essential to our operations could:• result in misstated financial reports,violations of loan covenants,missed reporting deadlines or missed permitting deadlines;• affect our ability to properly monitor our compliance with the rules and regulations regarding our qualification as a REIT;• result in the unauthorized access to,and destruction,loss,theft,misappropriation or release of,proprietary,confidential,sensitive or otherwise valuable information (including information about our tenant operators and other third- party operators of our healthcare facilities,as well as the patients or residents at those facilities),which others could use to compete against us or for disruptive,destructive or otherwise harmful purposes and outcomes;• result in our inability to maintain the building systems relied upon by our tenants for the efficient use of their leased space;• require significant management attention and resources to remedy any damages that result;• subject us to claims for breach of contract,damages,credits,penalties or termination of leases or other agreements;or • adversely impact our reputation among our tenants,operators and investors generally.Although our Advisor and other parties that provide us with services essential to our operations intend to continue to implement industry- standard security measures,there can be no assurance that those measures will be sufficient,and any material adverse effect experienced by our Advisor and other parties that provide us with services essential to our operations could,in turn,have an adverse impact on us.We depend on our Advisor and Property Manager to provide us with executive officers,key personnel and all services required for us to conduct our operations and our operating performance may be impacted by any adverse changes in the financial health or reputation of our Advisor.We have no employees.Personnel and services that we require are provided to us under contracts with our Advisor and its affiliates including our Property Manager.We depend on our Advisor and our Property Manager to manage our operations and acquire and manage certain of our real estate assets.Our Advisor makes all decisions with respect to the management of our company,subject to the supervision of,and any guidelines established by,the ~~board~~ **Board** .Our success depends to a significant degree upon the contributions of our executive officers and other key personnel of our Advisor and its affiliates,including **Michael Anderson** ~~Edward M.Weil,Jr.~~ ,our chief executive officer,and Scott Lappetito,our chief financial officer,treasurer and secretary.Neither our Advisor nor any of its affiliates has an employment agreement with these key personnel and we cannot guarantee that all,or any particular one,of these individuals will remain employed by our Advisor or one of its affiliates and otherwise available to continue to perform services for us.Further,we do not maintain key person life insurance on any person.We believe that our success depends,in large part,upon the ability of our Advisor to hire,retain or contract for services of highly skilled managerial,operational and marketing personnel.Competition for skilled personnel is intense,and there can be no assurance that our Advisor will be successful in attracting and retaining skilled personnel.If our Advisor loses or is unable to obtain the services of skilled personnel due to,among other things,an overall labor shortage,lack of skilled labor,increased turnover or labor inflation,our Advisor' s ability to manage our business and implement our investment strategies could be delayed or hindered **,which could have a material adverse effect on us** .Any adverse changes in the financial condition or financial health of,or our relationship with,our Advisor or Property Manager,including any change resulting from ~~acquiring~~ **an adverse outcome in any litigation could hinder their ability to successfully manage our operations and our investments. Additionally, changes in ownership or management practices, the occurrence of adverse events affecting our Advisor or**

its affiliates or other companies advised by our Advisor or its affiliates could create adverse publicity and adversely affect us **and our relationship with lenders, tenants, operators** ~~in a manner that might result in a premium price to our~~ - **or** ~~stockholders~~ **counterparties** . We depend on our OP and its subsidiaries for cash flow and are structurally subordinated in right of payment to the obligations of our OP and its subsidiaries. We conduct, and intend to continue conducting, all of our business operations through our OP, and, accordingly, we rely on distributions from our OP and its subsidiaries to provide cash to pay our obligations. There is no assurance that our OP or its subsidiaries will be able to, or be permitted to, pay distributions to us that will enable us to pay dividends and other distributions to our stockholders and meet our other obligations. Each of our OP' s subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from these entities. In addition, any claims we may have will be structurally subordinated to all existing and future liabilities and obligations of our OP and its subsidiaries. Therefore, in the event of our bankruptcy, liquidation or reorganization, our assets and those of our OP and its subsidiaries will be available to satisfy the claims of our creditors or to pay dividends and other distributions to our stockholders only after all the liabilities and obligations of our OP and its subsidiaries have been paid in full. ~~We indemnify our officers, directors, our Advisor and its affiliates against claims or liability they may become subject to due to their service to us, and our rights and the rights of our stockholders to recover claims against our officers, directors, our Advisor and its affiliates are limited. Maryland law provides that a director has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in the corporation' s best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, subject to certain limitations set forth therein or under Maryland law, our charter provides that no director or officer will be liable to us or our stockholders for monetary damages and permits us to indemnify our directors and officers from liability and advance certain expenses to them in connection with claims or liability they may become subject to due to their service to us, and we are not restricted from indemnifying our Advisor or its affiliates on a similar basis. We have entered into indemnification agreements consistent with Maryland law and our charter with our directors and officers, certain former directors and officers, our Advisor and AR Global. We and our stockholders may have more limited rights against our directors, officers, employees and agents, and our Advisor and its affiliates, than might otherwise exist under common law, which could reduce the recovery of our stockholders and our recovery against them. In addition, we may be obligated to fund the defense costs incurred by our directors, officers, employees and agents or our Advisor and its affiliates in some cases. Subject to conditions and exceptions, we also indemnify our Advisor and its affiliates from losses arising in the performance of their duties under the advisory agreement and have agreed to advance certain expenses to them in connection with claims or liability they may become subject to due to their service to us.~~ U. S. Federal Income Tax Risks ~~Our failure to remain qualified as a REIT would subject us to U. S. federal income tax and potentially state and local tax.~~ We elected to be taxed as a REIT, commencing with our taxable year ended December 31, 2013, and intend to operate in a manner that will allow us to continue to qualify as a REIT for U. S. federal income tax purposes. However, we may terminate our REIT qualification inadvertently ~~,~~ or if the Board determines that doing so is in our best interests. Our qualification as a REIT depends upon our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. We have structured, and intend to continue structuring, our activities in a manner designed to satisfy all the requirements to qualify as a REIT. However, the REIT qualification requirements are extremely complex and interpretation of the U. S. federal income tax laws governing qualification as a REIT is limited. Furthermore, any opinion of our counsel, including tax counsel, as to our eligibility to remain qualified as a REIT is not binding on the Internal Revenue Service (the " IRS ") and is not a guarantee that we will continue to qualify as a REIT. Accordingly, we cannot be certain that we will be successful in operating so that we can remain qualified as a REIT. Our ability to satisfy the asset tests depends on our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals. Our compliance with the REIT income or quarterly asset requirements also depends on our ability to successfully manage the composition of our income and assets on an ongoing basis. Accordingly, if certain of our operations were to be recharacterized by the IRS, such recharacterization ~~would~~ **could** jeopardize our ability to satisfy all requirements for qualification as a REIT. Furthermore, future legislative, judicial or administrative changes to the U. S. federal income tax laws could be applied retroactively, which could result in our disqualification as a REIT. If we fail to continue to qualify as a REIT for any taxable year, and we do not qualify for certain statutory relief provisions, we will be subject to U. S. federal income tax on our taxable income at the corporate rate. In addition, we would generally be disqualified from treatment as a REIT for the four taxable years following the year in which we lose our REIT qualification. Losing our REIT qualification would reduce our net earnings available for investment or distribution to stockholders because of the additional **entity- level** tax liability. In addition, amounts paid to stockholders that are treated as dividends for U. S. federal income tax purposes would no longer qualify for the dividends paid deduction, and we would no longer be required to make distributions. If we lose our REIT qualification, we might be required to borrow funds or liquidate some investments in order to pay the applicable taxes. Even as a REIT, in certain circumstances, we may incur tax liabilities that would reduce our cash available for distribution to our stockholders. Even as a REIT, we may be subject to U. S. federal, state and local income taxes. For example, net income from the sale of properties that are " dealer " properties sold by a REIT and that do not meet a safe harbor available under the Code (a " prohibited transaction " under the Code) will be subject to a 100 % tax. We may not make sufficient distributions to avoid excise taxes applicable to REITs. Similarly, if we were to fail an income test (and did not lose our REIT status because such failure was due to reasonable cause and not willful neglect), we would be subject to tax on the income that does not meet the income test requirements. We also may decide to retain net capital gains we earn from the sale or other disposition of our property and pay U. S. federal income tax directly on such income. In that event, our stockholders would be treated as if they earned that income and paid the tax on it directly. However, stockholders that are tax- exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability unless they file U. S. federal income tax returns and seek a refund of such tax. We also will be

subject to corporate tax on any undistributed REIT taxable income. We also may be subject to state and local taxes on our income or property, including franchise, payroll and transfer taxes, either directly or at the level of the OP or at the level of the other companies through which we indirectly own our assets, such as any TRSs, which are subject to full U. S. federal, state, local and foreign corporate- level income taxes. Any taxes we pay directly or indirectly will reduce our cash flow. To qualify as a REIT, we must meet annual distribution requirements, which may force us to forgo otherwise attractive opportunities or borrow funds during unfavorable market conditions. This could delay or hinder our ability to meet our investment objectives and reduce our stockholders' overall return. In order to qualify as a REIT, we must distribute annually to our stockholders at least 90 % of our REIT taxable income (which does not equal net income as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding net capital gain. We will be subject to U. S. federal income tax on our undistributed REIT taxable income and net capital gain and to a 4 % nondeductible excise tax on any amount by which distributions we make with respect to any calendar year are less than the sum of (a) 85 % of our ordinary income, (b) 95 % of our capital gain net income and (c) 100 % of our undistributed income from prior years. These requirements could cause us to distribute amounts that otherwise would be spent on investments in real estate assets and it is possible that we might be required to borrow funds, possibly at unfavorable rates, or sell assets to fund these distributions. Although we intend to make distributions sufficient to meet the annual distribution requirements and to avoid U. S. federal income and excise taxes on our earnings while we qualify as a REIT, it is possible that we might not always be able to do so. Recharacterization of sale- leaseback transactions may cause us to lose our REIT status. We will use commercially reasonable efforts to structure any sale- leaseback transaction we enter into so that the lease will be characterized as a " true lease " for U. S. federal income tax purposes, thereby allowing us to be treated as the owner of the property for U. S. federal income tax purposes. However, the IRS may challenge this characterization. In the event that any sale- leaseback transaction is challenged and recharacterized as a financing transaction or loan for U. S. federal income tax purposes, deductions for depreciation and cost recovery relating to the property would be disallowed. If a sale- leaseback transaction were so recharacterized, we might fail to continue to satisfy the REIT qualification asset tests or income tests and, consequently, lose our REIT status effective with the year of recharacterization. Alternatively, the amount of our REIT taxable income could be recalculated which might also cause us to fail to meet the distribution requirement for a taxable year. Certain of our business activities are potentially subject to the prohibited transaction tax. For so long as we qualify as a REIT, our ability to dispose of property during the first few years following acquisition may be restricted to a substantial extent as a result of our REIT qualification. Under applicable provisions of the Code regarding prohibited transactions by REITs, while we qualify as a REIT and provided we do not meet a safe harbor available under the Code, we will be subject to a 100 % penalty tax on the net income from the sale or other disposition of any property (other than foreclosure property) that we own, directly or indirectly through any subsidiary entity, including the OP, but generally excluding TRSs, that is deemed to be inventory or property held primarily for sale to customers in the ordinary course of a trade or business. Whether property is inventory or otherwise held primarily for sale to customers in the ordinary course of a trade or business depends on the particular facts and circumstances surrounding each property. We intend to avoid the 100 % prohibited transaction tax by (a) conducting activities that may otherwise be considered prohibited transactions through a TRS (but such TRS will incur corporate rate income taxes with respect to any income or gain recognized by it), (b) conducting our operations in such a manner so that no sale or other disposition of an asset we own, directly or indirectly through any subsidiary, will be treated as a prohibited transaction, and (c) structuring certain dispositions of our properties to comply with the requirements of the prohibited transaction safe harbor available under the Code for properties that, among other requirements, have been held for at least two years. Despite our present intention, no assurance can be given that any particular property we own, directly or through any subsidiary entity, including the OP, but generally excluding TRSs, will not be treated as inventory or property held primarily for sale to customers in the ordinary course of a trade or business. TRSs are subject to corporate- level taxes and our dealings with TRSs may be subject to a 100 % excise tax. A REIT may own up to 100 % of the stock of one or more TRSs. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35 % of the voting power or value of the stock will automatically be treated as a TRS. Overall, no more than 20 % (25 % for taxable years beginning prior to January 1, 2018) of the gross value of a REIT' s assets may consist of stock or securities of one or more TRSs. A TRS may hold assets and earn income that would not be qualifying assets or income if held or earned directly by a REIT, including gross income from operations pursuant to management contracts. We may lease some of our seniors housing properties that are " qualified health care properties " to one or more TRSs which, in turn, contract with independent third- party management companies to operate those qualified health care properties on behalf of those TRSs. In addition, we may use one or more TRSs generally to hold properties for sale in the ordinary course of a trade or business or to hold assets or conduct activities that we cannot conduct directly as a REIT. A TRS is subject to applicable U. S. federal, state, local and foreign income tax on its taxable income, as well as limitations on the deductibility of its interest expenses. In addition, the Code imposes a 100 % excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm' s- length basis. If the OP failed to qualify as a partnership or is not otherwise disregarded for U. S. federal income tax purposes, we would cease to qualify as a REIT. If the IRS were to successfully challenge the status of the OP as a partnership or disregarded entity for U. S. federal income tax purposes, the OP would be taxable as a corporation. In such event, this would reduce the amount of distributions that the OP could make to us. This also would result in our failing to qualify as a REIT, and we would become subject to a corporate- level tax on our income. This substantially would reduce our cash available to pay dividends and other distributions to our stockholders. In addition, if any of the partnerships or limited liability companies through which the OP owns its properties, in whole or in part, loses its characterization as a partnership and is otherwise not disregarded for U. S. federal income tax purposes, the partnership or limited liability company would be subject to taxation as a corporation, thereby reducing distributions to the OP. Such a recharacterization of an underlying property owner could also threaten our ability to maintain our REIT qualification. If our

qualified health care properties are not properly leased to a TRS or the managers of those qualified health care properties do not qualify as " eligible independent contractors, " we could fail to qualify as a REIT. In general, under the REIT rules, we cannot directly operate any of our seniors housing properties that are qualified health care properties and can only indirectly participate in the operation of qualified health care properties on an after- tax basis by leasing those properties to independent health care facility operators or to TRSs. A qualified health care property is any real property (and any personal property incident to that real property), which is, or is necessary or incidental to the use of, a hospital, nursing facility, assisted living facilities, congregate care facility, qualified continuing care facility, or other licensed facility which extends medical or nursing or ancillary services to patients and is operated by a provider of those services that is eligible for participation in the Medicare program with respect to that facility. Furthermore, rent paid by a lessee of a qualified health care property that is a " related party tenant " of ours will not be qualifying income for purposes of the two gross income tests applicable to REITs. However, a TRS that leases qualified health care properties from us will not be treated as a related party tenant with respect to our qualified health care properties that are managed by an eligible independent contractor. An eligible independent contractor is an independent contractor that, at the time such contractor enters into a management or other agreement with a TRS to operate a qualified health care property, is actively engaged in the trade or business of operating qualified health care properties for any person not related to us or the TRS. Among other requirements to qualify as an independent contractor, a manager must not own, directly or applying attribution provisions of the Code, more than 35 % of the shares of our outstanding stock (by value), and no person or group of persons can own more than 35 % of the shares of our outstanding stock and 35 % of the ownership interests of the manager (taking into account only owners of more than 5 % of our shares and, with respect to ownership interest in such managers that are publicly traded, only holders of more than 5 % of such ownership interests). The ownership attribution rules that apply for purposes of the 35 % thresholds are complex. There can be no assurance that the levels of ownership of our shares by our managers and their owners will not be exceeded. If our leases with TRSs are not respected as true leases for U. S. federal income tax purposes, we likely would fail to qualify as a REIT. To qualify as a REIT, we must satisfy two gross income tests, under which specified percentages of our gross income must be derived from certain sources, such as " rents from real property. " Rent paid by TRSs to the OP pursuant to the lease of our qualified healthcare properties will constitute a substantial portion of our gross income. For that rent to qualify as rents from real property for purposes of the REIT gross income tests, the leases must be respected as true leases for U. S. federal income tax purposes and not be treated as service contracts, joint ventures or some other type of arrangement. If our leases are not respected as true leases for U. S. federal income tax purposes, we may fail to qualify as a REIT. We may choose to make distributions **partly in cash and partly** in shares of our common stock, in which case our stockholders may be required to pay U. S. federal income taxes in excess of the cash portion of **such** distributions they receive. In connection with our qualification as a REIT, we are required to distribute annually to our stockholders at least 90 % of our REIT taxable income (which does not equal net income as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding net capital gain. ~~In~~ **The IRS has issued Revenue Procedures authorizing elective cash / stock distributions to be made by " publically offered REITs, " like us, in** order to satisfy this requirement, ~~as much as 80~~ **provided that at least 20** % of the aggregate **amount of a** ~~distributions~~ - **distribution** ~~may be~~ **to stockholders is paid** in ~~shares of our common stock~~ **cash and certain other parameters detailed in the Revenue Procedures are satisfied** . Taxable stockholders receiving such distributions will be required to include the full amount of such distributions as ordinary dividend income to the extent of our current or accumulated earnings and profits, as determined for U. S. federal income tax purposes. As a result, U. S. stockholders may be required to pay U. S. federal income taxes with respect to such distributions in excess of the cash portion of the distribution received. Accordingly, U. S. stockholders receiving a distribution ~~of~~ **partly in cash and partly in** shares of our common stock may be required to sell shares received in such distribution or may be required to sell other stock or assets owned by them, at a time that may be disadvantageous, in order to satisfy any tax imposed on such distribution. If a U. S. stockholder sells the shares that it receives as part of the distribution in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the distribution, depending on the value of the shares at the time of the sale. Furthermore, with respect to certain non- U. S. stockholders, we may be required to withhold U. S. tax with respect to such distribution, including in respect of all or a portion of such distribution that is payable in stock, by withholding or disposing of part of the shares included in such distribution and using the proceeds of such disposition to satisfy the withholding tax imposed. Because there is no established trading market for shares of our common stock, stockholders may not be able to sell shares of our common stock to pay taxes owed on dividend income **. Our current distribution policy with respect to distributions on shares of our common stock is to pay such distributions solely in shares of our common stock. Such distributions are not taxable to our stockholders** . The taxation of distributions can be complex; however, distributions to stockholders that are treated as dividends for U. S. federal income tax purposes generally will be taxable as ordinary income, which may reduce our stockholders' after- tax anticipated return from an investment in us. Amounts that we pay to our taxable stockholders out of current and accumulated earnings and profits (and not designated as capital gain dividends or qualified dividend income) generally will be treated as dividends for U. S. federal income tax purposes and will be taxable as ordinary income. Noncorporate stockholders are entitled to a 20 % deduction with respect to these ordinary REIT dividends which would, if allowed in full, result in a maximum effective U. S. federal income tax rate on these ordinary REIT dividends of 29. 6 % (or 33. 4 % including the 3. 8 % surtax on net investment income); however, the 20 % deduction will end after December 31, 2025. However, a portion of the amounts that we pay to our stockholders generally may (a) be designated by us as capital gain dividends taxable as long- term capital gain to the extent that such portion is attributable to net capital gain recognized by us, (b) be designated by us as qualified dividend income, taxable at capital gains rates, to the extent that such portion is attributable to dividends we receive from TRSs, or (c) constitute a return of capital to the extent that such portion exceeds our accumulated earnings and profits as determined for U. S. federal income tax purposes. With respect to qualified dividend income, the current maximum U. S federal tax rate applicable to U. S. noncorporate stockholders is 20 % (or

23. 8 % including the 3. 8 % surtax on net investment income). Dividends payable by REITs, however, generally are not eligible for this reduced rate and, as described above, through December 31, 2025, will be subject to an effective rate of 29. 6 % (or 33. 4 % including the 3. 8 % surtax on net investment income). Although this does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stock of non- REIT corporations that pay dividends, which could adversely affect the value of the stock of REITs, including shares of our stock. Tax rates could be changed in future legislation. A return of capital is not taxable but has the effect of reducing the tax basis of a stockholder' s investment in shares of our stock. Amounts paid to our stockholders that exceed our current and accumulated earnings and profits and a stockholder' s tax basis in shares of our stock generally will be taxable as capital gain. Our stockholders may have tax liability on distributions that they elect to reinvest in shares of our common stock, but they would not receive the cash from such distributions to pay such tax liability. Stockholders who participate in the DRIP **generally** will be deemed to ~~have~~ **receive distributions in an amount equal to the fair market value of the shares of our common stock** received **on the date of distribution** , **regardless of whether such shares were purchased at a discount to fair market value,** and ~~for U. S. federal income tax purposes~~ will be taxed on ~~, the~~ **any such** ~~distributions~~ - **distribution** ~~reinvested in shares of our common stock~~ to the extent **it was** ~~the distributions were~~ not a tax- free return of capital ~~. In addition, our stockholders will be treated for tax purposes as having received an additional distribution to the extent the shares are purchased at a discount to fair market value~~ . As a result, unless a stockholder is a tax- exempt entity, it may have to use funds from other sources to pay its tax liability on the distributions reinvested in shares of our common stock pursuant to the DRIP. Complying with REIT requirements may limit our ability to hedge our liabilities effectively and may cause us to incur tax liabilities. The REIT provisions of the Code may limit our ability to hedge our liabilities. Any income from a hedging transaction we enter into to manage the risk of interest rate changes, price changes or currency fluctuations with respect to borrowings made or to be made to acquire or carry real estate assets, or in certain cases to hedge previously acquired hedges entered into to manage risks associated with property that has been disposed of or liabilities that have been extinguished, if properly identified under applicable Treasury Regulations, does not constitute " gross income " for purposes of the 75 % or 95 % gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions will likely be treated as non- qualifying income for purposes of both of the gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because the TRS would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in a TRS generally will not provide any tax benefit, except for being carried forward against future taxable income of the TRS ~~. Complying with REIT requirements may force us to forgo or liquidate otherwise attractive investment opportunities~~ . To maintain our qualification as a REIT, we must ensure that we meet the REIT gross income tests annually and that at the end of each calendar quarter, at least 75 % of the value of our assets consists of cash, cash items, government securities and qualified REIT real estate assets, including certain mortgage loans and certain kinds of mortgage- related securities. The remainder of our investment in securities (other than securities that qualify for the 75 % asset test and securities of qualified REIT subsidiaries and TRSs) generally cannot exceed 10 % of the outstanding voting securities of any one issuer, 10 % of the total value of the outstanding securities of any one issuer, or 5 % of the value of our assets as to any one issuer. In addition, no more than 20 % of the value of our total assets may consist of stock or securities of one or more TRSs and no more than 25 % of our assets may consist of publicly offered REIT debt instruments that do not otherwise qualify under the 75 % asset test. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate assets from our portfolio or not make otherwise attractive investments in order to maintain our qualification as a REIT. The ability of the Board to revoke our REIT qualification without stockholder approval may subject us to U. S. federal income tax and reduce distributions to our stockholders. Our charter provides that the Board may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interests to continue to qualify as a REIT. While we intend to maintain our qualification as a REIT, we may terminate our REIT election if we determine that qualifying as a REIT is no longer in our best interests. If we cease to be a REIT, we would become subject to corporate- level U. S. federal income tax on our taxable income (as well as any applicable state and local corporate tax) and would no longer be required to distribute most of our taxable income to our stockholders, which may have adverse consequences on our total return to our stockholders and on the value of shares of our stock. We may be subject to adverse legislative or regulatory tax changes that could increase our tax liability, reduce our operating flexibility, and reduce the value of shares of our stock. Changes to the tax laws may occur, and any such changes could have an adverse effect on an investment in shares of our stock or on the market value or the resale potential of our assets. Our stockholders are urged to consult with an independent tax advisor with respect to the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in shares of our stock. Although REITs generally receive better tax treatment than entities taxed as non- REIT " C corporations, " it is possible that future legislation would result in a REIT having fewer tax advantages, and it could become more advantageous for a company that invests in real estate to elect to be treated for U. S. federal income tax purposes as a non- REIT " C corporation. " As a result, our charter provides the Board with the power, under certain circumstances, to revoke or otherwise terminate our REIT election and cause us to be taxed as a non- REIT " C corporation, " without the vote of our stockholders. The Board has duties to us and could only cause such changes in our tax treatment if it determines that such changes are in our best interests. ~~The share ownership restrictions for REITs and the 9. 8 % share ownership limit in our charter may inhibit market activity in shares of our stock and restrict our business combination opportunities.~~ In order to qualify as a REIT, five or fewer individuals, as defined in the Code, may not own, actually or constructively, more than 50 % in value of the

issued and outstanding shares of our stock at any time during the last half of each taxable year, other than the first year for which a REIT election is made. Attribution rules in the Code determine if any individual or entity actually or constructively owns shares of our stock under this requirement. Additionally, at least 100 persons must beneficially own shares of our stock during at least 335 days of a taxable year for each taxable year, other than the first year for which a REIT election is made. To help ensure that we meet these tests, among other purposes, our charter restricts the acquisition and ownership of shares of our stock. Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT while we so qualify. Unless exempted by the Board, for so long as we qualify as a REIT, our charter prohibits, among other limitations on ownership and transfer of shares of our stock, any person from beneficially or constructively owning (applying certain attribution rules under the Code) more than 9. 8 % in value of the aggregate outstanding shares of our stock and more than 9. 8 % (in value or in number of shares, whichever is more restrictive) of any class or series of the outstanding shares of our stock. The Board may not grant an exemption from these restrictions to any proposed transferee whose ownership in excess of the 9. 8 % ownership limit would result in the termination of our qualification as a REIT. These restrictions on transferability and ownership will not apply, however, if the Board determines that it is no longer in our best interests to continue to qualify as a REIT or that compliance with the restrictions is no longer required in order for us to continue to so qualify as a REIT. These ownership limits could delay or prevent a transaction or a change in control that might involve a premium price for shares of our stock or otherwise be in the best interests of the stockholders. Non- U. S. stockholders will be subject to U. S. federal withholding tax and may be subject to U. S. federal income tax on dividends and other distributions received from us and upon the disposition of shares of our stock. Subject to certain exceptions, amounts paid to non- U. S. stockholders will be treated as dividends for U. S. federal income tax purposes to the extent of our current or accumulated earnings and profits. Such dividends ordinarily will be subject to U. S. withholding tax at a 30 % rate, or such lower rate as may be specified by an applicable income tax treaty, unless the dividends are treated as " effectively connected " with the conduct by the non- U. S. stockholder of a U. S. trade or business. Capital gain distributions attributable to sales or exchanges of " U. S. real property interests " (" USRPIs "), generally will be taxed to a non- U. S. stockholder (other than a " qualified foreign pension fund, " certain entities wholly owned by a qualified foreign pension fund and certain foreign publicly- traded entities) as if such gain were effectively connected with a U. S. trade or business. However, a capital gain distribution will not be treated as effectively connected income if (a) the distribution is received with respect to a class of stock that is **"** regularly traded **, " as defined in applicable Treasury regulations** on an established securities market located in the **United States** ~~U. S.~~ and (b) the non- U. S. stockholder does not own more than 10 % of ~~any~~ **such** class of our stock at any time during the one- year period ending on the date the distribution is received. Gain recognized by a non- U. S. stockholder upon the sale or exchange of shares of our stock generally will not be subject to U. S. federal income taxation unless such stock constitutes a USRPI. Shares of our stock will not constitute a USRPI so long as we are a " domestically- controlled qualified investment entity. " A domestically- controlled qualified investment entity includes a REIT if at all times during a specified testing period, less than 50 % in value of such REIT' s stock is held directly or indirectly by non- U. S. stockholders. Recently proposed regulations would apply special look- through rules to certain U. S. corporate stockholders in determining whether a REIT is domestically controlled. We believe **that we currently are** , but there can be no assurance ~~,~~ that we will **continue to** be **,** a domestically- controlled qualified investment entity. Even if we do not qualify as a domestically- controlled qualified investment entity at the time a non- U. S. stockholder sells or exchanges shares of our stock, gain arising from such a sale or exchange would not be subject to U. S. taxation as a sale of a USRPI if (a) the shares are of a class of our stock that is " regularly traded, " as defined by applicable Treasury regulations, on an established securities market, and (b) such non- U. S. stockholder owned, actually and constructively, 10 % or less of the outstanding shares of ~~our~~ **such class of** stock ~~of that class~~ at ~~any~~ **all** ~~time~~ **times** during the **shorter of (x)** five- year period ending on the date of the sale **and (y) the period during which the non- U. S. stockholders held such shares of our stock** . Potential characterization of dividends and other distributions or gain on sale may be treated as unrelated business taxable income to tax- exempt investors. If (a) we are a " pension- held REIT, " (b) a tax- exempt stockholder has incurred (or is deemed to have incurred) debt to purchase or hold shares of our stock, or (c) a holder of shares of our stock is a certain type of tax- exempt stockholder, dividends on, and gains recognized on the sale of, shares of our stock by such tax- exempt stockholder may be subject to U. S. federal income tax as unrelated business taxable income under the Code.