Risk Factors Comparison 2023-02-08 to 2022-02-09 Form: 10-K

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The section below discusses the most significant risk factors that may materially adversely affect our business, results of operations **,** and financial condition. As set forth below, we believe that the risks we face generally fall into the following categories: • risks related to our business and operations; • risks related to our capital structure and market conditions; • risks related to the regulatory environment; **and** ~~• risks related to other events;~~ • risks related to tax, including REIT- related risks ~~;~~ **,** and ~~• general risks~~ **our jurisdiction of incorporation** . Risks Related to Our Business and Operations **We** ~~The Covid pandemic and health and safety measures intended to reduce its spread have adversely affected, and may continue to adversely affect, our business, results of operations and financial condition. Beginning in 2020, global health concerns and efforts to reduce the spread of Covid resulted in travel bans, quarantines, " shelter- in- place " and similar orders restricting the activities of individuals outside of their homes, as well as business limitations and shutdowns of businesses deemed " non- essential. " Although many~~ **may be negatively impacted by macroeconomic trends, including rising inflation and interest rates, increased labor costs, and historically low unemployment. Many** of ~~these restrictions~~ **our costs, including labor costs, costs of construction materials, interest, utilities, and other operating costs,** have been ~~lifted or scaled back over time~~ , ~~ongoing resurgences of Covid infections, including due to new~~ and ~~more contagious variants, have resulted in the re- imposition of certain restrictions and~~ may ~~lead~~ **continue** to ~~other restrictions being re- implemented to reduce the spread of Covid. Moreover, as individuals and businesses have adapted to the regulatory and market challenges arising from the pandemic, some potentially permanent changes in traditional economic patterns and arrangements have occurred. For a description of certain of these changes, see " Item 7, Management' s Discussion and Analysis of Financial Condition and Results of Operations — Covid Update. " As a result of these regulatory requirements and adaptations to the " new normal, " the ability of our tenants, operators and borrowers to conduct their normal businesses operations, to operate profitably and to comply with their rent and other financial obligations to us have in some cases been, or may in the future~~ be, ~~adversely~~ affected ~~. Senior housing facilities have been disproportionately impacted~~ by ~~Covid~~ **inflation** and **price volatility** ~~Covid- related fatalities. Within our CCRC properties and the properties in our SWF SH JV, average occupancy declined from 85. 6 % and 88. 7 %, respectively, for the year ended December 31, 2019, to 79. 1 % and 72. 7 %, respectively, for the year ended December 31, 2021. Recent surges in Covid case levels may result in a reduction in, or in some cases prohibitions on, new tenant move- ins, stricter move- in criteria, lower inquiry volumes, and reduced in- person tours, as well as incidences of Covid outbreaks at our facilities or the perception that outbreaks may occur~~ . In addition, **interest rates rose substantially** ~~a lack of available staffing resources at our CCRC properties and the properties~~ in **2022** ~~our SWF SH JV, including due to labor shortages or outbreaks among the existing staff, could result in admission restrictions or reduced demand if facilities are perceived as understaffed. Outbreaks, which directly affect our residents~~ and ~~the employees at our senior housing facilities,~~ **may continue to rise. Increased interest rates** have **caused,** and ~~could~~ **may** continue to ~~materially and adversely disrupt operations. These outbreaks could~~ cause ~~significant reputational harm to us and our operators and~~ , **increased interest costs** for **variable rate debt** ~~an~~ **and new debt** ~~extended period, adversely affected demand for senior housing. Our senior housing property operators are also facing material cost increases as a result of higher staffing hours and compensation and higher overall levels of inflation. At our CCRC facilities and the facilities in our SWF SH JV, we bear these material cost increases. The pandemic has also delayed the deployment of capital improvements and expenditures, which could adversely impact operations at our senior housing facilities. Our senior housing borrowers are facing the same impacts of Covid, which could impact their ability to meet their financial and other contractual obligations to us. The impact of the Covid pandemic on our CCRC properties and the properties owned by our SWF SH JV, all of which are managed in RIDEA structures, has had and may continue to have a more significant impact on our results of operations on a relative basis because we receive cash flow from the operations of the properties (as compared to receiving only contractual rent from third party tenant- operators under the senior housing triple- net portfolio that we disposed of, as described above under " Item 1 — Business — General Overview "), and we also bear all operational risks and liabilities associated with the operation of those properties, other than those arising out of certain actions by our operator, such as gross negligence or willful misconduct. Accordingly, impacts from the Covid pandemic directly affecting our CCRC properties and the properties owned by our SWF SH JV, including lower net operating income caused by decreased revenues that may result from declines in occupancy or otherwise, and increased expenses, have had and are expected to continue to have a direct and immediate impact on our results of operations. In addition, our RIDEA operators who are adversely affected by the Covid pandemic may request revisions to their management agreements and existing fee structures in order to reduce the amount of cash from operations that flows directly to us~~ . We ~~may also be directly adversely impacted by potential lawsuits related to Covid outbreaks that have occurred or may occur at our senior housing and CCRC properties, and our insurance coverage~~ may not be ~~sufficient~~ **able** to **offset** ~~cover any potential losses. In 2020, the pandemic adversely impacted certain development, redevelopment and tenant improvement projects as a result of the " shelter- in- place " orders and local, state and federal directives. Although these development, redevelopment and tenant improvement projects resumed in 2020 and continued as planned in 2021 with infection control protocols in place, the pandemic, including labor and supply chain disruptions and / or other economic conditions caused by the pandemic, could adversely impact the scheduled completion and / or cost of these projects. Within our medical office portfolio, many physician practices temporarily discontinued outpatient procedures and nonessential surgeries in 2020 due to health and safety measures, which negatively impacted their cash flows. At that time, we implemented a deferred rent program primarily for May and June 2020 that was limited to certain non- health system and non- hospital tenants in good standing,~~

~~which resulted in reduced cash flow in the periods in which such deferrals were granted, but increased our cash flow in the period in which such deferrals were repaid. We did not offer any rent deferrals in 2021, but if new outbreaks or other conditions result in a similar negative impact on our tenants, we may consider implementation of another deferred rent program for future periods. New leasing slowed down during the government- mandated shutdown in 2020 and returned to normal levels in 2021; new outbreaks or other conditions could result in another slowdown in new leasing. In addition~~ **additional** ~~, any reinstatement of restrictions on our tenants' procedures and continuing restrictions on patient visitation could impact our tenants' ability to meet their obligations to us as well as our parking income in our medical office portfolio. The Covid pandemic subjects our business and the businesses of our tenants, operators and borrowers to various risks and uncertainties that have adversely affected and could materially adversely affect our business, results of operations and financial condition for at least the pendency of the Covid pandemic and possibly longer, including the following: • material cost increases at our CCRC facilities and the facilities in our SWF SH JV, for which we are responsible; • any rent deferrals or delays in rent commencement that we may grant to tenants, which could result in a significant decrease in our cash receipts during the period of the deferrals; • non- payment of contractual obligations by our tenants or operators, and any limitations on our ability to enforce our lease agreements or management agreements with our tenants or operators, as applicable, 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; • our tenants, operators or borrowers becoming insolvent or initiating bankruptcy or similar proceedings, which would adversely affect our ability to collect rent or interest payments from such tenants or borrowers, as applicable, and result in increased costs to us, as well as decreased revenues; • the complete or partial closures of, or other operational issues at, one or more of our properties resulting from government action or directives, which may intensify the risk of rent deferrals or non- payment of contractual obligations by our tenants, operators, or borrowers; • the likelihood that we will amend existing lease agreements and existing rental terms, with our tenants, and management agreements and existing fee structures, with our RIDEA operators, particularly in our senior housing portfolio, which would have an adverse effect on our revenues and results of operations; • the likelihood that we will amend existing loan agreements with our senior housing borrowers, which would have an adverse effect on our revenues and results of operations; • increased costs or delays that may result if we determine to reposition or transition any of our currently- leased properties to another tenant or operator, which could adversely impact our revenues and results of operations; • the impact on our results of operations and financial condition resulting from (i) delays or increased~~ costs caused by **inflation** ~~a shortage of construction materials or labor~~ , **increased interest rates** or ~~suspensions~~ **other macroeconomic trends by passing them through,** or ~~delays in development and redevelopment activities and~~ **increasing the rates we charge, to** ~~tenant~~ **tenants** ~~improvement projects, including due to local, state~~ and **residents. These** ~~federal orders or guidelines, delays or~~ increased costs **may adversely affect our business,** ~~caused by slow- downs in construction as a result~~ **results** of **operations,** ~~implementing social distancing~~ and **financial condition. In addition, rising labor costs and personnel shortages have increased, and may continue to increase,** ~~other~~ -- **the cost** ~~health and safety protocols, as well as potential postponement~~ of **our, or our** ~~rent commencement dates due to delays in tenant~~ **tenants '** ~~improvement projects~~ , **operators',** and **borrowers', workforce. Competitive pressures, including** ~~(ii) a decrease in acquisitions and dispositions of properties compared to historical~~ **historically low unemployment, may require** ~~levels; • reduced valuations for properties in our portfolio~~ that we ~~wish to sell~~ **or our tenants** , **operators, or borrowers enhance pay** and **benefits packages to compete effectively for such personnel. To the extent we or our tenants, operators, or borrowers cannot hire a sufficient number of qualified personnel, we or they may need to utilize high- cost alternatives to meet labor needs, including contract and overtime labor, or our business may operate below capacity, which may affect our ability to effectively manage risk and pursue** potential **revenue** ~~delayed transaction~~ and **growth opportunities** ~~due diligence timing due to government delays or government mandated Covid- related access restrictions; • the need to provide seller financing in order to dispose of certain properties in our portfolio at acceptable prices; • the impact on our tenants, operators, or borrowers, particularly in our senior housing portfolio, of lawsuits related to Covid outbreaks that have occurred or may occur at our properties and the potential that insurance coverage may not be sufficient to cover any potential losses; • material increases in our insurance costs and larger deductibles or the inability to obtain insurance at economically reasonable rates; • significant expenses likely to be incurred if we pursue of creditor rights resulting from operator, tenant, and borrower defaults and insolvency; • a potential downgrade of our issuer and long- term credit rating, which could increase our cost of capital and any future debt financing; • refusal or failure by one or more of our lenders under our credit facility to fund their financing commitments to us as a result of lender liquidity and / or viability challenges, which financing commitments we may not be able to replace on favorable terms, or at all; • the likelihood that conditions related to the Covid pandemic may require us to recognize additional impairments of long- lived assets or credit losses related to loans receivable; • the impact of negative or adverse publicity associated with Covid outbreaks at our CCRC properties or the properties in our SWF SH JV, the cost of responding to such adverse publicity and the potential for heightened regulatory scrutiny caused by it; • a deterioration of state and local economic conditions and job losses, particularly in San Francisco, San Diego and Boston, which may decrease demand for and occupancy levels at our life science properties and cause our rental rates and property values to be negatively impacted; and • the potential for shifts in consumer and business behaviors that fundamentally and adversely affect demand for properties in our portfolio. Additionally, the Covid pandemic could increase the magnitude of many of the other risks described herein and elsewhere in this Annual Report and may have other adverse effects on our operations that we are not currently able to predict. The Covid pandemic has also resulted in significant volatility in the local, national and global financial markets, and we may be unable to obtain any required financing on favorable terms or on a timely basis or at all. The extent of the impact of the Covid pandemic on our business and financial results will depend on future developments, including: (i) ongoing resurgences of Covid; (ii) health and safety actions taken to contain its spread; (iii) the availability, effectiveness and public usage and acceptance of vaccines and treatments; and (iv) how quickly and to what extent normal economic and operating conditions can resume within the markets in which we operate, each of which are highly~~

~~uncertain at this time and outside of our control. Even after the Covid pandemic subsides, we may continue to experience adverse impacts to our business and financial results because of its national and global economic impact and any permanent changes in traditional economic patterns and arrangements. The Covid pandemic could have a material adverse impact on our business, results of operations and financial condition~~ . Decreases in our tenants', operators' **,** or borrowers' revenues, or increases in their expenses, could affect their ability to meet their financial and other contractual obligations to us **. Occupancy levels at** , and **rental income from, our medical office and senior housing properties depend** ~~could result in amendments to these obligations that have a material adverse effect~~ on our **ability** ~~results of operations~~ and ~~financial condition. We have limited control over~~ the **ability** ~~success or failure~~ of our tenants ~~'~~ , operators ~~'~~ **,** and borrowers ~~' businesses, regardless of whether our relationship is structured as a triple- net lease, a RIDEA lease or as a lender~~ to **compete with respect to** ~~our borrowers. Any of our tenants or our operators under a RIDEA structure may experience a downturn in their business that materially weakens their financial condition. For example,~~ (i) ~~our operators under a RIDEA structure and certain of our tenants in our medical office portfolio experienced a significant downturn in their~~ -- **the quality** ~~businesses due to the Covid pandemic, including as a result~~ of **care provided** ~~interruptions in their operations~~ , ~~lost revenues, increased costs, financing difficulties and labor shortages, and~~ (ii) **reputation, (iii) price, (iv) the range of services offered, (v) the physical appearance of a property, (vi) family preference, (vii) referral sources, and (xiii) location. In addition,** our **medical office and senior housing** tenants ~~sources~~ , ~~location~~ **operators** ,and ~~the size~~ **borrowers compete with certain companies that have superior resources** and ~~demographics of the population in the surrounding~~ **attributes and / or provide similar healthcare services or alternatives such as home health agencies,telemedicine,life** ~~area~~ - **care at home,community- based service programs,retirement communities,and convalescent centers** . **Furthermore** ~~In addition~~ , ~~our~~ **these** tenants,operators **,** and borrowers face **a** ~~an increasingly~~ competitive labor market ~~,which has been compounded by the Covid pandemic.An inability to attract and retain trained personnel could negatively impact the ability of our tenants,operators and borrowers to meet their obligations to us~~ .A shortage of care givers or other trained personnel,union activities, ~~minimum~~ wage laws,or general inflationary pressures on wages may ~~force~~ **require our** tenants,operators **,** and borrowers to enhance pay and benefits packages ~~to compete effectively for skilled personnel~~ ,or to use more expensive contract personnel, ~~but~~ **and** they may be unable to offset these added costs by increasing the rates charged to residents **or patients** . ~~Any~~ - **An inability to attract** ~~increase in labor costs~~ and **retain qualified personnel,including personnel possessing** ~~other~~ -- **the** ~~property~~ **expertise needed to** ~~operating~~ **operate** ~~expenses~~ in the life science ~~industry face various risks to~~ **, medical office, and senior housing sectors, could negatively impact** ~~their~~ -- **the ability of our** ~~businesses, as discussed below under " — Our~~ tenants ~~in the life science industry face high levels of regulation, funding requirements, expense and uncertainty. " As a result, our tenants~~ , operators **,** and borrowers ~~may be unable or unwilling~~ to **meet** ~~make payments or perform~~ their obligations ~~when due~~ **to us** . Although we generally have ~~arrangements and other agreements that give us~~ the right under specified circumstances to terminate a lease, evict a tenant or terminate our operator, or demand immediate repayment of outstanding loan amounts or other obligations to us, we may ~~not~~ be ~~able~~ **unable** to enforce ~~such~~ **these** rights or we may determine not to do so if we believe that **doing so** ~~enforcement of our rights~~ would be more detrimental **than alternative approaches. If widespread default or nonpayment of outstanding obligations from our tenants, operators, or borrowers occurs at a time when terminating our agreements with them and replacing them would be difficult or impossible, we could elect instead** to ~~or more of our major tenants,operators,or borrowers.~~ A downturn in **any of** our tenants',operators' ~~,~~ or borrowers' businesses **,including downturns due to the Covid pandemic,has led and** could **continue to** lead to voluntary or involuntary bankruptcy or similar insolvency proceedings,including assignment for the benefit of creditors,liquidation,or winding- up.Bankruptcy and insolvency laws afford certain rights to a defaulting tenant,operator ~~,~~ or borrower that has filed for bankruptcy or reorganization that may render certain of our remedies unenforceable or,at the least,delay our ability to pursue such remedies and realize any related recoveries.A debtor has the right to assume,or to assume and assign to a third party,or to reject its executory contracts and unexpired leases in a bankruptcy proceeding.If a debtor were to reject its leases with us,obligations under such rejected leases would cease.The claim against the rejecting debtor for remaining rental payments due under the lease would be an unsecured claim,which would be limited by the statutory cap set forth in the U.S.Bankruptcy Code.This statutory cap may be substantially less than the remaining rent actually owed under the lease.In addition,a debtor may also assert in bankruptcy proceedings that certain leases should be re- characterized as financing agreements,which could result in our being deemed a lender instead of a landlord.A lender' s rights and remedies,as compared to a landlord' s,generally ~~are materially~~ our business than ~~seeking alternative approaches~~ **if** we had investments ~~in~~ **across** multiple ~~industries~~ **sectors,** and could negatively impact the ability of our tenants,operators **,** and borrowers to meet their obligations to us,as well as the ability to maintain historical rental and occupancy rates,which could have a material adverse effect on our business, ~~financial condition and~~ results of operations **,and financial condition** .In addition,such downturns ~~have had and~~ could ~~continue to~~ have a material adverse effect on the value of our properties and our ability to sell properties at prices or on terms acceptable or favorable to us. **The illiquidity of** ~~In addition,we are exposed to the risks inherent in concentrating~~ our ~~investments in~~ real estate ~~.~~ **investments may prohibit us from timely responding to economic or investment performance changes** . Our ~~CCRC~~ **including delays resulting from** the **factors noted below;•** ~~right to terminate leases or cause us to incur additional costs,including through rent abatement.Demand~~ **demand** for a project may decrease prior to ~~a project' s~~ completion **due to competition or other market and economic conditions** ,and ~~resulting~~ lease- up rates,rental rates,lease commencement dates ~~,~~ and occupancy levels **at a development or redevelopment project** may fail to meet expectations ~~.~~ **;•** ~~Tenants~~ **tenants** that have pre- leased at a project may file for bankruptcy or become insolvent,or **otherwise** elect to terminate their lease prior to delivery **;and •** ~~if they are acquired or for other reasons.Finally,~~ a project may have defects that we do not discover through the inspection processes,including latent defects not discovered until after we put a property in service. ~~In addition,~~ **The realization of any of the foregoing risks** segment **performance. Further, life science industry consolidation could reduce the rentable square footage requirements of our client tenants and prospective client tenants, which may adversely impact our**

revenues from lease payments. Finally, our life science investments could also be adversely affected if the life science industry migrates from the U. S. to other countries or to areas outside of our primary life science markets in the greater San Francisco, San Diego, and Boston areas. Our life science tenants face significant regulation, funding requirements, and uncertainty. Our life science tenants face substantial requirements for, and risks related to, the research, development, clinical testing, manufacture, and commercialization of their products and technologies, including: • significant funding requirements, including for rent payments due to us; • federal, state, and foreign regulatory approvals that may be costly or difficult to obtain, may take several years and be subject to delay, may not be obtained at all, require validation through clinical trials that may face delays or difficulties, or ultimately be unsuccessful; • product and technology efficacy risks; • acceptance risks among doctors and patients; • significant regulatory and liability risks, including the possible later discovery of safety concerns and other defects and potential loss of approvals, competition from new products, and the expiration of patent protection; • healthcare reforms and reimbursement policies of government or private healthcare payors, including pricing controls for prescription drug prices; • intellectual property and technology risks under patent, copyright, and trade secret laws; and • economic feasibility risks. Our life science tenants' ability to raise capital depends on the actual or perceived viability of their products and technologies, their financial and operating condition and outlook, and the overall financial, banking, and economic environment. If venture capital firms, private investors, the public markets, companies in the life science industry, the government, or other sources of funding are difficult to obtain or unavailable to support our tenants' activities, including as a result of general economic conditions or adverse market conditions that negatively impact our tenants' ability to raise capital, our tenants' business would be adversely affected or could fail. If our life science tenants' businesses are adversely affected, they may fail to make their rent payments to us, which could have a material adverse effect on our business, results of operations, and financial condition. The hospitals on whose campuses our MOBs are located and their affiliated healthcare systems could fail to remain competitive or financially viable, which could adversely impact their ability to attract physicians and physician groups to our MOBs and our other properties that serve the healthcare industry. The viability of hospitals depends on factors such as: (i) the quality and mix of healthcare services provided, (ii) competition for patients and physicians, (iii) demographic trends in the surrounding community, (iv) market position, (v) growth potential, and (vi) changes to the reimbursement system, as well as the ability of the affiliated healthcare systems to provide economies of scale and access to capital. In addition, hospitals could be negatively affected by widespread cancellations of elective procedures due to health and safety measures or otherwise. If a hospital whose campus is located near one of our MOBs is unable to meet its financial obligations, and if ~~and~~ - ~~if~~ an affiliated healthcare system is unable to support that hospital or goes bankrupt,the hospital may ~~not~~ be ~~able~~ **unable** to **successfully** compete ~~successfully~~ or could be forced to close or relocate,which could adversely impact its ability to attract physicians and other healthcare- related users.Because we rely on our proximity to **,** and affiliations with **,** these hospitals to create tenant demand for space in our MOBs,their inability to remain competitive or financially viable,or to attract physicians and physician groups,could adversely affect our MOB operations and have a material adverse effect on us. ~~In addition,changes to or replacement of the Affordable Care Act or other reimbursement regulations could result in significant changes to the scope of insurance coverage and reimbursement policies,which could put negative pressure on the operations and revenues of our MOBs.~~ We may be unable to **develop,** maintain **,** or expand ~~our existing and future~~ hospital and health system client relationships.We invest significant time in developing **,maintaining,and expanding** relationships with both new and existing hospital and health system clients.If we fail to maintain these relationships,including through a lack of responsiveness,failure to adapt to the current market,or employment of individuals with inadequate experience,our reputation and relationships will be harmed and we may lose business to competitors,which could have a material adverse effect on us.We assume operational risks with respect to our senior housing properties managed in RIDEA structures that could have a material adverse effect on our business,results of operations **,** and financial condition. ~~As~~ **Although** the ~~owner of properties under a~~ RIDEA structure **gives us certain oversight approval rights (e.g.** , **budgets and material contracts) and the right to review operational and financial reporting information,** our ~~TRS is~~ **operators are** ultimately ~~responsible~~ **in control of the day- to- day business of the property.As a result,we have limited rights to direct** ~~for~~ - **or** ~~all~~ **influence the business or** ~~operational~~ **operations** ~~risks and other liabilities~~ of **our CCRCs and in** the properties **owned** ~~,other than those arising out of certain actions~~ by our SWF SH JV, all of which are under **RIDEA structures, and we depend on our operators to operate these properties in a manner that complies with applicable law, minimizes legal risk, and maximizes the value of our investment. Under** a RIDEA structure, **our TRS is ultimately responsible for all operational risks and other liabilities of the properties, other than those arising out of certain actions by our operator, such as gross negligence or willful misconduct. Operational risks include, and our resulting revenues therefore depend on, among other things: (i) occupancy rates; (ii) the entrance fees and rental rates charged to residents; (iii) the requirements of, or changes to, governmental reimbursement programs such as Medicare or Medicaid, to the extent applicable, including changes to reimbursement rates; (iv) our operators' reputations and ability to attract and retain residents; (v) general economic conditions and market factors that impact seniors, including general inflationary pressures; (vi) competition from other senior housing providers; (vii) compliance with federal, state, local, and industry-regulated licensure, certification and inspection laws, regulations and standards; (viii) litigation involving our properties or residents / patients; (ix) the availability and cost of general and professional liability insurance coverage or increases in insurance policy deductibles; and (x) the ability to control operating expenses. Operators of our CCRCs and the SWF SH JV properties** primarily depend on private sources for their revenues and the ability of their patients and residents to pay fees. Costs associated with independent and assisted living services are not generally reimbursable under governmental reimbursement programs such as Medicare and Medicaid. Accordingly, our operators of these properties depend on attracting seniors with appropriate levels of income and assets, which may be affected by many factors, including: (i) prevailing economic

and market trends, including general inflationary pressures; (ii) consumer confidence; (iii) demographics; (iv) property condition and safety; (v) public perception about such properties; and (vi) social and environmental factors. ~~Consequently, if our operators fail to effectively conduct operations on our behalf, or to maintain and improve our properties, it could adversely affect our business reputation as the owner of the properties, as well as the business reputation of our operators and their ability to attract and retain patients and residents in our properties, which could have a material adverse effect on our and our operators' business, results of operations and financial condition. Further, if widespread default or nonpayment of outstanding obligations from a large number of operators occurs at a time when terminating such agreement or replacing such operators may be extremely difficult or impossible, including as a result of the Covid pandemic, we may elect instead to amend such agreements with such operators. However, such amendment may be on terms that are less favorable to us than the original agreement and may have a material adverse effect on our results of operations and financial condition. Our CCRC segment and our SWF SH JV also rely on reimbursements from governmental programs for a portion of the revenues from certain properties. Changes in reimbursement policies and other governmental regulation, such as potential changes to the Patient Protection and Affordable Care Act, along with the Health Care and Education Reconciliation Act of 2010 (collectively, the " Affordable Care Act "), that may result from actions by Congress or executive orders, may result in reductions in our revenues from our RIDEA structures, operations and cash flows and affect our financial performance through a RIDEA structure.~~ In addition, ~~failure to comply with reimbursement regulations or other laws applicable to healthcare providers could result in penalties, fines, litigation costs, lost revenue or other consequences, which could adversely impact our cash flows from operations under a RIDEA structure. Revenues of our CCRC segment and our SWF SH JV are also dependent on a number of other factors, including licensed bed capacity, occupancy, the healthcare needs of residents, the rate of reimbursement, the income and assets of seniors in the regions in which we own properties, and social and environmental factors. For example, due to generally increased vulnerability to illness, Covid has resulted in, and another epidemic~~ **epidemics** ~~or~~ **,** ~~pandemic~~ **pandemics** , ~~a~~ **and** severe flu ~~season~~ **seasons** or any other widespread illness could result in ~~,~~ early move- outs or delayed move- ins during quarantine periods or during periods when actual or perceived risks of such illnesses are heightened, ~~which~~ **and** have reduced, and could continue to reduce, our operators' revenues. ~~Additionally, new and evolving payor and provider programs in the United States, including Medicare Advantage, Dual Eligible, Accountable Care Organizations, Bundled Payments and other value- based reimbursement arrangements, have resulted in reduced reimbursement rates, average length of stay and average daily census, particularly for higher acuity patients.~~ If our operators ~~of these~~ **fail to effectively conduct operations on our behalf, or to maintain and improve our** properties ~~underperform, our business, results of operations and financial condition would be materially adversely affected. Our tenants and operators have, and may continue to seek to, offset losses by obtaining funds under the CARES Act or other similar legislative initiatives at the state and local level. Receipt of these funds is subject to a detailed application and approval process and in some cases, entails operating restrictions. It is not yet known whether the government funds received by our tenants and operators to date or to be received under any remaining distributions will materially offset the cash flow disruptions experienced by them. If they do not receive sufficient funds to offset their cash flow disruptions, or if the conditions precedent to receiving or retaining these funds are overly burdensome or not feasible~~ , it may substantially affect their ability to make...... borrowers to attract and retain qualified personnel could adversely affect our ~~cash flow~~ **business reputation as the owner of the properties, as well as the business reputation of our operators** and **their ability to attract and retain patients and residents in our properties, which could** have a material adverse effect on our **and our operators'** business, results of operations **,** and financial condition. ~~Our tenants~~ **Economic conditions** , ~~operators~~ **natural disasters, weather,** and ~~borrowers also compete with numerous~~ other **events** ~~companies providing similar healthcare services~~ or **conditions that negatively affect geographic areas where** ~~alternatives such as home health agencies, life care at home, community- based service programs, retirement communities and convalescent centers. This competition, over- development in some markets in which~~ we ~~invest, Covid outbreaks, or the negative public perception that additional outbreaks may occur, has caused the occupancy rate of buildings to slow or decline, and the monthly rate that some properties were able to obtain for their services to decrease. Our tenants, operators and borrowers may be unable to achieve and maintain occupancy and rate levels, and to manage their expenses, in a way that will enable them to meet all of their obligations to us. Further, many competing companies may~~ have **concentrated investments** ~~resources and attributes that are superior to those of our tenants, operators and borrowers, which may also allow them to better withstand the impact of Covid or other competitive pressures. Our tenants, operators and borrowers may encounter increased competition that could limit their ability to maintain or attract residents and employees, to expand their businesses or to manage their expenses, which could materially adversely affect their ability to meet their financial and other contractual obligations to us, potentially decreasing our revenues, impairing our assets and / or increasing collection and dispute costs. Financial deterioration, insolvency or bankruptcy of one or more of our major tenants, operators or borrowers~~ could have a material adverse effect on our business, results of operations **,** and financial condition. **We** A downturn in any of our tenants...... to a landlord' s, generally are **subject** ~~materially less favorable, and our rights as a lender may be subordinated~~ to other creditors' rights. Furthermore,...... not be willing to take on the increased exposure ~~, especially while active cases are occurring. Healthcare~~ **to adverse conditions affecting the geographies in which our** properties are **located** typically highly customized, and the improvements...... which we have limited or no control , including: (i) ~~natural disasters~~ **downturns in local economies** and ~~other catastrophic events~~ **increases in unemployment rates** ; (ii) ~~health crises or other pandemics such as the Covid pandemic~~ **changes in local real estate conditions, including increases in real estate taxes** ; (iii) **increased competition** ~~restrictions or moratoriums on development and redevelopment activities~~ ; (iv) **decreased demand** ~~labor conditions, including a labor shortage or work stoppage~~ ; (v) ~~shortages~~ **changes in state and local legislation; and (vi) local climate events and natural disasters and other catastrophic events, such as pandemics, earthquakes, hurricanes, windstorms, flooding, wildfires, and mudslides and other physical climate risks, including water stress and heat stress. These risks could significantly disrupt our businesses in the region, harm our ability to compete effectively, result in increased costs, and**

divert management attention, any or all of ~~construction~~ **which could have a** ~~materials~~ - ~~such as health pandemics (including the Covid pandemic),earthquakes,hurricanes,windstorms,flooding,wildfires and mudslides and other physical climate risks,including water stress and heat stress.These risks could significantly disrupt our businesses in the region,harm our ability to compete effectively,result in increased costs,and divert management attention,any or all of which could have a~~ material adverse effect on our business,results of operations **,** and financial condition.In addition, ~~if~~ significant **climate** changes ~~in the climate occur~~ in areas where we own property ~~,this~~ could result in extreme weather and changes in precipitation and temperature,all of which could result in physical damage to or a decrease in demand for properties located in these areas or affected by these conditions.If changes in the climate have material effects,such as property destruction,or occur for extended periods,this could have a material adverse effect on business,results of operations and financial condition. ~~In addition,changes in federal,state and local legislation and regulation on climate change could require increased capital expenditures to improve the energy efficiency or resiliency of our existing properties and could also cause increased costs for our new developments without a corresponding increase in revenue.~~ Uninsured or underinsured losses could result in a significant loss of capital invested in a property,lower than expected future revenues,and unanticipated expense **.A large number of our properties are located in areas exposed to earthquakes,hurricanes,windstorms,flooding,water stress,heat stress,and other common natural disasters and physical climate risks.In particular,(i) a significant portion of our life science development projects and approximately 67 % of our life science portfolio (based on gross asset value as of December 31,2022) was concentrated in California,which is known to be subject to earthquakes,wildfires,and other natural disasters,and (ii) approximately 69 % of our CCRC portfolio (based on gross asset value as of December 31,2022) was concentrated in Florida,which is known to be subject to hurricanes.While we maintain insurance coverage for earthquakes,fires,hurricanes,windstorms,floods,and other natural disasters and physical climate risks,we may be unable to purchase the limits and terms we desire on a commercially reasonable basis.We maintain earthquake insurance for our properties that are located in the vicinity of active earthquake zones in amounts and with deductibles we believe are commercially reasonable.Because of our significant concentration in the seismically active regions of South San Francisco,California,and San Diego,California,an earthquake in these areas could damage a significant portion of our life science portfolio.Similarly,a hurricane in Florida could damage a significant portion of our CCRC portfolio.As a result,aggregate deductible amounts may be material,and our insurance coverage may be materially insufficient to cover our losses.Furthermore,there are certain exposures for which we do not purchase insurance because we do not believe it is economically feasible to do so or there is no viable insurance market.If one of our properties experiences a loss that is uninsured or that exceeds policy coverage limits,we could lose our investment in the damaged property as well as the anticipated future cash flows from such property.If the damaged property is subject to recourse indebtedness,we could continue to be liable for the indebtedness even if the property is irreparably damaged.In addition,even if damage to our properties is covered by insurance,a disruption of business caused by a casualty event may result in loss of revenues for us.Any business interruption insurance may not fully compensate the lender or us for such loss of revenue** .Our insurance coverage does not include damages from business interruptions,loss of revenue or earnings or any related effects caused by ~~health~~ pandemics,including ~~the Covid pandemic.We may incur significant out- of- pocket costs associated with legal proceedings or other claims from residents and patients at our properties that relate to~~ the Covid pandemic.Generally,insurance coverage for ~~health~~ pandemics has not ~~previously~~ been readily available and,if and when it does become available,may not be on commercially reasonable terms.Further,even if such coverage is available on commercially reasonable terms,we **may be unable to** ~~cannot assure you that we would~~ receive insurance proceeds that ~~will~~ **would** compensate us fully for our liabilities,costs **,** and expenses in the event of a ~~health~~ pandemic ~~.In addition,a large number of our properties are located in areas exposed to earthquakes,hurricanes,windstorms,flooding,water stress,heat stress and other common natural disasters and physical climate risks.In particular,(i) a significant portion of our life science development projects and approximately 67 % of our life science portfolio (based on gross asset value as of December 31,2021) was concentrated in California,which is known to be subject to earthquakes,wildfires and other natural disasters,and (ii) approximately 69 % of our CCRC portfolio (based on gross asset value as of December 31,2021) was concentrated in Florida,which is known to be subject to hurricanes.While we maintain insurance coverage for earthquakes,fires,hurricanes,windstorms,floods and other natural disasters and physical climate risks,we may be unable to purchase the limits and terms we desire on a commercially reasonable basis.In addition,there are certain exposures for which we do not purchase insurance because we do not believe it is economically feasible to do so or there is no viable insurance market.We maintain earthquake insurance for our properties that are located in the vicinity of active earthquake zones in amounts and with deductibles we believe are commercially reasonable.Because of our significant concentration in the seismically active regions of South San Francisco,California and San Diego,California,a damaging earthquake in these areas could significantly impact multiple properties,which may amount to a significant portion of our life science portfolio.Similarly,a damaging hurricane in Florida could significantly impact multiple properties,which may amount to a significant portion of our CCRC portfolio.As a result,aggregate deductible amounts may be material,and our insurance coverage may be materially insufficient to cover our losses,either of which would adversely affect our business,financial condition,results of operations and cash flows.If one of our properties experiences a loss that is uninsured or that exceeds policy coverage limits,we could lose our investment in the damaged property as well as the anticipated future cash flows from such property.If the damaged property is subject to recourse indebtedness,we could continue to be liable for the indebtedness even if the property is irreparably damaged.In addition,even if damage to our properties is covered by insurance,a disruption of business caused by a casualty event may result in loss of revenues for us.Any business interruption insurance may not fully compensate the lender or us for such loss of revenue~~ .Our CCRC and senior housing operators also face various forms of class- action lawsuits from time to time,such as wage and hour and consumer rights actions,which generally are not covered by insurance.These class actions could result in significant defense costs,as well as settlements or verdicts that materially decrease anticipated revenues from a property

and can result in the loss of a portion or all of our invested capital. **We may also incur significant out- of- pocket costs associated with legal proceedings or other claims from residents and patients at our properties.Any of the foregoing risks could have a material adverse effect on our business,results of operations,and financial condition.** Our use of joint ventures may limit our returns on and our flexibility with jointly owned investments. **From time** ~~We have and may continue~~ to **time,we** develop,acquire **,** and / or recapitalize properties in joint ventures with other persons or entities when circumstances warrant the use of these structures.Our participation in joint ventures is subject to risks that may not be present with other methods of ownership,including:• our joint venture partners could have investment and financing goals that are inconsistent with our objectives,including the timing,terms **,** and strategies for any investments,and what levels of debt to incur or carry;• because we **lack** ~~do not have~~ sole decision- making authority,we could experience ~~an impasse~~ **impasses** ~~on~~ **or disputes relating to** certain decisions,including budget approvals,acquisitions,sales of assets,debt financing,execution of lease agreements,and vendor approvals,which ~~impasses~~ could result in delayed decisions and missed opportunities and could require us to expend additional resources on ~~resolving such impasses or potential disputes,including~~ litigation or arbitration **to resolve** ;• our joint venture partners may have competing interests ~~in our markets~~ that ~~could~~ create conflicts of interest **in our markets** ;• our ability to transfer our interest in a joint venture to a third party may be restricted ~~and~~ **;•** the market for our interest may be limited and / or valued lower than fair market value;• our joint venture partners may be structured differently than us for tax purposes,and this could create conflicts of interest and risks to our REIT status; ~~and~~ • our joint venture partners might become insolvent,fail to fund their share of required capital contributions or fail to fulfill their obligations as a joint venture partner,which may require us to infuse our own capital into the venture on behalf of the partner despite other competing uses for such capital **;•** ~~.With respect to our joint ventures,we may be limited in our ability to control or~~ **our** ~~influence operations,and in our ability to exit or transfer our interest in the~~ joint venture **agreements** ~~to a third party.As a result,we~~ may **contain anti- competitive restrictions that impact certain of our non- joint venture assets and require us to manage the non- joint venture assets in a manner we otherwise would** not **;and •** ~~receive full value for~~ our ~~ownership interest if we tried to sell it to~~ **joint venture agreements may in certain circumstances grant our partners** a ~~third party~~ **right of first refusal to acquire certain of our non- joint venture assets** .In addition,in some instances, ~~we and / or~~ our joint venture partner will have the right to cause us to sell our interest,or acquire **their** ~~our partner' s~~ interest,at a time when we otherwise would not have initiated such a transaction.Our ability to acquire our partner' s interest will be limited if we **lack** ~~do not have~~ sufficient ~~cash,available borrowing capacity or other~~ capital resources.This ~~would~~ **could** require us to sell our interest in the joint venture when we ~~would~~ **might** otherwise prefer to retain it.Any of the foregoing risks could have a material adverse effect on our business,results of operations **,** and financial condition.Rent escalators or contingent rent provisions in our leases could hinder our profitability and growth.We derive a significant portion of our revenues from leasing properties pursuant to leases that generally provide for fixed rental rates,subject to annual escalations.If **inflation** ~~strong economic conditions result in increases in the Consumer Price Index in excess~~ - **exceeds our** ~~of the~~ annual escalations **,as it often recently has** ,our growth and profitability may be limited.Under certain leases,a portion of the tenant' s rental payment to us is based on the property' s revenues (i.e.,contingent rent).If ~~,as~~ a **tenant** ~~result of weak economic conditions or other factors that may be outside of our control,the property~~ ' s revenue **at a rental property with contingent rent** declines,our rental revenues would decrease ~~and our results of operations could be materially adversely affected~~ .Additionally,some of our leases provide that annual rent is modified based on changes in the Consumer Price Index or other thresholds (i.e.,contingent rent escalators).If the Consumer Price Index does not increase or other applicable thresholds are not met,rental rates may not increase as anticipated or at all,which could hinder our profitability and growth.Furthermore,if ~~strong~~ economic conditions result in significant increases in the Consumer Price Index,but the escalations under our leases with contingent rent escalators are capped or the increase in the Consumer Price Index exceeds our tenants' ability to pay,our growth and profitability also may be limited.Competition may make it difficult to identify and purchase,or develop,suitable healthcare properties to grow our investment portfolio,to finance acquisitions on favorable terms,or to retain or attract tenants and operators.We face significant competition from other REITs,investment companies,private equity and hedge fund investors,sovereign funds,healthcare operators,lenders,developers **,** and other institutional investors,some of whom may have greater resources and lower costs of capital than we do.Increased competition and resulting capitalization rate compression make it more challenging for us to identify and successfully capitalize on opportunities that meet our business goals and could improve the bargaining power of property owners seeking to sell,thereby impeding our investment,acquisition **,** and development activities.Similarly,our properties face competition for tenants and operators from other properties in the same market,which may affect our ability to attract and retain tenants and operators,or may reduce the rents we are able to charge. ~~If we cannot~~ **The failure to** capitalize on our development pipeline,identify **,** and purchase a sufficient quantity of healthcare properties at favorable prices,finance acquisitions on commercially favorable terms,or attract and retain profitable tenants ~~and operators,~~ **could have a material adverse effect on** our business,results of operations **,** and financial condition ~~may be materially adversely affected~~ .We may be unable to successfully foreclose **or exercise rights** on the collateral securing our real estate- related loans ~~,~~ and **,** even if we are successful in our foreclosure **or realization** efforts,we may be unable to successfully operate,occupy **,** or reposition the underlying real estate ~~,which may adversely affect our ability to recover our investments~~ .If a borrower defaults under one of our mortgages ~~or mezzanine loans~~ ,we may ~~have~~ **look** to foreclose on the loan or take additional actions,including acquiring title to the collateral via statutory or judicial foreclosure or commencing collection litigation.We may determine that substantial improvements or repairs to the property are necessary in order to maximize the property' s investment potential.In some cases,because our collateral consists of the equity interests in an entity that directly or indirectly owns the applicable real property or interests in other operating properties,we may not have full recourse with respect to assets of that entity,or that entity may have incurred unexpected liabilities,either of which would preclude us from fully recovering our investment.Borrowers may contest enforcement of foreclosure or other remedies,seek bankruptcy protection against our exercise of enforcement or other remedies **,** and / or bring claims for lender liability in response to actions to enforce mortgage

obligations. **Because many of the properties securing our mortgage loans are licensed senior housing health care facilities,we would also need to navigate and comply with various healthcare regulatory matters in a variety of states in connection with any foreclosure effort.** Foreclosure or collections- related costs,high loan- to- value ratios **,healthcare regulatory issues or consents,** or declines in the value of the property **,** may prevent us from realizing an amount equal to our mortgage ~~or mezzanine loan~~ balance upon foreclosure or conclusion of litigation,and we may be required to record a valuation allowance for such losses.Even if we are able to successfully foreclose on the collateral securing our real estate- related loans,we may ~~inherit~~ **acquire** properties for which we may be unable to expeditiously secure tenants or operators,if at all **,or that are burdened with healthcare regulatory compliance issues that need to be addressed** ,or we may acquire equity interests that we are unable to immediately resell or otherwise liquidate due to limitations under the securities laws,either of which would adversely affect our ability to fully recover our investment. ~~From~~ **We may invest substantial resources and** time **in transactions that are not consummated** ~~to time we have made,and we may seek to make,one or more material acquisitions,which may involve the expenditure of significant funds~~ .We regularly review potential transactions in order to maximize stockholder value.Our review process may require significant management attention **,** and a potential transaction could be abandoned or rejected by us or the other parties involved after we expend significant resources and time. **We** ~~In addition,future acquisitions may require the issuance of securities,incurrence of debt,assumption of contingent liabilities or incurrence of significant expenditures,each of which could materially adversely impact our business,financial condition or results of operations.In addition,the financing required for acquisitions~~ may not be ~~available on commercially favorable terms or at all.If we are unable~~ -- **able** to successfully integrate ~~our~~ - **or operate** acquisitions, ~~our~~ - **or** ~~business,results of operations and financial condition~~ may **incur unanticipated liabilities** ~~be materially adversely affected~~ .Successful integration of acquired companies depends primarily on our ability to consolidate operations,systems,procedures,properties **,** and personnel,and to eliminate redundancies and reduce costs.We may encounter difficulties in these integrations.Potential difficulties associated with acquisitions include:(i) our ability to effectively monitor and manage our expanded portfolio of properties;(ii) the loss of key employees;(iii) the disruption of our ongoing business or that of the acquired entity;(iv) possible inconsistencies in standards,controls,procedures **,** and policies;and (v) the assumption of unexpected liabilities **and claims** ,including:• liabilities relating to the cleanup or remediation of undisclosed environmental conditions;• unasserted claims of vendors,residents,patients **,** or other persons dealing with the seller;• liabilities,claims **,** and litigation,whether or not incurred in the ordinary course of business,relating to periods prior to our acquisition;• claims for indemnification by general partners,directors,officers **,** and others indemnified by the seller;• claims for return of government reimbursement payments;and • liabilities for taxes relating to periods prior to our acquisition.In addition,acquired companies and their properties may fail to perform as expected,including ~~in~~ **with** respect ~~of~~ **to** estimated cost savings.Inaccurate assumptions regarding future rental or occupancy rates could result in overly optimistic estimates of future revenues.Similarly,we may underestimate future operating expenses or the costs necessary to bring properties up to standards established for their intended use or for property improvements.If we have difficulties with any of these areas,or if we later discover additional liabilities or experience unforeseen costs relating to our acquired companies,we may not achieve the anticipated economic benefits from our acquisitions,and this may have a material adverse effect on our business,results of operations **,** and financial condition. **We may be affected by** ~~Unfavorable~~ **unfavorable resolution of** litigation ~~resolution~~ or disputes **and rising liability and insurance costs as a result thereof or other market factors.Our tenants,operators,property managers,and borrowers are from time to time parties to litigation,including,for example,disputes regarding the quality of care at healthcare properties.The effect of litigation may materially increase the costs incurred by our tenants,operators,property managers,and borrowers,including costs to monitor and report quality of care compliance.In addition,the cost of professional liability,medical malpractice,property,business interruption,and insurance policies can be significant and may increase or not be available at a reasonable cost or at all.Cost increases could cause our tenants and borrowers to be unable to make their lease or mortgage payments or fail to purchase the appropriate liability and malpractice insurance,or cause our borrowers to be unable to meet their obligations to us,potentially decreasing our revenues and increasing our collection and litigation costs.Cost increases could also lead our operators and property managers to increase the fees they charge,which** could have a material adverse effect on our **business,results of operations,and** financial condition ~~and that of our tenants,operators and borrowers,and we and our tenants,operators and borrowers may experience rising liability and insurance costs.Our tenants,operators and borrowers are from time to time parties to litigation,including disputes regarding the quality of care at healthcare properties.The effect of litigation may materially increase the costs incurred by our tenants,operators and borrowers,including costs to monitor and report quality of care compliance.In addition,the cost of professional liability,medical malpractice,property,business interruption,and insurance policies that may provide only partial coverage for Covid and other environmental or infectious disease outbreaks,epidemics and pandemics can be significant and may increase or not be available at a reasonable cost or at all.Cost increases could cause our tenants and borrowers to be unable to make their lease or mortgage payments or fail to purchase the appropriate liability and malpractice insurance,or cause our borrowers to be unable to meet their obligations to us,potentially decreasing our revenues and increasing our collection and litigation costs~~ .Furthermore,with respect to our CCRC properties and the properties in our SWF SH JV,all of which are operated in RIDEA structures,we directly bear the costs of any such increases in litigation,monitoring,reporting **,** and insurance due to our direct exposure to the cash flows of such properties. ~~From time to time,we are involved in legal proceedings,lawsuits and other claims.~~ We ~~may also be named as defendants in lawsuits arising out of our alleged actions or the alleged actions of our tenants and operators for which such tenants and operators have agreed to indemnify us.Furthermore,we could experience a material increase in legal proceedings,lawsuits and other claims related to the Covid pandemic.Unfavorable resolution of any such litigation or negative publicity as a result of such litigation may have a material adverse effect on our business,results of operations and financial condition.Regardless of the outcome,litigation or other legal proceedings may result in substantial costs,disruption of our normal business operations,and the~~

~~diversion of management attention.We may be unable to prevail in,or achieve a favorable settlement of,any pending or future legal action against us.In particular,as a result of our ownership of healthcare properties,we may be named as a defendant in lawsuits arising from the alleged actions of our tenants or operators.With respect to our triple- net leases,our tenants generally have agreed to indemnify us for various claims,litigation and liabilities in connection with their leasing and operation of our triple- net leased properties.However,if any tenant fails to indemnify us pursuant to the terms of its agreement with us,we would have to incur the costs that should have been covered by the tenant and to determine whether to expend additional resources to seek the contractually owed indemnity from that tenant,including potentially through litigation or arbitration.In some instances,we may decide not to enforce our indemnification rights if we believe that enforcement of such rights would be more detrimental to our business than alternative approaches.Regardless,such an event would divert management attention and may result in a disruption to our normal business operations,any or all of which could have an adverse effect on our business,results of operations,and financial condition.With respect to our RIDEA structured properties,we~~ are responsible for these claims,litigation **,** and liabilities,with limited indemnification rights against our ~~operator~~ **operators ,which are** typically based on the gross negligence or willful misconduct by the operator.Although our leases provide us with certain information rights with respect to our tenants,one or more of our tenants may be or become party to pending litigation or investigation of which we are unaware or in which we do not have a right to participate or evaluate.In such cases,we would be unable to determine the potential impact of such litigation or investigation on our tenants or our business or results.Moreover,negative publicity of any of our operators’ **,property managers’,** or tenants’ litigation,other legal proceedings or investigations may also negatively impact their and our reputation,resulting in lower customer demand and revenues,which could have a material adverse effect on our financial condition,results of operations **,** and cash flow. ~~Risks Related~~ **We may also be named as defendants in lawsuits arising out of our alleged actions or the alleged actions of our tenants,operators,or property managers for which such tenants,operators,or property managers may have agreed** to ~~Our Capital Structure~~ **indemnify us.Unfavorable resolution of any such litigation or negative publicity as a result of such litigation could have a material adverse effect on our business,results of operations,** and ~~Market~~ **financial** ~~Conditions~~ - **condition** ~~An increase in~~ **.Regardless of the outcome,litigation** ~~our~~ - **or** ~~borrowing~~ **other legal proceedings may result in substantial** costs **,disruption of our normal business operations,and the diversion of management attention.We may be unable to prevail in,or achieve a favorable settlement of,any pending or future legal action against us.Even when a tenant or operator is obligated to indemnify us for liability incurred as a result of a lawsuit pursuant to the terms of its agreement with us,the tenant may fail to satisfy those obligations and,in such event,we would have to incur the costs that should have been covered by the tenant,operator,or property manager and to determine whether to expend additional resources to seek the contractually owed indemnity from that tenant,operator,or property manager,including potentially through litigation or arbitration.In some instances,we may decide not to enforce our indemnification rights if we believe that enforcement of such rights would be more detrimental to our business than alternative approaches.Regardless,such an event would divert management attention and may result in a disruption to our normal business operations,any or all of which** could **have an adverse effect on our business,results of operations,and financial condition.Environmental compliance costs and liabilities associated with our real estate- related investments may be substantial and may materially impair the value of those investments.Federal,state and local laws,ordinances,and regulations may require us,as a current or previous owner of real estate,to investigate and clean up certain hazardous or toxic substances released at a property.We may be held liable to a governmental entity or to third parties for injury or property damage and for investigation and cleanup costs incurred in connection with the contamination.The costs of cleanup and remediation could be substantial.In addition,some environmental laws create a lien on the contaminated site in favor of the government for damages and the costs it incurs in connection with the contamination,and / or impose fines and penalties on the property owner with respect to such contamination.Although we currently carry environmental insurance on our properties in an amount that we believe is commercially reasonable and generally require our tenants and operators to indemnify us for environmental liabilities they cause,such liabilities could exceed the amount of our insurance,the financial ability of the tenant or operator to indemnify us,or the value of the contaminated property.As the owner of a site,we may also be held liable to third parties for damages and injuries resulting from environmental contamination emanating from the site.We may also experience environmental costs and liabilities arising from conditions not known to us or disrupted during development.The cost of defending against these claims,complying with environmental regulatory requirements,conducting remediation of any contaminated property,or paying personal injury or other claims or fines could be substantial and could have a material adverse effect on our business,results of operations,and financial condition.In addition,the presence of contamination or the failure to remediate contamination may** materially adversely **affect our ability to use,develop,sell,or lease the property or to borrow using the property as collateral.We may be impacted by epidemics,pandemics,or other infectious diseases,including Covid,and health and safety measures intended to reduce their spread.Epidemics,pandemics,or other infectious diseases,including the ongoing Covid pandemic and those caused by possible new variants,as well as both future widespread and localized outbreaks of infectious diseases and other health concerns,and the health and safety measures taken to reduce the spread or lessen the** impact ~~our ability to refinance existing debt~~ , ~~sell properties and conduct acquisition,investment and development activities,and~~ could cause **a material disruption to our industry** ~~our~~ - **or** ~~stock price to decline~~ **deteriorate the economy as a whole** . ~~An increase~~ **The impacts of such events could be severe and far- reaching,and may impact our operations** in **several ways,including:(i) tenants could experience deteriorating financial conditions and be unable** ~~our~~ - **or** ~~borrowing costs reduces the amount investors~~ **unwilling to pay rent on time and in full;(ii) we may have to restructure tenants' obligations and may not be able to do so on terms that** are ~~willing~~ **favorable** to **us;(iii) inquiries** ~~pay for our common stock.Because REIT stocks are often perceived as high- yield investments,investors may perceive less relative benefit to owning REIT stocks as borrowing~~

~~costs increase.Additionally,we have existing debt obligations that have variable interest rates and related payments that vary with the movement of certain indices.If interest rates increase,so would our interest costs for any variable rate debt and for new debt.This increased cost would make the financing of any acquisition and development activity more costly.In addition,an~~ **and** ~~increase in interest rates~~ **tours at our properties** could decrease **;(iv) move-** ~~the amount third parties are willing to pay for our properties,thereby limiting our ability to reposition our portfolio promptly in~~ **ins and new tenanting efforts,and re- letting efforts** ~~response to changes in economic or other conditions.Rising borrowing costs~~ could ~~limit~~ **slow** ~~our~~ - **or stop altogether; (v) move- outs** ~~ability to refinance existing debt when it matures,or cause us to pay higher interest rates upon refinancing~~ and **potential early termination of leases thereunder could** increase ~~interest expense on refinanced indebtedness.If our prevailing borrowing costs are higher than the interest rates of our senior notes at their maturity,we will incur additional interest expense upon any replacement debt.We manage a portion of our exposure to interest rate risk by accessing debt with staggered maturities and through the use of derivative instruments,primarily interest rate cap and swap agreements.These agreements involve risk,including that counterparties may fail to honor their obligations under these arrangements,that these arrangements may not be effective in reducing our exposure to interest~~ ; (vi) **operating expenses** ~~legal and regulatory hurdles~~ , including ~~necessary permits~~ **the costs of certain essential services or supplies, including payments to third- party contractors, service providers,** and ~~entitlements~~ **employees essential to ensure continuity in our building operations may increase** ; (vii) ~~environmental conditions at the~~ **procedures normally conducted on our** ~~property~~ **properties may be disrupted, adversely affecting the economic viability of our tenants** ; ~~or~~ **and** (viii) **costs** ~~civil unrest and acts~~ of ~~war~~ **development, including expenditures** ~~or~~ **for** ~~terrorism;~~ **materials utilized in construction and labor essential to complete existing developments in progress, may increase substantially. The loss or limited availability of our key personnel could disrupt or impair our operations. We depend on the efforts of our executive officers for the success of our business. Although they are covered by our Executive Severance Plan and Change in Control Plan, which provide many of the benefits typically found in executive employment agreements, none of our executive officers have employment agreements with us. The loss or limited availability of the services of** any **of our executive** officers,or our inability to recruit and retain qualified personnel,could,at least temporarily, **disrupt,** ~~have a material adverse effect on our~~ - **or impair our** ~~business,results of~~ operations ~~and financial condition and the value of our common stock~~ .We rely on information technology in our operations,and any material failure,inadequacy,interruption **,** or security failure of that technology could harm our business.We rely on information technology networks and systems ~~,including the Internet,~~ to process,transmit **,** and store electronic information,and to manage or support a variety of business processes,including financial transactions and records,and to maintain personal identifying information and tenant and lease data.We utilize software and cloud- based technology from vendors,on whom our systems depend.We rely on commercially available systems,software,tools **,** and monitoring to provide security for the processing,transmission **,** and storage of confidential tenant and customer data,including individually identifiable information relating to financial accounts.Although we have taken steps to protect the security of our information systems,with multiple layers of controls around the data maintained in those systems,it is possible that our safety and security measures will not prevent the systems' improper **functioning or damage,or the improper access or disclosure of personally identifiable information** such ~~delays~~ **as** in ~~project completion would~~ **the event of cyber- attacks. The risk of security breaches has generally increased as the number, intensity, and sophistication of attacks and intrusions have increased, and we have seen a significant increase in cyber phishing attacks. The risk of security breaches has** also ~~delay~~ **increased under our hybrid work model. Furthermore, because our operators also rely on** the ~~commencement~~ **Internet, information technology networks, systems, and software, some** of ~~rental payments~~ **our data may be vulnerable to cyber- attacks on our operators. Security breaches of our or our operators' networks and systems** , including ~~increases in rental payments following tenant improvement projects; • construction or other delays at a project may provide tenants the~~ **those** ~~right to terminate preconstruction leases or cause~~ **caused** ~~us to incur additional costs~~ **by physical or electronic break- ins, computer viruses, malware, worms, attacks by hackers or foreign governments, disruptions from unauthorized access and tampering** , including through ~~rent abatement; • project costs~~ **social engineering such as phishing attacks, coordinated denial- of- service attacks, and similar breaches** could **result in** ~~exceed original estimates due to~~ , among other things: (i) **system disruptions** ~~increased interest rates~~ ; (ii) **shutdowns** ~~higher than budgeted costs for materials, transportation, environmental remediation, labor or other inputs, including those caused by a shortage of construction materials or labor~~ ; (iii) ~~negligent construction~~ **unauthorized access to** or ~~construction defects~~ **disclosure of confidential information** ; (iv) **misappropriation of** ~~damage, vandalism or~~ **our** ~~accidents~~ **or our business partners' proprietary or confidential information** ; (v) **breach** ~~higher operating costs than we anticipated, including insurance premiums, utilities, real estate taxes, and costs~~ of ~~complying with changes in government regulations or~~ **our** ~~increases in tariffs~~ **legal, regulatory, or contractual obligations** ; (vi) ~~higher requirements~~ **inability to access** ~~for~~ - **or** ~~capital improvements than we anticipated~~ **rely upon critical business records** ~~for~~ - **or systems** ~~development, redevelopment or tenant improvement projects, particularly in older structures~~ ; or (vii) other delays in our operations.In some cases,it may be difficult to anticipate or immediately detect such incidents and the damage they cause.We may be required to expend significant financial resources to protect against or to remediate such security breaches.In addition,our technology infrastructure and information systems are vulnerable to damage or interruption from natural disasters,power loss **,** and telecommunications failures.Any failure to maintain proper function,security **,** and availability of our and our operators' information systems and the data maintained in those systems could interrupt our operations,damage our reputation,subject us to liability claims or regulatory penalties,harm our business relationships **,** or ~~increase our security increased~~ - **increase our security and insurance** costs ~~as a result of unanticipated delay~~ , **which** including delays resulting from the factors noted...... realization of any of the foregoing risks could ~~result in not achieving our expected returns on investment and~~ have a material adverse effect on our business, ~~results of operations and~~ financial condition **, and results of operations** . ~~Changes within the life science industry may~~ **Risks Related to Our Capital Structure and Market Conditions Increased**

borrowing costs could materially adversely impact our ~~revenues~~ **ability to refinance existing debt, sell properties** and ~~results of operations~~ **conduct acquisition, investment, and development activities, and could cause our stock price to decline** . ~~Our life science~~ **Increased borrowing costs and attendant negative impacts on our business can reduce the amount investors are willing to pay for our common stock. Because REIT stocks are often perceived as high- yield** investments **, investors may perceive less relative benefit to owning REIT stocks as borrowing costs increase. Additionally, we have and may incur additional debt obligations that have variable interest rates and related payments that vary with the movement of certain indices. Recent increases in interest rates have increased interest costs for our variable rate debt and our new debt, and interest rates may continue to rise. These interest rates make the financing of any acquisition and development activity more costly. In addition, increased interest rates** could ~~could~~ decrease the amount third parties are willing to pay for our properties,thereby limiting our ability to reposition our portfolio promptly in response to changes in economic or other conditions.Rising borrowing costs could limit our ability to refinance existing debt when it matures,or cause us to pay higher interest rates upon refinancing and increase interest expense on refinanced indebtedness.If our prevailing borrowing costs are higher than the interest rates of our senior notes at their maturity,we will incur additional interest expense upon any replacement debt.We manage a portion of our exposure to interest rate risk by accessing debt with staggered maturities and through the use of derivative instruments,primarily interest rate cap and swap agreements.These agreements involve risk,including that counterparties may fail to honor their obligations under these arrangements,that these arrangements may **not** be ~~adversely affected if~~ **effective in reducing our exposure to interest rate changes, that** the ~~life science industry is impacted~~ **amount of income we earn from hedging transactions may be limited** by **federal tax provisions governing REITs** ~~an~~ **and that** ~~economic, financial, or banking crisis, a health crisis, such as the~~ **these arrangements may cause us** ~~Covid pandemic, or if the life science industry migrates from the U. S.~~ to **incur higher debt service costs than would otherwise be** ~~other~~ -- **the case** ~~countries or to areas outside of primary life science markets in South San Francisco, California, San Diego, California, and greater Boston, Massachusetts~~ . **Failure** ~~Our ability~~ to **hedge effectively against interest** ~~negotiate contractual rent escalations on future leases and to achieve increases in rental rates~~ - **rate risk could** ~~will depend upon market conditions and the demand for life science properties at the time the leases are negotiated and the increases are proposed. If economic, financial or industry conditions~~ adversely affect our ~~life science tenants, we~~ **results of operations and financial condition. Cash available for distribution to stockholders** may ~~not~~ be ~~able~~ **insufficient** to **make dividend distributions** ~~lease or re- lease our properties in a timely manner or~~ at ~~favorable rates, which~~ **expected levels and are made at the discretion of our Board of Directors. Decreases in cash available for distributions may result in us being unable to make dividend distributions at expected levels. Our failure to make distributions commensurate with market expectations** would **likely** ~~negatively impact our revenues and results~~ - **result in a decrease in the market price** of ~~operations~~ **our common stock** . ~~Because infrastructure improvements~~ **Further, all distributions are made at the discretion of our Board of Directors in accordance with Maryland law and depend on: (i) our earnings; (ii) our financial condition; (iii) debt and equity capital available to us; (iv) our expectations** for ~~life science properties typically are significantly more costly than improvements to~~ **future capital requirements and operating performance; (v) restrictive covenants in our financial or** other ~~property types due to~~ **contractual arrangements, including** ~~the~~ **those** ~~highly specialized nature~~ **in our credit facility agreement; (vi) maintenance** of **our REIT qualification; and (vii)** ~~the~~ **other factors as our Board of Directors may deem relevant from time** ~~properties, and life science tenants typically require greater lease square footage relative~~ to **time. If access to external capital is unavailable** ~~medical office tenants, repositioning efforts would have a disproportionate adverse effect~~ on **acceptable terms** ~~our~~ - **or** ~~life science segment performance. Future mergers or consolidations of life science entities could reduce the amount of rentable square footage requirements of our client tenants and prospective client tenants, which may adversely impact our revenues from lease payments and results of operations. The life science industry is subject to volatility, and life science tenants, particularly those involved in developing and marketing pharmaceutical products, are subject to certain risks, including the following: • significant funding for the research, development, clinical testing, manufacture and commercialization of their products and technologies, as well as to fund their obligations, including rent payments due to us, and our tenants' ability to raise capital depends on the viability of their products and technologies, their financial and operating condition and outlook, and the overall financial, banking and economic environment. If venture capital firms, private investors, the public markets, companies in the life science industry, the government or other sources of funding are difficult to obtain or unavailable to support our tenants' activities, including as a result of general economic conditions, adverse market conditions or government shutdowns that limit our tenants' ability to raise capital, such as those resulting from the Covid pandemic, a tenant' s business would be adversely affected or could fail; • the research, development, clinical testing, manufacture and marketing of some of our tenants' products require federal, state and foreign regulatory approvals that may be costly or difficult to obtain, may take several years and be subject to delay, including delays brought on by the Covid pandemic, may not be obtained~~ at all, **it** ~~require validation through clinical trials that may face delays or difficulties resulting from the Covid pandemic or otherwise, require the use of substantial resources, and may often be unpredictable. If a tenant' s products fail to obtain regulatory approvals, a tenant' s business would be adversely affected or could fail; • even after regulatory approval and market acceptance, the product may still present significant regulatory and liability risks, including the possible later discovery of safety concerns and other defects and potential loss of approvals, competition from new products and the expiration of patent protection for the product; • our tenants with marketable products may be adversely affected by healthcare reform and the reimbursement policies of government or private healthcare payors; • our tenants with marketable products may be unable to successfully manufacture their drugs economically; • our tenants depend on the commercial success of certain products, which may be reliant on the efficacy of the product, as well as acceptance among doctors and patients; negative publicity or negative results or safety signals from the clinical trials of competitors may reduce demand or prompt regulatory actions; and • our tenants may be unable to adapt to the rapid technological advances in the industry and to adequately protect their intellectual property under patent, copyright or trade~~

~~secret laws and defend against third- party claims of intellectual property violations. If our tenants' businesses are adversely affected, they may fail to make their rent payments to us, which~~ could have a material adverse effect on our **ability to meet commitments as they become due or make investments necessary to grow our** business ~~to~~ **.We periodically** rely on external sources of capital (including debt and equity financing) to fulfill our capital requirements ~~,which~~ **.The availability of external capital sources** depends upon **several** ~~a number of~~ factors,some of which we have little or no control over,including:• general availability of capital,including less favorable terms,rising interest rates **,** and increased borrowing costs;• the market price of the shares of our equity securities and the credit ratings of our debt and any preferred securities we may issue;• the market' s perception of our growth potential and our current and potential future earnings and cash distributions;• our degree of financial leverage and operational flexibility;• the financial integrity of our lenders,which might impair their ability to meet their commitments to us or their willingness to make additional loans to us,and our inability to replace the financing commitment of any such lender on favorable terms,or at all;• the stability of the market value of our properties;• the financial performance and general market perception of our tenants and operators;• changes in the credit ratings on U.S.government debt securities or default or delay in payment by the United States of its obligations;• issues facing the healthcare industry,including healthcare reform ~~,~~ **and** changes in government reimbursement policies ~~and the unique challenges posed by the Covid pandemic~~ ;and • the performance of the national and global economies generally,including any economic downturn and volatility in the financial markets ~~as a result of the Covid pandemic~~ .If access to capital is unavailable on acceptable terms or at all,it could have a material adverse impact on our ability to fund operations,repay or refinance our debt obligations,fund dividend payments,acquire properties **,** and make the investments in development and redevelopment activities,as well as capital expenditures,needed to grow our business.Our level of indebtedness may increase and materially adversely affect our future operations.Our outstanding indebtedness as of December 31, ~~2021~~ **2022** was approximately $ 6. ~~2~~ **5** billion.We may incur additional indebtedness,which may be substantial.Any significant additional indebtedness would likely negatively affect the credit ratings of our debt and require us to dedicate a substantial portion of our cash flow to interest and principal payments.Greater demands on our cash resources may reduce funds available to us to pay dividends,conduct development activities,make capital expenditures and acquisitions,or carry out other aspects of our business strategy.Increased indebtedness can also make us more vulnerable to general adverse economic and industry conditions and create competitive disadvantages for us compared to other companies with comparatively lower debt levels.Increased future debt service obligations may limit our operational flexibility,including our ability to finance or refinance our properties,contribute properties to joint ventures **,** or sell properties as needed.Covenants in our debt instruments limit our operational flexibility,and breaches of these covenants could ~~materially adversely affect our business,results~~ **result** ~~of operations and financial condition~~ **in adverse actions by our creditors** .The terms of our current secured and unsecured debt instruments require us to comply with a number of customary financial and other covenants,such as maintaining leverage ratios,minimum tangible net worth requirements,REIT status **,** and certain levels of debt service coverage.Our ~~continued~~ ability to incur additional debt and to conduct business in general is subject to compliance with these covenants,which limits our operational flexibility.For example,mortgages on our properties contain customary covenants such as those that limit or restrict our ability,without the consent of the lender,to further encumber or sell the applicable properties,or to replace the applicable tenant or operator.Breaches of certain covenants may result in defaults under the mortgages on our properties and cross- defaults under certain of our other indebtedness,even if we satisfy our payment obligations to the respective obligee.Covenants that limit our operational flexibility **,** as well as defaults resulting from the breach of any of **these covenants,could have a material adverse effect on our business** , results of operations **,** and financial condition. **Volatility, disruption, or uncertainty in the financial markets may impair our ability to raise capital, obtain new financing or refinance existing obligations, and fund real estate and development activities. Increased or prolonged market disruption, volatility, or uncertainty could have a material adverse effect on our ability to raise capital, obtain new financing or refinance our existing obligations as they mature, and fund real estate and development activities. Our lenders and other financial institutions could also require us to agree to more restrictive covenants, grant liens on our assets as collateral and / or accept other terms that are not commercially beneficial to us in order to obtain financing. One or more of our lenders under our credit facility could refuse or fail to fund their financing commitment to us as a result of lender liquidity and / or viability challenges, which financing commitments we may not be able to replace on favorable terms, or at all. Market volatility could also lead to significant uncertainty in the valuation of our investments and those of our joint ventures, which may result in a substantial decrease in the value of our properties and those of our joint ventures. As a result, we may be unable to recover the carrying amount of such investments and the associated goodwill, if any, which may require us to recognize impairment charges in earnings. Adverse changes in our credit ratings could impair our ability to obtain additional debt and equity financing on favorable terms. Our credit ratings affect the amount and type of capital, as well as the terms of any financing we may obtain. The credit ratings of our senior unsecured debt are based on, among other things, our operating performance, liquidity and leverage ratios, overall financial position, level of indebtedness, and pending or future changes in the regulatory framework applicable to our operators and our industry.** If **we are unable to maintain our current credit ratings, we would likely incur higher borrowing costs, which would make it more difficult** ~~our~~ **or expensive to obtain additional financing or refinance existing obligations and commitments. An adverse change in our outlook may ultimately lead to a downgrade in our credit ratings, which would trigger additional borrowing costs or other potentially negative consequences under our current credit facilities and debt instruments. Also, if our credit ratings are downgraded, or general market conditions were to ascribe higher risk to our ratings, our industry, or us, our access to capital and the cost of any future debt financing will be further negatively impacted. In addition, the terms of future debt agreements could include more restrictive covenants, or require incremental collateral, which may further restrict our business operations or be unavailable due to our covenant restrictions then in effect. There is no guarantee that debt or equity financings will be**

available in the future to fund future acquisitions or general operating expenses, or that such financing will be available on terms consistent with our historical agreements or expectations. Risks Related to the Regulatory Environment Tenants, operators, and borrowers that fail to comply with federal, state, local, and international laws and regulations, including resident health and safety requirements, as well as licensure, certification and inspection requirements, may cease to operate or be unable to meet their financial and other contractual obligations to us. Our tenants, operators, and borrowers across our segments are subject to or impacted by extensive, frequently changing federal, state, and local laws and regulations. See " Item 1, Business — Government Regulation, Licensing, and Enforcement — Healthcare Licensure and Certificate of Need " for a discussion of certain of these laws and regulations. Unannounced surveys, inspections, or audits occur frequently, including following a regulator' s receipt of a complaint about a facility, and these surveys, inspections, and audits can result in deficiencies and further adverse action. Our tenants' ~~businesses fail~~ , ~~or if our tenants fail to make their rent payments to us, we would need to secure replacement tenants. See " — We may have difficulty identifying and securing replacement tenants or~~ operators **'** , ~~and we may be required to incur substantial renovation or tenant improvement costs to make our~~ - **or** ~~properties suitable~~ **borrowers' failure to comply with any of the laws, regulations,** ~~for~~ - **or requirements applicable to** them ~~" above for risks regarding securing replacement tenants. The hospitals on whose campuses our MOBs are located and their affiliated healthcare systems~~ could **result in** ~~fail to remain competitive or financially viable, which could adversely impact their ability to attract physicians and physician groups to our MOBs and our other properties that serve the healthcare industry. The viability of hospitals depends on factors such as~~ : (i) **loss** ~~the quality and mix~~ of **accreditation** ~~healthcare services provided~~ ; (ii) **denial of reimbursement** ~~competition for patients and physicians~~ ; (iii) **imposition of fines** ~~demographic trends in the surrounding community~~ ; (iv) **suspension or decertification from government** ~~market position; and (v) growth potential, as well as the ability of the affiliated~~ healthcare systems to provide economies of scale and......, or changes to, governmental reimbursement programs ~~such as Medicare or Medicaid, to the extent applicable, including changes to reimbursement rates; (iv) our operators' reputations and ability to attract and retain residents~~ ; (v) **civil liability** ~~general economic conditions and market factors that impact seniors, which may be exacerbated by the Covid pandemic, including general inflationary pressures~~ ; **and** (vi) ~~competition~~ **in certain instances, suspension or denial of admissions, criminal penalties, loss of license, or closure of the property and / or the incurrence of considerable costs arising** from ~~other senior housing providers; (vii) compliance with federal, state, local and~~ - **an** ~~industry- regulated licensure, certification and inspection laws, regulations and standards; (viii) litigation~~ - **investigation** ~~involving our~~ - **or regulatory action, which may have an adverse effect on** properties **that we own and lease to a third party tenant in** ~~or~~ **our Life Science** ~~residents / patients, including litigation related to Covid; (ix) the availability~~ and ~~cost of general~~ **MOB segments, that we own** and ~~professional liability insurance coverage or increases in insurance policy deductibles; and (x) the ability to control operating~~ **operate** ~~expenses, which have increased and may continue to increase due to the Covid pandemic. Although~~ -- **through** ~~the~~ **a** RIDEA structure ~~gives us certain oversight approval rights (e. g., budgets, material contracts, etc.) and the right to review operational and financial reporting information, our operators are ultimately~~ in ~~control of the day- to- day business of the property. As a result, we have limited rights to direct or~~ **our** ~~influence the business or operations of our properties in the~~ CCRC segment **or** ~~and in the properties owned by~~ our SWF SH JV, ~~and~~ **or on which** we **hold** ~~depend on our operators to operate these properties in~~ a **mortgage** ~~manner that complies with applicable law~~ , ~~minimizes legal risk~~ and **therefore may** ~~maximizes the value of our investment. Failure by our operators to adequately manage these risks could have a material~~ **materially** ~~adverse~~ **adversely impact us** ~~effect on our business, results of operations and financial condition~~ . ~~We~~ **Furthermore, we** are required under RIDEA to rely on our operators to oversee and direct these aspects of the properties' operations to ensure compliance with applicable laws and regulations. If one or more of our healthcare properties fails to comply with applicable laws and regulations, our TRS would be responsible (except in limited circumstances, such as the gross negligence or willful misconduct of our operators, where we would have a contractual claim against them), which could subject our TRS to penalties including loss or suspension of licenses, certification or accreditation, exclusion from government healthcare programs (i. e., Medicare, Medicaid), administrative sanctions **,** and civil monetary penalties. Some states also reserve the right to sanction affiliates of a licensee when they take administrative action against the licensee **, and require a licensee to report all healthcare- related administrative actions that have been brought against any of the licensee' s affiliates, even in other states** . Additionally, when we receive individually identifiable health information relating to residents of our healthcare properties, we are subject to federal and state data privacy and security laws and rules, and could be subject to liability in the event of an audit, complaint, cybersecurity attack **,** or data breach. Furthermore, our TRS has exposure to professional liability claims that could arise out of resident claims, such as quality of care, and the associated litigation costs. ~~business.Risks Related to Tax,Including REIT-Related Risks,and Our Jurisdiction of Incorporation Loss of our tax status as a REIT would substantially reduce our available funds and would have materially adverse consequences for us and the value of our common stock.Qualification as a REIT involves the application of numerous highly technical and complex provisions of the Internal Revenue Code of 1986,as amended (the " Code "),for which there are limited judicial and administrative interpretations,~~ as well as the determination of various factual matters and circumstances not entirely within our control.We intend to continue to operate in a manner that enables us to qualify as a REIT.However,our qualification and taxation as a REIT depend upon our ability to meet,through actual annual operating results,asset diversification,distribution levels ~~,~~ and diversity of stock ownership,the various qualification tests imposed under the Code.For example,to qualify as a REIT,at least 95 % of our gross income in any year must be derived from qualifying sources,and we must make distributions to our stockholders aggregating annually to at least 90 % of our REIT taxable income,excluding net capital gains. **Rents we receive from a TRS in a RIDEA structure are treated as qualifying rents from real property for REIT tax purposes only if (i) they are paid pursuant to a lease of a " qualified healthcare property," and (ii) the operator qualifies as an " eligible independent contractor," as defined in the Code.If either of these requirements is not satisfied,then the rents will not be qualifying rents.Furthermore,new**

legislation,regulations,administrative interpretations Rents we received receive from the a TRS in a RIDEA structure are treated as qualifying rents from real property for REIT tax purposes only if (i) they are paid pursuant to a lease of a " qualified healthcare property , " and (ii) the operator qualifies as an " eligible independent contractor, " as defined in the Internal Revenue Code of 1986, as amended (the " Code "). If either of these requirements is not satisfied, then the rents will not be qualifying rents . Economic and we may not satisfy other -- the REIT gross income requirement conditions that negatively affect geographic areas from which a greater percentage of our revenue is recognized could have a material adverse effect on our business, results of operations and financial condition . Furthermore We are subject to increased exposure to adverse conditions affecting the geographies in which our properties are located , new including: (i) downturns in local economies and increases in unemployment rates; (ii) changes in local real estate conditions, including increases in real estate taxes; (iii) increased competition; (iv) decreased demand; (v) changes in state- specific legislation ; and (vi) local climate events and natural disasters and other catastrophic events , such as health pandemics (including the...... Related to the Regulatory Environment Laws or regulations prohibiting eviction of our tenants , even on a temporary basis, could...... for which there are limited judicial and administrative interpretations, as well as the determination of various...... new legislation, regulations, administrative interpretations or court decisions could change the tax laws or interpretations of the tax laws regarding qualification as a REIT, or the federal income tax consequences of that qualification, in a manner that is materially adverse to our stockholders. Accordingly, we cannot there is no assurance --- assure you that we have operated or will continue to operate in a manner so as to qualify or remain qualified as a REIT. If we lose our REIT status, we will face serious tax consequences that will substantially reduce the funds available to make payments of principal and interest on the debt securities we issue and to make distributions to stockholders. If we fail to qualify as a REIT: • we will not be allowed a deduction for distributions to stockholders in computing our taxable income; • we will be subject to corporate- level income tax on our taxable income at regular corporate rates; • we will be subject to increased state and local income taxes; and • unless we are entitled to relief under relevant statutory provisions, we will be disqualified from taxation as a REIT for the four taxable years following the year during which we fail to qualify as a REIT. As a result of all these factors, our failure to qualify as a REIT could also impair our ability to expand our business and raise capital and could materially adversely affect the value of our common stock. Further changes to U. S. federal income tax laws could materially and adversely affect us and our stockholders. The present federal income tax treatment of REITs and various transactional structures that we utilize may be modified, possibly with retroactive effect, by legislative, judicial , or administrative action at any time, which could affect the federal income tax treatment of an investment in us. The federal income tax rules dealing with U. S. federal income taxation and REITs are constantly under review by persons involved in the legislative process, the U. S. Internal Revenue Service (the " IRS ") and the U. S. Treasury Department, which results in statutory changes as well as frequent revisions to regulations and interpretations. We cannot predict how changes in the tax laws might affect our investors or us. Revisions in federal tax laws and interpretations thereof could significantly and negatively affect our ability to qualify as a REIT, as well as the tax considerations relevant to an investment in us, or could cause us to change our investments and commitments. Potential deferred and contingent tax liabilities from corporate acquisitions could limit or delay future property sales. If, during the five- year period beginning on the date we acquire certain companies, we recognize a gain on the disposition of any property acquired, then, to the extent of the excess of (i) the fair market value of such property as of the acquisition date , over (ii) our adjusted income tax basis in such property as of that date, we will be required to pay a corporate- level federal income tax on this gain at the highest regular corporate rate. There These potential tax effects can be no assurance that these triggering dispositions will not occur, and these requirements could limit or delay future property sales. In addition, the IRS may assert liabilities against us for corporate income taxes of certain entities we acquire for taxable years prior to the time that we acquire certain companies such entities , in which case we will owe these taxes plus interest and penalties, if any. There are uncertainties relating to the calculation of non- REIT tax earnings and profits (" E & P ") in certain acquisitions, which may require us to distribute E & P. In order to remain qualified as a REIT, we are required to distribute to our stockholders all of the accumulated non- REIT E & P of certain companies that we acquire, prior to the close of the first taxable year in which the acquisition occurs. Failure to make such E & P distributions would could result in our disqualification as a REIT. The determination of the amount to be distributed in such E & P distributions is a complex factual and legal determination. We may have less than complete information at the time we undertake our analysis, or we may interpret the applicable law differently from the IRS. We currently believe that we have satisfied the requirements relating to such E & P distributions. There are, however, substantial uncertainties relating to the determination of E & P, including the possibility that the IRS could successfully assert that the taxable income of the companies acquired should be increased, which would could increase our non- REIT E & P. Thus, we might fail to satisfy the requirement that we distribute all of our non- REIT E & P by the close of the first taxable year in which the acquisition occurs. Moreover, although Although there are procedures available to cure a failure to distribute all of our E & P, we cannot now determine whether we will be able to take advantage of these procedures or the economic impact on us of doing so. Our charter contains ownership limits with respect to our common stock and other classes of capital stock. Our charter contains restrictions on the ownership and transfer of our common stock and preferred stock that are intended to assist us in preserving our qualification as a REIT. Under our charter, subject to certain exceptions, no person or entity may own, actually or constructively, more than 9. 8 % (by value or by number of shares, whichever is more restrictive) of the outstanding shares of our common stock or any class or series of our preferred stock. Additionally, our charter has a 9. 9 % ownership limitation on the direct or indirect ownership of our voting shares, which may include common stock or other classes of capital stock. Our Board of Directors, in its sole discretion, may exempt a proposed transferee from either ownership limit. The ownership limits may delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or might otherwise be in the best interests of our stockholders. General Risk Factors The loss We are subject to certain provisions of Maryland law and or our limited availability charter relating to business combinations that may prevent a transaction that may otherwise be in the interest of our key

personnel could disrupt our **stockholders. We are subject to the Maryland Business Combination Act (the " MBCA ") which provides that unless exempted, a Maryland** operations **corporation may not engage in certain business combinations with** and **an** have a material adverse effect **" interested stockholder " or an affiliate of an interested stockholder for five years after the most recent date** on our **which the interested stockholder became an interested stockholder, and thereafter unless specified criteria are met. In addition to the restrictions on** business **combinations contained in the MBCA** , results of operations **our charter also requires that** , financial condition **except in certain circumstances** , and **" business combinations " with a " related person " must be approved by the affirmative vote of the holders of at least 90 % of our outstanding voting stock. These restrictions on business combinations may delay, defer, or prevent a change of control or** the **other** value of **transaction even if such transaction involves a premium price for** our common stock . We depend on the efforts of our **or** executive officers for the success of our business. Although they are covered by our Executive Severance Plan and Change in Control Plan, which provide many of the benefits typically found in executive employment agreements, none of our executive officers have employment agreements with us. The loss or **our stockholders believe** limited availability of the services of any...... acquisitions or general operating expenses, or that such **transaction is otherwise in their best interests** financing will be available on terms consistent with our historical agreements or expectations . ITEM 1B. Unresolved Staff Comments None.