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# PHYSICIANS REALTY TRUST

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*Taking care of healthcare's needs, one piece at a time*

## INVESTMENT CRITERIA

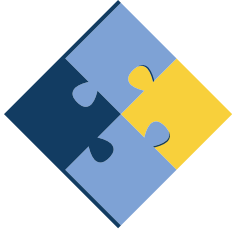
At DOC, we invest in stabilized high-quality healthcare properties leased to physicians, hospitals, healthcare delivery systems and other healthcare providers across the continuum of care necessary for the direct delivery of clinical care. We seek to invest in properties where we can develop strategic alliances with financially sound healthcare providers and healthcare delivery systems that offer need-based healthcare services in sustainable healthcare markets. We prioritize investments in the following types of healthcare delivery facilities:

- medical office
- outpatient treatment and diagnostic
- physician group practice clinic
- ambulatory surgery centers
- specialty hospitals and treatment centers
- small acute care hospital
- small specialized long-term acute care hospitals and inpatient rehabilitation facilities

Currently, we do not invest in senior housing, but in the future, we may opportunistically invest in facilities or companies that provide healthcare services, as well as in senior housing properties, including skilled nursing, assisted living and independent senior living facilities. These investments could be in the form of joint venture entities with operating partners, structured to take advantage of the REIT Investment Diversification Act of 2007 ("RIDEA").

While there may be exceptions, we prefer healthcare facilities that meet a substantial number of the following acquisition criteria:

- A. Facilities at least 80% leased and occupied
- B. 25,000 leasable square feet or larger
- C. Constructed in the last 20 years, the newer the better
- D. Located in a Top 60 MSA, if not in areas with populations in excess of 50,000
- E. On or Off Campus of a Hospital
- F. If off-campus of a hospital, the facility is **anchored** by one or more of the following tenants:
  - a. a healthcare delivery system
  - b. large multi-specialty physician group
  - c. ambulatory surgery centers
  - d. specialty healthcare services, including orthopedics, oncology, cardiology, gastroenterology, diabetes, ophthalmology, physical therapy, imaging, and other disease conditions and ancillary services
- G. On a selective basis, we may invest in small short-stay acute care hospitals, post-acute care hospitals (e.g., long-term acute care hospitals and inpatient rehabilitation facilities) and pre-acute inpatient facilities (e.g., free standing emergency departments with medical office space)
- H. On a selective basis, we may invest in credit tenant life science laboratory facilities in life science clusters or academic campuses



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Development Criteria: We do not perform development, but we may invest from time to time, with others, in development opportunities that:

- meet our general criteria for acquisition properties
- are sponsored by a health delivery system
- are at least approximately 75% pre-leased