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

FORM 10-Q

(MARK ONE)

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

For the quarterly period ended September 30, 2026

OR

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

For the transition period from _____ to

Commission file number 1-9321

UNIVERSAL HEALTH REALTY INCOME TRUST

(Exact name of registrant as specified in its charter)

MARYLAND	**23-6858580**
(State or other jurisdiction of incorporation or organization)	**(I. R. S. Employer Identification No.)**
UNIVERSAL CORPORATE CENTER 367 SOUTH GULPH ROAD KING OF PRUSSIA, PENNSYLVANIA	**19406-0958**
(Address of principal executive offices)	**(Zip Code)**

(610) 265-0688
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Shares of beneficial interest, $0.01 par value	UHT	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated Filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Number of common shares of beneficial interest outstanding at October 31, 2026—13,899,689

UNIVERSAL HEALTH REALTY INCOME TRUST

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This Quarterly Report on Form 10-Q is for the quarter ended September 30, 2026. In this Quarterly Report, "we," "us," "our" and the "Trust" refer to Universal Health Realty Income Trust and its subsidiaries.

As disclosed in this Quarterly Report, including in *Note 2 to the condensed consolidated financial statements—Relationship with Universal Health Services, Inc. ("UHS") and Related Party Transactions*, a wholly-owned subsidiary of UHS (UHS of Delaware, Inc.) serves as our Advisor pursuant to the terms of an annually renewable Advisory Agreement dated December 24, 1986, and as amended and restated as of January 1, 2019. The Advisory Agreement expires on December 31 of each year, however, it is renewable by us, subject to a determination by our Trustees who are unaffiliated with UHS, that the Advisor's performance has been satisfactory. The Advisory Agreement was renewed for 2026 with the same terms as the Advisory Agreement in place during 2025 and 2024. Our officers are all employees of UHS through its wholly-owned subsidiary, UHS of Delaware, Inc. In addition, five of our hospital facilities are leased to wholly-owned subsidiaries of UHS, one of our hospital facilities is leased to a joint venture between a wholly-owned subsidiary of UHS and a third party, and subsidiaries of UHS are tenants of nineteen medical/office buildings or free-standing emergency departments, that are either wholly or jointly-owned by us. Any reference to "UHS" or "UHS facilities" in this report is, except as the context otherwise requires, referring to Universal Health Services, Inc.'s subsidiaries, including UHS of Delaware, Inc.

In this Quarterly Report, the term "revenues" does not include the revenues of the unconsolidated limited liability companies ("LLCs") in which we have various non-controlling equity interests ranging from 33% to 95%. As of September 30, 2026, we had investments in four jointly-owned LLCs/LPs. We currently account for our share of the income/loss from these investments by the equity method (see *Note 5 to the condensed consolidated financial statements - Summarized Financial Information of Equity Affiliates).*

Part I. Financial Information

Item I. Financial Statements

Universal Health Realty Income Trust
Condensed Consolidated Statements of Income
For the Three and Nine Months Ended September 30, 2026 and 2025
(amounts in thousands, except per share information)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenues:				
Lease revenue - UHS facilities (a.)	$ 8,421	$ 8,367	$ 25,123	$ 25,075
Lease revenue - Non-related parties	14,897	14,777	43,585	43,676
Other revenue - UHS facilities	272	233	787	699
Other revenue - Non-related parties	421	577	1,355	1,218
Interest income on financing leases - UHS facilities	1,335	1,348	4,016	4,050
	25,346	25,302	74,866	74,718
Expenses:				
Depreciation and amortization	7,054	7,903	21,036	21,742
Advisory fees to UHS	1,462	1,414	4,293	4,169
Other operating expenses	7,869	7,591	22,415	22,535
	16,385	16,908	47,744	48,446
Income before equity in income of unconsolidated limited liability companies ("LLCs") and interest expense	8,961	8,394	27,122	26,272
Equity in income of unconsolidated LLCs	497	438	1,438	1,215
Gain on sale of land	-	-	724	-
Interest expense, net	(4,529)	(4,816)	(13,429)	(14,202)
Net income	$ 4,929	$ 4,016	$ 15,855	$ 13,285
Basic earnings per share	$ 0.36	$ 0.29	$ 1.15	$ 0.96
Diluted earnings per share	$ 0.35	$ 0.29	$ 1.14	$ 0.96
Weighted average number of shares outstanding - Basic	13,855	13,828	13,842	13,818
Weighted average number of shares outstanding - Diluted	13,899	13,874	13,885	13,860

(a.) Includes bonus rental on McAllen Medical Center, a UHS acute care hospital facility of $1.0 million and $895 for the three-month periods ended September 30, 2026 and 2025, respectively, and $3.0 million and $2.6 million for the nine-month periods ended September 30, 2026 and 2025, respectively.

See accompanying notes to these condensed consolidated financial statements.

Universal Health Realty Income Trust
Condensed Consolidated Statements of Comprehensive Income
For the Three and Nine Months Ended September 30, 2026 and 2025
(amounts in thousands)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 4,929	$ 4,016	$ 15,855	$ 13,285
Other comprehensive loss:				
Unrealized derivative gain/(loss) on cash flow hedges	825	(605)	1,769	(4,283)
Total other comprehensive loss:	825	(605)	1,769	(4,283)
Total comprehensive income	$ 5,754	$ 3,411	$ 17,624	$ 9,002

See accompanying notes to these condensed consolidated financial statements.

Universal Health Realty Income Trust
Condensed Consolidated Balance Sheets
(amounts in thousands, except share information)
(unaudited)

	September 30, 2026	December 31, 2025
Assets:		
Real Estate Investments:		
Buildings and improvements and construction in progress	$ 692,489	$ 666,122
Accumulated depreciation	(332,007)	(312,982)
	360,482	353,140
Land	56,848	56,870
Net Real Estate Investments	417,330	410,010
Financing receivable from UHS	81,527	82,148
Net Real Estate Investments and Financing receivable	498,857	492,158
Investments in limited liability companies ("LLCs")	19,665	20,125
Other Assets:		
Cash and cash equivalents	6,471	6,686
Lease and other receivables from UHS	8,036	7,530
Lease receivable - other	8,227	8,034
Intangible assets (net of accumulated amortization of $10.6 million and $10.9 million, respectively)	4,504	5,640
Right-of-use land assets, net	11,369	11,395
Deferred charges, notes receivable and other assets, net	15,884	13,339
Total Assets	$ 573,013	$ 564,907
Liabilities:		
Line of credit borrowings	$ 377,700	$ 356,200
Mortgage notes payable, non-recourse to us, net	18,006	18,435
Accrued interest	866	910
Accrued expenses and other liabilities	13,341	13,785
Ground lease liabilities, net	11,394	11,398
Tenant reserves, deposits and deferred and prepaid rents	12,205	11,795
Total Liabilities	433,512	412,523
Equity:		
Preferred shares of beneficial interest, $.01 par value; 5,000,000 shares authorized; none issued and outstanding	-	-
Common shares, $.01 par value; 95,000,000 shares authorized; issued and outstanding: 2026 - 13,899,682; 2025 - 13,874,607	139	139
Capital in excess of par value	272,823	272,147
Cumulative net income and other	878,759	862,904
Cumulative dividends	(1,015,626)	(984,443)
Accumulated other comprehensive income	3,406	1,637
Total Equity	139,501	152,384
Total Liabilities and Equity	$ 573,013	$ 564,907

See accompanying notes to these condensed consolidated financial statements.

Universal Health Realty Income Trust
Condensed Consolidated Statements of Changes in Equity
For the Nine Months Ended September 30, 2026
(amounts in thousands)
(unaudited)

	Common Shares						
	Number of Shares	Amount	Capital in excess of par value	Cumulative net income	Cumulative dividends	Accumulated other comprehensive income/(loss)	Total Equity
January 1, 2026	13,875	$ 139	$ 272,147	$ 862,904	$ (984,443)	$ 1,637	$ 152,384
Shares of Beneficial Interest:							
Issued, net	26	—	117	—	—	—	117
Repurchased	(2)	—	(58)	—	—	—	(58)
Restricted stock-based compensation expense	—	—	617	—	—	—	617
Dividends and dividend equivalents ($2.245/share)	—	—	—	—	(31,183)	—	(31,183)
Comprehensive income:							
Net income	—	—	—	15,855	—	—	15,855
Unrealized net (loss)/gain on cash flow hedges	—	—	—	—	—	1,769	1,769
Subtotal - comprehensive income				15,855		1,769	17,624
September 30, 2026	13,899	$ 139	$ 272,823	$ 878,759	$ (1,015,626)	$ 3,406	$ 139,501

Universal Health Realty Income Trust
Condensed Consolidated Statements of Changes in Equity
For the Nine Months Ended September 30, 2025
(amounts in thousands)
(unaudited)

	Common Shares						
	Number of Shares	Amount	Capital in excess of par value	Cumulative net income	Cumulative dividends	Accumulated other comprehensive income/(loss)	Total Equity
January 1, 2025	13,851	$ 138	$ 271,092	$ 845,295	$ (943,396)	$ 6,412	$ 179,541
Shares of Beneficial Interest:							
Issued, net	24	1	115	—	—	—	116
Repurchased	(1)	—	(36)	—	—	—	(36)
Restricted stock-based compensation expense	—	—	662	—	—	—	662
Dividends and dividend equivalents ($2.215/share)	—	—	—	—	(30,711)	—	(30,711)
Comprehensive income:							
Net income	—	—	—	13,285	—	—	13,285
Unrealized net loss on cash flow hedges	—	—	—	—	—	(4,283)	(4,283)
Subtotal - comprehensive income				13,285		(4,283)	9,002
September 30, 2025	13,874	$ 139	$ 271,833	$ 858,580	$ (974,107)	$ 2,129	$ 158,574

See accompanying notes to these condensed consolidated financial statements.

Universal Health Realty Income Trust
Condensed Consolidated Statements of Changes in Equity
For the Three Months Ended September 30, 2026
(amounts in thousands)
(unaudited)

	Common Shares						
	Number of Shares	Amount	Capital in excess of par value	Cumulative net income	Cumulative dividends	Accumulated other comprehensive income/(loss)	Total Equity
July 1, 2026	13,899	$ 139	$ 272,559	$ 873,830	$ (1,005,202)	$ 2,581	$ 143,907
Shares of Beneficial Interest:							
Issued	—	—	40	—	—	—	40
Repurchased	—	—	—	—	—	—	—
Restricted stock-based compensation expense	—	—	224	—	—	—	224
Dividends and dividend equivalents ($.75/share)	—	—	—	—	(10,424)	—	(10,424)
Comprehensive income:							
Net income	—	—	—	4,929	—	—	4,929
Unrealized net (loss)/gain on cash flow hedges	—	—	—	—	—	825	825
Subtotal - comprehensive income				4,929		825	5,754
September 30, 2026	13,899	$ 139	$ 272,823	$ 878,759	$ (1,015,626)	$ 3,406	$ 139,501

Universal Health Realty Income Trust
Condensed Consolidated Statements of Changes in Equity
For the Three Months Ended September 30, 2025
(amounts in thousands)
(unaudited)

	Common Shares						
	Number of Shares	Amount	Capital in excess of par value	Cumulative net income	Cumulative dividends	Accumulated other comprehensive income/(loss)	Total Equity
July 1, 2025	13,874	$ 139	$ 271,557	$ 854,564	$ (963,842)	$ 2,734	$ 165,152
Shares of Beneficial Interest:							
Issued	—	—	40	—	—	—	40
Repurchased	—	—	—	—	—	—	—
Restricted stock-based compensation expense	—	—	236	—	—	—	236
Dividends and dividend equivalents ($.74/share)	—	—	—	—	(10,265)	—	(10,265)
Comprehensive income:							
Net income	—	—	—	4,016	—	—	4,016
Unrealized net loss on cash flow hedges	—	—	—	—	—	(605)	(605)
Subtotal - comprehensive income				4,016		(605)	3,411
September 30, 2025	13,874	$ 139	$ 271,833	$ 858,580	$ (974,107)	$ 2,129	$ 158,574

See accompanying notes to these condensed consolidated financial statements.

Universal Health Realty Income Trust
Condensed Consolidated Statements of Cash Flows
(amounts in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net income	$ 15,855	$ 13,285
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21,036	21,742
Amortization related to above/below market leases, net	(107)	(126)
Amortization of deferred financing costs	629	569
Stock-based compensation expense	617	662
Gain on sale of land	(724)	-
Changes in assets and liabilities:		
Lease receivable	(699)	(599)
Accrued expenses and other liabilities	(1,827)	1,393
Tenant reserves, deposits and deferred and prepaid rents	410	(189)
Accrued interest	(44)	191
Leasing costs paid	(1,603)	(1,379)
Other, net	(64)	(54)
Net cash provided by operating activities	33,479	35,495
Cash flows from investing activities:		
Investments in LLCs	(191)	(6,802)
Advance made to third-party partners, net	-	(327)
Cash distributions from LLCs	582	303
Additions to real estate investments, net	(24,615)	(5,607)
Cash proceeds received from sale of land, net	746	-
Net cash used in investing activities	(23,478)	(12,433)
Cash flows from financing activities:		
Net borrowings on the line of credit	21,500	8,150
Repayments of mortgage notes payable	(447)	(794)
Financing costs paid	(172)	-
Dividends paid	(31,214)	(30,715)
Issuance of shares of beneficial interest, net	117	116
Net cash used in financing activities	(10,216)	(23,243)
Increase/(decrease) in cash and cash equivalents	(215)	(181)
Cash and cash equivalents, beginning of period	6,686	7,097
Cash and cash equivalents, end of period	$ 6,471	$ 6,916
Supplemental disclosures of cash flow information:		
Interest paid	$ 12,844	$ 13,442
Invoices accrued for construction and improvements	$ 3,541	$ 177

See accompanying notes to these condensed consolidated financial statements.

(1) General

This Quarterly Report on Form 10-Q is for the quarter ended September 30, 2026. In this Quarterly Report, "we," "us," "our" and the "Trust" refer to Universal Health Realty Income Trust and its subsidiaries.

In this Quarterly Report on Form 10-Q, the term "revenues" does not include the revenues of the unconsolidated LLCs in which we have various non-controlling equity interests ranging from 33% to 95%. As of September 30, 2026, we had investments in four jointly-owned LLCs/LPs. We currently account for our share of the income/loss from these investments by the equity method (see *Note 5*).

The condensed consolidated financial statements included herein have been prepared by us, without audit, pursuant to the rules and regulations of the SEC and reflect all normal and recurring adjustments which, in our opinion, are necessary to fairly present results for the interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) have been condensed or omitted pursuant to such rules and regulations, although we believe that the accompanying disclosures are adequate to make the information presented not misleading. It is suggested that these condensed consolidated financial statements be read in conjunction with the consolidated financial statements, the notes thereto and accounting policies included in our Annual Report on Form 10-K for the year ended December 31, 2025.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes.

(2) Relationship with Universal Health Services, Inc. ("UHS") and Related Party Transactions

Leases: We commenced operations in 1986 by purchasing certain properties from subsidiaries of UHS and immediately leasing the properties back to the respective subsidiaries. The base rentals and lease and renewal terms for each of the hospitals leased to subsidiaries of UHS as of September 30, 2026, are provided below. The base rents are paid monthly. The lease on McAllen Medical Center also provides for bonus rent which is paid quarterly based upon a computation that compares the hospital's current quarter revenue to a corresponding quarter in the base year. The hospital leases with subsidiaries of UHS, with the exception of the lease on Clive Behavioral Health Hospital (which is operated by UHS in a joint venture with an unrelated third party), are unconditionally guaranteed by UHS and are cross-defaulted with one another. The lease for the Clive Behavioral Health is guaranteed on a several basis by UHS (52%) and Catholic Health Initiatives-Iowa (48%).

The combined revenues generated from the leases on the three acute care and three behavioral health care hospital facilities leased to subsidiaries of UHS, accounted for approximately 25% and 24% of our consolidated revenues during the three months ended September 30, 2026 and 2025, respectively, and approximately 25% and 24% of our consolidated revenues during the nine months ended September 30, 2026 and 2025, respectively. In addition to the six UHS hospital facilities, we have nineteen properties consisting of medical/office buildings and free-standing emergency departments ("FEDs") that are either wholly or jointly-owned by us that include tenants which are subsidiaries of UHS. The aggregate revenues generated from UHS-related tenants comprised approximately 40% and 39% of our consolidated revenues during the three-month periods ended September 30, 2026 and 2025, respectively, and approximately 40% of our consolidated revenues for each of the nine-month periods ended September 30, 2026 and 2025.

In December, 2021, we entered into an asset purchase and sale agreement, as amended, with UHS and certain of its affiliates. Pursuant to the terms of the transaction, in addition to $4.1 million in cash paid by us to UHS, a wholly-owned subsidiary of UHS purchased from us, the real estate assets of an acute care hospital located in California (at its fair market value) and two wholly-owned subsidiaries of UHS transferred to us (at their fair market values), the real estate assets of Aiken Regional Medical Center ("Aiken"), located in Aiken, South Carolina (which includes an acute care hospital and a behavioral health pavilion), and Canyon Creek Behavioral Health ("Canyon Creek"), located in Temple, Texas. As a result of UHS' purchase option within the lease agreements of Aiken and Canyon Creek, the transaction is accounted for as a failed sale leaseback in accordance with U.S. GAAP and the properties acquired by us in connection with the asset purchase and sale agreement with UHS were accounted for as financing arrangements. Pursuant to the leases, the aggregate annual rental rate during 2026 on the acquired properties, which is payable to us on a monthly basis, is approximately $6.2 million ($4.3 million related to Aiken and $1.9 million related to Canyon Creek). The portion of the lease payments that is included in our consolidated statements of income, and reflected as interest income on financing leases, was approximately $1.3 million during each of the three months ended September 30, 2026 and 2025, and approximately $4.0 million and $4.1 million for the nine-month periods ended September 30, 2026 and 2025, respectively. There is no bonus rental component applicable to either of these leases. Our consolidated balance sheets as of September 30, 2026 and December 31, 2025 include financing receivables related to this transaction of $81.5 million and $82.1 million, respectively.

Pursuant to the terms of the master leases by and among us and certain subsidiaries of UHS, dated December 24, 1986 and December 31, 2021 (the "Master Leases"), which govern the leases of McAllen Medical Center, Wellington Regional Medical Center (governed by the Master Lease dated December 24, 1986), Aiken Regional Medical Center and Canyon Creek Behavioral Health (governed by the Master Lease dated December 31, 2021, as amended), all of which are hospital properties that are wholly-owned subsidiaries of UHS, UHS has the option, among other things, to renew the leases at the lease terms described below by providing notice to us at least 90 days prior to the termination of the then current term. UHS also has the right to purchase the respective leased facilities from us at their appraised fair market value upon any of the following: (i) at the end of the lease terms or any renewal terms; (ii) upon one month's notice should a change of control of the Trust occur, or; (iii) within the time period as specified in the leases in the event that UHS provides notice to us of their intent to offer a substitution property/properties in exchange for one (or more) of the four wholly-owned UHS hospital facilities leased from us, should we be unable to reach an agreement with UHS on the properties to be substituted. Additionally, UHS has rights of first refusal to: (i) purchase the respective leased facilities during and for a specified period after the lease terms at the same price, terms and conditions of any third-party offer, or; (ii) renew the lease on the respective leased facility at the end of, and for a specified period after, the lease term at the same terms and conditions pursuant to any third-party offer.

In addition, a wholly-owned subsidiary of UHS is the managing, majority member in a joint-venture with an unrelated third-party that operates, and leases from us, Clive Behavioral Health, a 100-bed behavioral health care facility located in Clive, Iowa. Pursuant to the lease on this facility, the joint venture has the option to, among other things, renew the lease at the terms specified in the lease agreement by providing notice to us at least 270 days prior to the termination of the then current term. The joint venture also has the right to purchase the leased facility from us at its appraised fair market value upon either of the following: (i) by providing notice at least 270 days prior to the end of the lease terms or any renewal terms, or; (ii) upon 30 days' notice anytime within 12 months of a change of control of the Trust (UHS also has this right should the joint venture decline to exercise its purchase right). Additionally, the joint venture has rights of first offer to purchase the facility prior to any third-party sale.

The table below details the existing lease terms and renewal options for each of the hospital leases that are related to UHS as of September 30, 2026, consisting of three acute care hospitals and three behavioral health hospitals:

Hospital Name	Annual Minimum Rent	End of Lease Term	Renewal Term (years)	
McAllen Medical Center	$ 5,485,000	December, 2026	5	(a)
Wellington Regional Medical Center	$ 6,975,000	December, 2026	5	(b)
Aiken Regional Medical Center/Aurora Pavilion Behavioral Health Services	$ 4,257,000	December, 2033	35	(c)
Canyon Creek Behavioral Health	$ 1,925,000	December, 2033	35	(c)
Clive Behavioral Health Hospital	$ 2,930,000	December, 2040	50	(d)

(a) UHS has one 5-year renewal option at existing lease rates (through 2031). UHS has provided notice to us of their intent to exercise their renewal option in connection with this lease, at existing lease rates for a 5-year term of January 1, 2027 through December 31, 2031. The 5-year renewal is expected to be finalized during the fourth quarter of 2026.

(b) UHS has one 5-year renewal option at fair market value lease rates (through 2031). The annual rental has increased by 2.5% on an annual compounded basis on each January 1st through 2026. UHS has provided notice to us of their intent to exercise their renewal option in connection with this lease, at fair market value lease rates for a 5-year term of January 1, 2027 through December 31, 2031. The related appraisals establishing the fair market value rates are being finalized and the 5-year renewal is expected to be completed during the fourth quarter of 2026.

(c) UHS has seven 5-year renewal options at fair market value lease rates (2034 through 2068). The annual rental rate will increase by 2.25% on a cumulative and compounded basis on each January 1st through 2033.

(d) The UHS-related joint venture has five 10-year renewal options; the first three of the five 10-year renewal options will be at computed lease rates as stipulated in the lease (2041 through 2070) and the last two 10-year renewal options will be at fair market lease rates (2071 through 2090). On each January 1st through 2040 (and potentially through 2070 if the first three of five, 10-year renewal options are exercised), the annual rental will increase by 2.75% on a cumulative and compounded basis.

In October, 2024, two wholly-owned subsidiaries of UHS each exercised their 5-year renewal options on two FEDs located in Weslaco and Mission, Texas, covering the period of February 1, 2025 through January 31, 2030. The aggregate annual lease rates on the renewed leases, which are scheduled to increase 2% per year, for the period of February 1, 2026 through January 31, 2027 is approximately $1.1 million. The wholly-owned subsidiaries of UHS have five, 5-year renewal options remaining on each of these FEDs, with the first three renewal options (covering the years 2030 through 2044) providing for 2% annual increases to the lease rates, and the remaining two, 5-year renewal options (covering the years 2045 through 2054) providing for lease rates at the then fair market value. These leases are cross-defaulted with one another and the wholly-owned subsidiaries of UHS have the option to purchase the leased properties upon the expiration of each five-year extended term at the fair market value at that time.

Management cannot predict whether the leases with wholly-owned subsidiaries of UHS, which have renewal options at existing lease rates or fair market value lease rates, or any of our other leases, will be renewed at the end of their lease term. If the leases are not renewed at their current rates or the fair market value lease rates, we would be required to find other operators for those facilities and/or enter into leases on terms potentially less favorable to us than the current leases. In addition, if subsidiaries of UHS exercise their options to purchase the respective leased hospital or FED facilities in accordance with the terms of the leases, our future revenues could decrease if we were unable to earn a favorable rate of return on the sale proceeds received, as compared to the rental revenue currently earned pursuant to these leases.

In October 2025, we entered into a ground lease with a wholly-owned subsidiary of UHS with the intent to develop, construct and own the Miller Medical Plaza, an 80,000 square foot MOB located in Palm Beach Gardens, Florida. Construction of this MOB, for which we have engaged a wholly-owned subsidiary of UHS to act as project manager, commenced in February, 2026, and is expected to be completed in December, 2026. The cost of the MOB is estimated to be approximately $34 million. This MOB is located on the campus of the Alan B. Miller Medical Center, a newly constructed acute care hospital owned and operated by a wholly-owned subsidiary of UHS, which was completed and opened in May, 2026. A wholly-owned subsidiary of UHS has executed a 10-year master flex lease agreement, which commences when building is completed and is subject to reduction based on the execution of third-party leases, for approximately 75% of the rentable square feet of the MOB.

As of September 30, 2026 we are the lessee on fourteen ground leases with subsidiaries of UHS (for consolidated and unconsolidated investments). The remaining lease terms on the ground leases with subsidiaries of UHS range from approximately 23 years to approximately 75 years. The annual aggregate lease payments on these properties are approximately $603,000 during each of the years ended 2026 through 2030, and an aggregate of $32.8 million thereafter. See *Note 7* for additional lease accounting disclosure.

Officers and Employees: Our officers are all employees of a wholly-owned subsidiary of UHS and although as of September 30, 2026 we had no salaried employees, our officers do typically receive annual stock-based compensation awards in the form of restricted stock or restricted stock units. In special circumstances, if warranted and deemed appropriate by the Compensation Committee of the Board of Trustees, our officers may also receive one-time compensation awards in the form of restricted stock, and/or cash bonuses.

Advisory Agreement: UHS of Delaware, Inc. (the "Advisor"), a wholly-owned subsidiary of UHS, serves as Advisor to us under an advisory agreement dated December 24, 1986, and as amended and restated as of January 1, 2019 (the "Advisory Agreement"). Pursuant to the Advisory Agreement, the Advisor is obligated to present an investment program to us, to use its best efforts to obtain investments suitable for such program (although it is not obligated to present any particular investment opportunity to us), to provide administrative services to us and to conduct our day-to-day affairs. All transactions between us and UHS must be approved by the Trustees who are unaffiliated with UHS (the "Independent Trustees"). In performing its services under the Advisory Agreement, the Advisor may utilize independent professional services, including accounting, legal, tax and other services, for which the Advisor is reimbursed directly by us. The Advisory Agreement may be terminated for any reason upon sixty days written notice by us or the Advisor. The Advisory Agreement expires on December 31 of each year; however, it is renewable by us, subject to a determination by the Independent Trustees, that the Advisor's performance has been satisfactory. The Advisory Agreement was renewed for 2026 with the same terms as the Advisory Agreement in place during 2025 and 2024.

Our advisory fee was computed at 0.70% of our average invested real estate assets, as derived from our condensed consolidated balance sheets. Based upon a review of our advisory fee and other general and administrative expenses, as compared to an industry peer group, the advisory fee computation remained unchanged for 2026 as compared to 2025 and 2024. The average real estate assets for advisory fee calculation purposes exclude certain items from our condensed consolidated balance sheet such as, among other things, accumulated depreciation, cash and cash equivalents, lease receivables, deferred charges and other assets. The advisory fee is payable quarterly, subject to adjustment at year-end based upon our audited financial statements. Advisory fees incurred and paid (or payable) to UHS amounted to approximately $1.5 million and $1.4 million for the three-month periods ended September 30, 2026 and 2025, respectively, and were based upon average invested real estate assets of $836 million and $808 million, respectively. Advisory fees incurred and paid (or payable) to UHS amounted to approximately $4.3 million and $4.2 million for the nine-month periods ended September 30, 2026 and 2025, respectively, and were based upon average invested real estate assets of $818 million and $794 million, respectively.

Share Ownership: As of September 30, 2026 and December 31, 2025, UHS owned 5.7% of our outstanding shares of beneficial interest.

SEC reporting requirements of UHS: UHS is subject to the reporting requirements of the Securities and Exchange Commission ("SEC") and is required to file annual reports containing audited financial information and quarterly reports containing unaudited financial information. Since the aggregate revenues generated from the UHS-related tenants comprised approximately 40% and 39% of our consolidated revenues during the three-month periods ended September 30, 2026 and 2025, respectively, and approximately 40% of our consolidated revenues during each of the nine-month periods ended September 30, 2026 and 2025, and since a subsidiary of UHS is our Advisor, you are encouraged to obtain the publicly available filings for Universal Health Services, Inc. from the SEC's website. These filings are the sole responsibility of UHS and are not incorporated by reference herein.

(3) Dividends and Equity Issuance Program

Dividends and dividend equivalents:

We declared and paid dividends of approximately $10.4 million, or $.750 per share, during the third quarter of 2026 and approximately $10.3 million, or $.740 per share, during the third quarter of 2025. We declared and paid dividends of approximately $31.2 million, or $2.245 per share, during the nine-month period ended September 30, 2026, and approximately $30.7 million, or $2.215 per share, during the comparable period of 2025. Amounts reflected above include accrued dividends that were paid related to the vesting of restricted stock. Dividend equivalents, which are applicable to shares of unvested restricted stock, were accrued during the first nine months of 2026 and 2025 and were or will be paid upon vesting of the restricted stock.

Equity Issuance Program:

During the second quarter of 2024, we filed a shelf registration statement on Form S-3 (File No. 333-278730) (the "Form S-3"), registering the offer and sale, from time-to-time, of an indeterminate amount of the common shares of beneficial interest, preferred shares and debt securities up to an aggregate initial offering price of $100 million to or through one or more underwriters, dealers or agents, or directly to purchasers. The Form S-3 became effective on April 30, 2024.

No shares were issued under the Form S-3 since the effective date of April 30, 2024 through September 30, 2026. As of September 30, 2026, we have paid or incurred approximately $291,000 in various fees and expenses related to the Form S-3. The availability of the potential liquidity under this shelf registration statement depends on investor demand, market conditions and other factors. We make no assurance regarding when, or if, we will issue any securities under this registration statement.

(4) Acquisitions, Divestitures and New Construction

Acquisitions:

There were no acquisitions during the nine-month periods ended September 30, 2026 and 2025.

Divestitures:

In June 2026, we sold a parcel of land located in Chicago, Illinois, for cash proceeds of $746,000, net of closing and related costs. The sale generated a gain of approximately $724,000, which is included in our consolidated statements of income for the nine-month period ended September 30, 2026.

There were no divestitures during the nine-month period ended September 30, 2025.

Subsequent event:

In October 2026, we sold one of our two remaining parcels of land located in Chicago, Illinois, for cash proceeds of $1.96 million, net of closing and related costs. This parcel represented approximately 42% of the remaining acreage owned as of September 30, 2026. We expect that our consolidated statements of income for the fourth quarter of 2026 will include a gain of approximately $1.90 million recorded in connection with this transaction.

New Construction:

In October 2025, we entered into a ground lease with a wholly-owned subsidiary of UHS with the intent to develop, construct and own the Miller Medical Plaza, an 80,000 square foot MOB located in Palm Beach Gardens, Florida. Construction of this MOB, for which we have engaged a wholly-owned subsidiary of UHS to act as project manager, commenced in February, 2026, and is expected to be completed in December, 2026. The cost of the MOB is estimated to be approximately $34 million. This MOB is located on the campus of the Alan B. Miller Medical Center, a newly constructed acute care hospital owned and operated by a wholly-owned subsidiary of UHS, which was completed and opened in May, 2026. A wholly-owned subsidiary of UHS has executed a 10-year master flex lease agreement, which commences when building is completed and is subject to reduction based on the execution of third-party leases, for approximately 75% of the rentable square feet of the MOB.

(5) Summarized Financial Information of Equity Affiliates

In accordance with U.S. GAAP and guidance relating to accounting for investments and real estate ventures, we account for our unconsolidated investments in LLCs/LPs which we do not control using the equity method of accounting. The third-party members in these investments have equal voting rights with regards to issues such as, but not limited to: (i) divestiture of property; (ii) annual budget approval, and; (iii) financing commitments. These investments, which represent 33% to 95% non-controlling ownership interests, are recorded initially at our cost and subsequently adjusted for our net equity in the net income, cash contributions to, and distributions from, the investments. Pursuant to certain agreements, allocations of sales proceeds and profits and losses of some of the LLC investments may be allocated disproportionately as compared to ownership interests after specified preferred return rate thresholds have been satisfied.

Distributions received from equity method investees in the consolidated statements of cash flows are classified based upon the nature of the distribution. Returns on investments are presented net of equity in income from unconsolidated investments as cash flows from operating activities. Returns of investments are classified as cash flows from investing activities.

At September 30, 2026, we have non-controlling equity investments or commitments in four jointly-owned LLCs/LPs which own MOBs. As of September 30, 2026, we accounted for these LLCs/LPs on an unconsolidated basis pursuant to the equity method since they are not variable interest entities which we are the primary beneficiary nor do we have a controlling voting interest. The majority of these entities are joint-ventures between us and non-related parties that hold minority ownership interests in the entities. Each entity is generally self-sustained from a cash flow perspective and generates sufficient cash flow to meet its operating cash flow requirements and service the third-party debt (if applicable) that is non-recourse to us. Although there is typically no ongoing financial support required from us to these entities since they are cash-flow sufficient, we may, from time to time, provide funding for certain purposes such as, but not limited to, significant capital expenditures, leasehold improvements and debt financing. Although we are not obligated to do so, if approved by us at our sole discretion, additional cash funding is typically advanced as equity or member loans. These entities maintain property insurance on the properties.

The following property table represents the four LLCs/LPs in which we owned a non-controlling interest and were accounted for under the equity method as of September 30, 2026:

Name of LLC/LP	Ownership	Property Owned by LLC/LP
Suburban Properties	33%	St. Matthews Medical Plaza II
Brunswick Associates (a.)(b.)	74%	Mid Coast Hospital MOB
FTX MOB Phase II	95%	Forney Medical Plaza II
Grayson Properties II (c.)	95%	Texoma Medical Plaza II

(a.) This LLC has a third-party term loan of $7.7 million outstanding as of September 30, 2026, which is non-recourse to us.
(b.) We are the lessee with a third party on a ground lease for land.
(c.) This LP constructed, owns and operates the Texoma Medical Plaza II which is located in Denison, Texas, on the campus of a hospital owned and operated by a wholly-owned subsidiary of UHS. We have $2.1 million of remaining equity and/or debt financing commitments related to this LP as of September 30, 2026.

Below are the condensed combined statements of income (unaudited) for the four LLCs/LPs accounted for under the equity method at September 30, 2026 and 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	(amounts in thousands)		(amounts in thousands)	
Revenues	$ 2,293	$ 2,178	$ 6,672	$ 6,621
Operating expenses	946	856	$ 2,703	2,601
Depreciation and amortization	425	463	$ 1,278	1,405
Interest, net	58	60	$ 174	309
Net income	$ 864	$ 799	$ 2,517	$ 2,306
Our share of net income	$ 497	$ 438	$ 1,438	$ 1,215

Below are the condensed combined balance sheets (unaudited) for the four above-mentioned LLCs/LPs that were accounted for under the equity method as of September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
	(amounts in thousands)	
Net property, including construction in progress	$ 25,296	$ 26,175
Other assets (a.)	6,063	6,206
Total assets	$ 31,359	$ 32,381
Other liabilities (a.)	$ 3,067	$ 3,168
Mortgage notes payable, non-recourse to us	7,662	7,884
Equity	20,630	21,329
Total liabilities and equity	$ 31,359	$ 32,381
Investments in and advances to LLCs before amounts included in accrued expenses and other liabilities	$ 19,665	$ 20,125
Amounts included in accrued expenses and other liabilities	(1,759)	(1,828)
Our share of equity in LLCs, net	$ 17,906	$ 18,297

(a.) Other assets and other liabilities as of September 30, 2026 and December 31, 2025 include approximately $644,000 and $646,000, respectively, of right-of-use land assets and right-of-use land liabilities related to ground leases whereby the LLC/LP is the lessee, with third party lessors, including subsidiaries of UHS.

As of September 30, 2026, and December 31, 2025, aggregate principal amounts due on mortgage notes payable by unconsolidated LLCs/LPs, which are accounted for under the equity method and are non-recourse to us, are as follows (amounts in thousands):

Name of LLC/LP	Mortgage Loan Balance (a.) 9/30/2026	12/31/2025	Maturity Date
Brunswick Associates (2.80% fixed rate mortgage loan)	$ 7,662	$ 7,884	December, 2030
	$ 7,662	$ 7,884	

(a.) Mortgage loan requires monthly principal payments through maturity and includes a balloon principal payment upon maturity.

Pursuant to the operating and/or partnership agreements of the four LLCs/LPs in which we continue to hold non-controlling ownership interests, the third-party member and the Trust, at any time, potentially subject to certain conditions, have the right to make an offer ("Offering Member") to the other member(s) ("Non-Offering Member") in which it either agrees to: (i) sell the entire ownership interest of the Offering Member to the Non-Offering Member at a price as determined by the Offering Member ("Transfer Price"), or; (ii) purchase the entire ownership interest of the Non-Offering Member at the equivalent proportionate Transfer Price. The Non-Offering Member has 60 to 90 days to either: (i) purchase the entire ownership interest of the Offering Member at the Transfer Price, or; (ii) sell its entire ownership interest to the Offering Member at the equivalent proportionate Transfer Price. The closing of the transfer must occur within 60 to 90 days of the acceptance by the Non-Offering Member.

(6) Recent Accounting Pronouncements

In November 2025, the FASB issued ASU 2025-09, "Derivatives and Hedging (Topic 815), Hedging Accounting Improvements. ASU 2025-09 intends to more closely align hedge accounting with the economics of an entity's risk management activities. This ASU is effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years. We are currently evaluating the impact this new standard will have on the consolidated financial statements.

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (subtopic 220-40)". ASU 2024-03 requires disclosures, in the notes to financial statements, of specified information about certain costs and expenses. This ASU is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. We are currently evaluating the impact this new standard will have on the related disclosures in the consolidated financial statements.

From time to time, new accounting guidance is issued by the FASB or other standard setting bodies that is adopted by us as of the effective date or, in some cases where early adoption is permitted, in advance of the effective date. We have assessed the recently issued guidance that is not yet effective and, unless otherwise indicated above, we believe the new guidance will not have a material impact on our results of operations, cash flows or financial position.

(7) Lease Accounting

As Lessor:

We lease most of our operating properties to customers under agreements that are typically classified as operating leases (two of our leases are accounted for as financing arrangements as discussed in *Note 2-Relationship with Universal Health Services, Inc. and Related Party Transactions*). We recognize the total minimum lease payments provided for under the operating leases on a straight-line basis over the lease term. Generally, under the terms of our leases, the majority of our rental expenses, including common area maintenance, real estate taxes and insurance are recovered from our tenants. We record amounts reimbursed by tenants in the period that the applicable expenses are incurred, which is generally ratably throughout the term of the lease. We have elected the package of practical expedients that allows lessors to not separate lease and non-lease components by class of underlying asset. This practical expedient allowed us to not separate expenses reimbursed by our tenants ("tenant reimbursements") from the associated rental revenue if certain criteria were met. We assessed these criteria and concluded that the timing and pattern of transfer for rental revenue and the associated tenant reimbursements are the same, and for the leases that qualify as operating leases, we accounted for and presented rental revenue and tenant reimbursements as a single component under Lease revenue in our consolidated statements of income for the three and nine months ended September 30, 2026 and 2025.

The components of the "Lease revenue – UHS facilities" and "Lease revenue – Non-related parties" captions for the three and nine month periods ended September 30, 2026 and 2025 are disaggregated below (in thousands). Base rents are primarily stated rent amounts provided for under the leases that are recognized on a straight-line basis over the term of the lease. Bonus rents and tenant reimbursements represent amounts where tenants are contractually obligated to pay an amount that is variable in nature.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
UHS facilities:				
Base rents	$ 6,618	$ 6,724	$ 19,874	$ 20,167
Bonus rents (a.)	1,012	895	3,015	2,573
Tenant reimbursements	791	748	2,234	2,335
Lease revenue - UHS facilities	$ 8,421	$ 8,367	$ 25,123	$ 25,075
Non-related parties:				
Base rents	$ 11,329	$ 11,204	$ 33,705	$ 33,661
Tenant reimbursements	3,568	3,573	9,880	10,015
Lease revenue - Non-related parties	$ 14,897	$ 14,777	$ 43,585	$ 43,676

(a.) Consists of bonus rental earned in connection with McAllen Medical Center, a UHS acute care hospital facility.

As Lessee:

We are the lessee with various third parties, including subsidiaries of UHS, in connection with ground leases for land at 16 of our consolidated properties as of September 30, 2026. Our right-of-use land assets represent our right to use the land for the lease term and our lease liabilities represent our obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities were recognized upon adoption of Topic 842 based on the present value of lease payments over the lease term. We utilized our estimated incremental borrowing rate, which was derived from information available as of January 1, 2019, or the commencement date of the ground lease, whichever is later, in determining the present value of lease payments for active leases on that date. A right-of-use asset and lease liability are not recognized for leases with an initial term of 12 months or less, as these short-term leases are accounted for similarly to previous guidance for operating leases. We do not currently have any ground leases with an initial term of 12 months or less. As of September 30, 2026, our condensed consolidated balance sheet includes right-of-use land assets of approximately $11.4 million and ground lease liabilities of approximately $11.4 million.

Disclosures Related to Certain Land and Specialty Facility:

Chicago, Illinois - Land: In June 2026, we sold a parcel of land located in Chicago, Illinois, for cash proceeds of $746,000, net of closing and related costs.

In October 2026, we sold one of our two remaining parcels of land located in Chicago, Illinois, for cash proceeds of $1.96 million, net of closing and related costs. This parcel represented approximately 42% of the remaining acreage owned as of September 30, 2026. We

expect that our consolidated statements of income for the fourth quarter of 2026 will include a gain of approximately $1.90 million recorded in connection with this transaction.

Evansville, Indiana - Specialty Facility: The facility has been vacant since 2019.

The aggregate operating expenses incurred by us in connection with these properties were $203,000 for the three-month period ended September 30, 2026 and $67,000 for the three-month period ended September 30, 2025. The aggregate operating expenses incurred by us in connection with these properties were $465,000 for the nine-month period ended September 30, 2026 and $387,000 for the nine-month period ended September 30, 2025.

We continue to market the remaining parcel of land located in Chicago, Illinois, and the property located in Evansville, Indiana, to third parties. Future operating expenses related to these properties will be incurred by us during the time they remain owned and unleased.

(8) Debt and Financial Instruments

Debt:

Management routinely monitors and analyzes the Trust's capital structure in an effort to maintain the targeted balance among capital resources including the level of borrowings pursuant to our revolving credit facility, the level of borrowings pursuant to non-recourse mortgage debt secured by the real property of our properties and our level of equity including consideration of equity issuances. This ongoing analysis considers factors such as the current debt market and interest rate environment, the current/projected occupancy and financial performance of our properties, the current loan-to-value ratio of our properties, the Trust's current stock price, the capital resources required for anticipated acquisitions and the expected capital to be generated by anticipated divestitures. This analysis, together with consideration of the Trust's current borrowings outstanding under the credit agreement, non-recourse mortgage borrowings and equity, assists management in deciding which capital resource to utilize when events such as refinancing of specific debt components occur or additional funds are required to finance the Trust's growth.

On April 21, 2026, we entered into the First Amendment ("First Amendment") to the Second Amended and Restated Credit Agreement, among the Trust as borrower, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent ("Credit Agreement"). Pursuant to the terms of the First Amendment, among other things, the borrowing capacity was increased to $475 million (from $425 million previously) and the minimum tangible net worth requirement was changed to $100 million (from $125 million previously). The maturity date, which was unchanged, is September 30, 2028, and we have the option to extend the maturity date for two additional six-month periods.

The Credit Agreement, as amended by the First Amendment, is comprised of $175 million of non-amortizing term loans and a $300 million revolving loan commitment which includes a $40 million sublimit for letters of credit, and a $30 million sublimit for swingline/short-term loans. Under the terms of the Credit Agreement, we may request that the revolving line of credit and/or the Term Loan be increased by up to an additional aggregate amount of $50 million. Borrowings under the Credit Agreement are guaranteed by certain subsidiaries of the Trust. In addition, borrowings are secured by first priority security interests in and liens on all equity interests in most of the Trust's wholly-owned subsidiaries.

Borrowings under the Credit Agreement will bear interest at a rate equal to, at our option, term SOFR for either one, three, or six months or the Base Rate, plus in either case, a specified margin depending on our total leverage ratio, as determined by the formula set forth in the Credit Agreement. The applicable margin on revolving loans range from 1.10% to 1.35% for Adjusted Term SOFR loans and 0.10% to 0.35% for Base Rate loans. The applicable margin on term loans range from 1.20% to 1.65% for Adjusted Term SOFR loans and 0.20% to 0.65% for Base Rate loans. The Credit Agreement defines "Base Rate" as the greatest of (a) the Administrative Agent's prime rate, (b) the federal funds effective rate plus 1/2 of 1%, and (c) one month Adjusted Term SOFR plus 1%. The Trust will also pay a quarterly facility fee on the $300 million revolving loan commitment ranging from 0.15% to 0.35% (depending on the Trust's total leverage ratio).

The margins over Adjusted Term SOFR, Base Rate and the facility fee are based upon our total leverage ratio. At September 30, 2026, the applicable margin over the Adjusted Term SOFR rate for revolving loans was 1.20%, the margin over the Base Rate was 0.20% and the facility fee was 0.20%. At September 30, 2025, the applicable margin over the Adjusted Term SOFR rate for term loans was 1.20%, the margin over the Base Rate was 0.20% and the facility fee was 0.20%.

At September 30, 2026, we had $377.7 million of outstanding borrowings pursuant to the terms of our Credit Agreement, and $97.3 million of available borrowing capacity. At December 31, 2025 (prior to the First Amendment), we had $356.2 million of outstanding borrowings pursuant to the terms of our Credit Agreement, and $68.8 million of available borrowing capacity. There are no compensating balance requirements.

The Credit Agreement is structured to allow the Trust to select a one, three or six-month borrowing term for all borrowings on the Term Loan and revolving line of credit, which can be renewed through the commitment period that matures on September 30, 2028. In our consolidated statements of cash flows, we report cash flows pursuant to our Credit Agreement on a net basis, as all borrowings under the Credit Agreement have a term of less than three months as of September 30, 2026 and 2025. Aggregate borrowings under our Credit

Agreement were $21.6 million and $14.9 million during the quarters ended September 30, 2026 and 2025, respectively, and aggregate repayments were $9.4 million and $12.7 million during the quarters ended September 30, 2026 and 2025, respectively. Aggregate borrowings under our Credit Agreement were $55.5 million and $47.5 million during the nine-months ended September 30, 2026 and 2025, respectively, and aggregate repayments were $34.0 million and $39.4 million during the nine-months ended September 30, 2026 and 2025, respectively.

The Credit Agreement contains customary affirmative and negative covenants, including limitations on certain indebtedness, liens, acquisitions and other investments, fundamental changes, asset dispositions and dividends and other distributions. The Credit Agreement also contains restrictive covenants regarding the Trust's ratio of total debt to total assets, the fixed charge coverage ratio, the ratio of total secured debt to total asset value, the ratio of total unsecured debt to total unencumbered asset value, and minimum tangible net worth, as well as customary events of default, the occurrence of which may trigger an acceleration of amounts then outstanding under the Credit Agreement. We were in compliance with all of the covenants in the Credit Agreement at each of September 30, 2026 and December 31, 2025. We also believe that we would remain in compliance if, based on the assumption that the majority of the potential new borrowings will be used to fund investments, the full amount of our commitment was borrowed.

The following table includes a summary of the required compliance ratios, giving effect to the covenants contained in the Credit Agreement (dollar amounts in thousands):

	Covenant	September 30, 2026	December 31, 2025
Tangible net worth (a.)	>= $100,000	$ 134,997	$ 146,744
Total leverage	< =60%	44.7%	43.6%
Secured leverage	< =30%	2.1%	2.3%
Unencumbered leverage	< =60%	46.7%	45.4%
Fixed charge coverage	>=1.50x	3.5x	3.3x

(a.) As discussed above, in April, 2026, the minimum tangible net worth requirement was changed to $100 million pursuant to the terms of the First Amendment.

As indicated on the following table, we have various mortgages, all of which are non-recourse to us, included on our condensed consolidated balance sheet as of September 30, 2026 (amounts in thousands):

Facility Name	Outstanding Balance (in thousands) (a.)	Interest Rate	Maturity Date
Phoenix Children's East Valley Care Center fixed rate mortgage loan	$ 7,121	3.95%	January, 2030
Rosenberg Children's Medical Plaza fixed rate mortgage loan	11,004	4.42%	September, 2033
Total, excluding net debt premium and net financing fees	18,125		
Less net financing fees	(119)		
Total mortgages notes payable, non-recourse to us, net	$ 18,006		

(a.) All mortgage loans require monthly principal payments through maturity and either fully amortize or include a balloon principal payment upon maturity.

In May, 2025, a fixed rate mortgage loan on Tuscan Professional Building, with a remaining balance of $122,000 as of that date, was fully repaid upon its scheduled maturity date.

At September 30, 2026 and December 31, 2025, we had various mortgages, all of which were non-recourse to us, included in our condensed consolidated balance sheet. The mortgages are secured by the real property of the buildings as well as property leases and rents. The mortgages outstanding as of September 30, 2026, had a combined carrying value of approximately $18.1 million and a combined fair value of approximately $16.4 million. The mortgages outstanding as of December 31, 2025, had a combined carrying value of approximately $18.6 million and a combined fair value of approximately $17.5 million.

The fair value of our debt was computed based upon quotes received from financial institutions. We consider these to be "level 2" in the fair value hierarchy as outlined in the authoritative guidance for disclosure in connection with debt instruments. Changes in market rates on our fixed rate debt impacts the fair value of debt, but it has no impact on interest incurred or cash flow.

Financial Instruments:

In October, 2024, we entered into an interest rate swap agreement on a total notional amount of $85 million with a fixed interest rate of 3.2725% that we designated as a cash flow hedge. The interest rate swap became effective on October 2, 2024 and is scheduled to mature on September 30, 2028. If one-month term SOFR is above 3.2725%, the counterparty pays us, and if one-month term SOFR is less than

3.2725%, we pay the counterparty, the difference between the fixed rate of 3.2725% and one-month term SOFR. This interest rate swap was entered into in replacement of two interest rate swap agreements, on an aggregate total notional amount of $85 million, that expired on September 16, 2024.

In December, 2023, we entered into an interest rate swap agreement on a total notional amount of $25 million with a fixed interest rate of 3.9495% that we designated as a cash flow hedge. The interest rate swap became effective on December 1, 2023 and is scheduled to mature on December 1, 2027. If one-month term SOFR is above 3.9495%, the counterparty pays us, and if one-month term SOFR is less than 3.9495%, we pay the counterparty, the difference between the fixed rate of 3.9495% and one-month term SOFR.

In March, 2020, we entered into an interest rate swap agreement on a total notional amount of $55 million with a fixed interest rate of 0.565% that we designated as a cash flow hedge. The interest rate swap became effective on March 25, 2020 and is scheduled to mature on March 25, 2027. On May 15, 2023, this interest rate swap agreement was modified to replace the benchmark rate from LIBOR to term SOFR. If one-month term SOFR is above 0.505%, the counterparty pays us, and if one-month term SOFR is less than 0.505%, we pay the counterparty, the difference between the fixed rate of 0.505% and one-month term SOFR. Market interest rates have increased significantly since this interest swap agreement was entered into and we expect that our interest expense will increase significantly upon the maturity of this interest rate swap agreement on March 25, 2027.

We measure our interest rate swaps at fair value on a recurring basis. The fair value of our interest rate swaps is based on quotes from third parties. We consider those inputs to be “level 2” in the fair value hierarchy as outlined in the authoritative guidance for disclosures in connection with derivative instruments and hedging activities. At September 30, 2026, the fair value of our interest rate swaps was a net asset of $3.4 million which is included in deferred charges and other assets on the accompanying condensed consolidated balance sheet. During the first nine months of 2026, we received approximately $1.5 million, net, from the counterparties, adjusted for the previous quarter accrual, pursuant to the terms of the swaps (consisting of $1.5 million due to us from the counterparties, partially offset by $53,000 due to the counterparties from us). During the third quarter of 2026, we received approximately $521,000, net, from the counterparties, adjusted for the previous quarter accrual, pursuant to the terms of the swaps (consisting of $538,000 due to us from the counterparties, partially offset by $17,000 due to the counterparties from us). During the first nine months of 2025, we received approximately $2.4 million from the counterparties, adjusted for the previous quarter accrual, pursuant to the terms of the swaps. During the third quarter of 2025, we received approximately $797,000 from the counterparties, adjusted for the previous quarter accrual, pursuant to the terms of the swaps. Cash flow hedges are accounted for by recording the fair value of the derivative instrument on the balance sheet as either an asset or a liability, with a corresponding amount recorded in accumulated other comprehensive income (“AOCI”) within shareholders’ equity. Amounts are reclassified from AOCI to the income statement in the period or periods the hedged transaction affects earnings. We do not expect any gains or losses on our interest rate swaps to be reclassified to earnings in the next twelve months.

(9) Segment Reporting

An operating segment is a component of a public entity that engages in business activities from which it may earn revenues and incur expenses and has discrete financial information available that is regularly reviewed by the chief operating decision maker (the “CODM”). Our primary business is investing in and leasing healthcare and human service facilities through direct ownership or through joint ventures, which aggregate into a single reportable segment. We actively manage our portfolio of healthcare and human service facilities and may from time to time make decisions to sell lower performing properties not meeting our long-term investment objectives. The proceeds of sales are typically reinvested in new developments or acquisitions, which we believe will meet our planned rate of return. It is our intent that all healthcare and human service facilities will be owned or developed for investment purposes. Our consolidated revenue and consolidated net income are generated from the operation of our investment portfolio. Our CODM is the Chairman of the Board, Chief Executive Officer and President.

Our portfolio is located throughout the United States, however, we do not distinguish or group our operations on a geographical or any other basis for purposes of allocating resources or measuring performance. We review operating and financial data for each property on an individual basis; therefore, each property represents an individual operating segment. Individual properties have been aggregated into one reportable segment based upon their similarities with regard to both the nature and economics of the facilities, tenants and operational processes, as well as long-term average financial performance. No individual property meets the requirements necessary to be considered its own reportable segment. We do not have intra-entity sales or transfers. The presentation of financial results as a single reportable segment is consistent with the way our CODM allocates resources or measures performance.

The accounting policies of our portfolio are the same as those described in the summary of significant accounting policies included in our Annual Report on Form 10-K for the year ended December 31, 2025. The CODM measures and assesses financial performance generated from each property primarily based upon consolidated net income and decides how to allocate resources. Consolidated net income is also used to monitor budget versus actual results in assessing the performance of our properties. The measure of segment assets is reported on the balance sheet as total consolidated assets. The CODM does not regularly review total assets for our single reportable segment, since total assets are generally not used to assess operating performance.

The CODM uses consolidated net income to evaluate income from segment assets in deciding whether to reinvest profits into our portfolio of healthcare and human service facilities for recurring capital expenditures, or into other parts of the entity, such as for acquisitions, new developments, scheduled interest and principal payments on our debt, or to pay dividends.

The following table presents information on our reported segment revenue and segment expenses that are included within our single reportable operating segment measure of profit or loss:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue:				
Revenues from facilities	$ 23,918	$ 23,887	$ 70,592	$ 70,459
Interest income on financing leases - UHS facilities	1,335	1,348	4,016	4,050
All other revenues	93	67	258	209
Total revenue	$ 25,346	$ 25,302	$ 74,866	$ 74,718
Expenses:				
Depreciation and amortization	$ (7,054)	$ (7,903)	$ (21,036)	$ (21,742)
Advisory fees to UHS	(1,462)	(1,414)	(4,293)	(4,169)
Other operating expenses (a.)	(7,869)	(7,591)	(22,415)	(22,535)
Equity in income of unconsolidated LLCs	497	438	1,438	1,215
Gain on sale of land	-	-	724	-
Interest expense, net	(4,529)	(4,816)	(13,429)	(14,202)
Consolidated net income	$ 4,929	$ 4,016	$ 15,855	$ 13,285

(a.) Property operating expenses are primarily made up of property tax, utilities, maintenance, insurance and other costs related to the leasing of our real estate properties. Our CODM is not provided with further disaggregation and uses total operating expenses to manage the business.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to promote an understanding of our operating results and financial condition. The MD&A is provided as a supplement to, and should be read in conjunction with, our Condensed Consolidated Financial Statements and the accompanying Notes to the Condensed Consolidated Financial Statements, as included in this Quarterly Report on Form 10-Q. The MD&A contains forward-looking statements that involve risks, uncertainties, and assumptions. Actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, those presented below in *Forward-Looking Statements and Certain Risk Factors* and in *Item 1A. Risk Factors* as included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Overview

We are a real estate investment trust ("REIT") that commenced operations in 1986. We invest in healthcare and human-service related facilities currently including acute care hospitals, behavioral health care hospitals, specialty facilities, free-standing emergency departments, childcare centers and medical/office buildings. As of September 30, 2026, we have seventy-seven real estate investments or commitments in twenty-one states consisting of:

- six hospital facilities consisting of three acute care hospitals and three behavioral health care hospitals;
- four free-standing emergency departments ("FEDs");
- sixty-one medical/office buildings ("MOBs"), including four owned by unconsolidated limited liability companies ("LLCs")/limited liability partnerships ("LPs");
- four preschool and childcare centers;
- one specialty facility located in Evansville, Indiana, that is currently vacant, and;
- vacant land located in Chicago, Illinois.

Forward Looking Statements and Certain Risk Factors

You should carefully review all of the information contained in this Quarterly Report, and should particularly consider any risk factors that we set forth in our Annual Report on Form 10-K for the year ended December 31, 2025, this Quarterly Report and in other reports or documents that we file from time to time with the Securities and Exchange Commission (the "SEC"). In this Quarterly Report, we state our beliefs of future events and of our future financial performance. This Quarterly Report contains "forward-looking statements" that reflect our current estimates, expectations and projections about our future results, performance, prospects and opportunities. Words such as "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "appears," "projects" and similar expressions, or the negative of those words and expressions, as well as statements in future tense, identify forward-looking statements. You should be aware that those statements are only our predictions. Actual events or results may differ materially. In evaluating those statements, you should specifically consider various factors, including the risks described elsewhere herein and in our Annual Report on Form 10-K for the year ended December 31, 2025 in *Item 1A Risk Factors* and in *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Forward Looking Statements and Risk Factors* and in *Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Forward Looking Statements and Certain Risk Factors*, as included herein. Those factors may cause our actual results to differ materially from any of our forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or our good faith belief with respect to future events and is subject to risks and uncertainties that are difficult to predict and many of which are outside of our control. Many factors could cause actual performance or results to differ materially from those expressed in the statements. Such factors include, among other things, the following:

- A substantial portion of our revenues are dependent upon one operator, UHS, which comprised approximately 40% and 39% of our consolidated revenues during the three-month periods ended September 30, 2026 and 2025, respectively, and approximately 40% of our consolidated revenues for each of the nine-month periods ended September 30, 2026 and 2025. We cannot assure you that subsidiaries of UHS will renew the leases on the hospital facilities and free-standing emergency departments, upon the scheduled expirations of the existing lease terms. In addition, if subsidiaries of UHS exercise their options to purchase the respective leased hospital facilities and FEDs, and do not enter into a substitution arrangement upon expiration of the lease terms or otherwise, our future revenues and results of operations could decrease if we were unable to earn a favorable rate of return on the sale proceeds received, as compared to the rental revenue currently earned pursuant to these leases.
- The increase in interest rates during the past few years has significantly increased our interest expense thereby reducing our net income, cash provided by operating activities and funds from operations, as well as unfavorably impacting our ability

to access the capital markets on favorable terms. In addition, in March 2020, we entered into an interest rate swap agreement on a total notional amount of $55 million with a fixed interest rate of 0.565% that is scheduled to mature on March 25, 2027. Market interest rates have increased significantly since this interest swap agreement was entered into and we expect our interest expense to increase significantly upon maturity of the interest rate swap agreement in March, 2027. The increased interest rates on our borrowings and/or the increased costs related to new construction could also affect our ability to make additional attractive investments. The effects of increased interest rates on our borrowings, including the unfavorable impact on the terms of recent and future interest rate swap and/or cap agreements, could unfavorably impact our future rental revenue and expenses, including interest expense, and may potentially have a material unfavorable impact on our future net income, cash provided by operating activities, funds from operations, lease renewal terms, the underlying value of our properties, our ability to grow our portfolio, and the value of our common shares.

- Legislation adopted on July 4, 2025 (the One Big Beautiful Bill Act), attaches work and community service requirements to eligibility for Medicaid benefits that will have the effect of limiting Medicaid enrollment and expenditure. That legislation also places limits on provider fees used to increase federal Medicaid funding to states. The legislation prohibits states not previously having expanded Medicaid eligibility to 138% of federal poverty level from increasing the rate of current provider fees which fund certain state supplemental payments or increasing the base of the fee to a class or items of services that the fee did not previously cover. That current provider fee threshold will remain at 6%. For states having expanded Medicaid eligibility under the legislation, the provider fee threshold will be reduced by 0.5% annually between federal fiscal years 2028 and 2032 with the resulting threshold ultimately becoming 3.5%. The legislation also eliminated certain insurance exchange premium tax credits beyond 2025 and exchange enrollment has already been adversely impacted. On January 8, 2026, the U.S. House of Representatives passed H.R.1834 to extend for three years the enhanced premium tax credits ("EPTCs") that expired on December 31, 2025. As of early November 2026, no legislation extending the EPTCs has been enacted, and there can be no assurance regarding the timing or outcome of future legislative action. All of these factors may be expected to reduce the revenues of the operators of our properties and likely increase the level of uncompensated care provided by the operators of our hospital facilities, including UHS. As a result, our results of operations may be unfavorably impacted.
- During the past few years, our tenants have experienced inflationary pressures, primarily in personnel and certain other costs. In addition, certain of our tenants have experienced staffing shortages that has, at various times, required the hiring of expensive temporary personnel and/or enhanced wages and benefits to recruit and retain nurses and other clinical staff and support personnel. The impact of inflation and/or staffing shortages, which had a material unfavorable impact on the operating results of certain of our tenants in the past, have moderated to a certain degree more recently. However, the extent of any future impacts from inflation on our tenants' businesses and results of operations will be dependent upon how long the elevated inflation levels persist and the extent to which the rate of inflation further increases, if at all, neither of which we are able to predict. If elevated levels of inflation were to persist or if the rate of inflation were to accelerate, expenses of our tenants, and our direct operating expenses that are not passed on to our tenants, could increase faster than anticipated and may require utilization of our and our tenants' capital resources sooner than expected. Further, given the complexities of the reimbursement landscape in which our tenants operate, their payers may be unwilling or unable to increase reimbursement rates to compensate for inflationary impacts. This may impact their ability and willingness to make rental payments.
- In certain of our markets, the general real estate market has been unfavorably impacted by increased competition/capacity and decreases in occupancy and rental rates which may adversely impact our operating results and the underlying value of our properties.
- A subsidiary of UHS is our Advisor and our officers are all employees of a wholly-owned subsidiary of UHS, which may create the potential for conflicts of interest.
- Potential unfavorable tax consequences and reduced income resulting from an inability to complete, within the statutory timeframes, anticipated tax deferred like-kind exchange transactions pursuant to Section 1031 of the Internal Revenue Code, if, and as, applicable from time-to-time.
- The potential unfavorable impact on our business of a deterioration in national, regional and local economic and business conditions, including a worsening of credit and/or capital market conditions, which may adversely affect our ability to obtain capital which may be required to fund the future growth of our business and refinance existing debt with near term maturities.
- A deterioration in general economic conditions which may result in increases in the number of people unemployed and/or insured and likely increase the number of individuals without health insurance. Under these circumstances, the operators of our facilities may experience declines in patient volumes which could result in decreased occupancy rates at our medical office buildings.

- A worsening of the economic and employment conditions in the United States would likely materially affect the business of our operators, including UHS, which would likely unfavorably impact our future bonus rental revenue (on one UHS hospital facility) and may potentially have a negative impact on the future lease renewal terms and the underlying value of the hospital properties.
- There is a heightened risk of future cybersecurity threats, including ransomware attacks targeting healthcare providers. If successful, future cyberattacks could have a material adverse effect on our business. Any costs that we, or our third-party property managers, incur as a result of a data security incident or breach, including costs to update security protocols to mitigate such an incident or breach, could be significant. Any breach or failure in our, our third-party property managers', our tenants', or our or their respective third-party service providers' operational security systems, can result in loss of data or an unauthorized disclosure of or access to sensitive or confidential member or protected personal or health information and could result in violations of applicable privacy and other laws, significant penalties or fines, litigation, loss of customers, significant damage to our or their reputation and business, and other liability or losses. We may also incur additional costs related to cybersecurity risk management and remediation. There can be no assurance that we, our third-party property managers, our tenants or our or their service providers, if applicable, will not suffer losses relating to cyber-attacks or other information security breaches in the future or that insurance coverage (if applicable) will be adequate to cover all the costs resulting from such events.
- The outcome and effects of known and unknown litigation, government investigations, and liabilities and other claims asserted against us, UHS or the other operators of our facilities. From time to time, UHS and its subsidiaries are subject to legal actions, purported shareholder class actions, shareholder derivative cases, governmental investigations and regulatory actions and the effects of adverse publicity relating to such matters. Since UHS comprised approximately 40% and 39% of our consolidated revenues during the three-month periods ended September 30, 2026 and 2025, respectively, and approximately 40% of our consolidated revenues for each of the nine-month periods ended September 30, 2026 and 2025, and since a subsidiary of UHS is our Advisor, you are encouraged to obtain and review the disclosures contained in the Legal Proceedings section of Universal Health Services, Inc.'s Forms 10-Q and 10-K, as publicly filed with the Securities and Exchange Commission. Those filings are the sole responsibility of UHS and are not incorporated by reference herein.
- Failure of UHS or the other operators of our hospital facilities to comply with governmental regulations related to the Medicare and Medicaid licensing and certification requirements could have a material adverse impact on our future revenues and the underlying value of the property.
- Real estate market factors, including without limitation, the supply and demand of office space and market rental rates, changes in interest rates as well as an increase in the development of medical office condominiums in certain markets.
- The impact on property values and results of operations of severe weather conditions, including the effects of hurricanes.
- Government regulations, including changes in the reimbursement levels under the Medicare and Medicaid programs. Recent focus has been paid to making significant reductions to federal expenditures, including specific reductions to Medicaid program funds and potential reduction of Medicare funding as well. Any reduction to the overall funding levels for the Medicare and Medicaid programs may negatively impact our tenants' ability and willingness to make rental payments to us.
- The United States has recently enacted and proposed to enact significant new tariffs, which could adversely impact our tenants' business, financial condition and results of operations as a result of the increased costs on our and their operations and supply chains due to tariffs.
- The issues facing the health care industry that affect the operators of our facilities, including UHS, such as: changes in, or the ability to comply with, existing laws and government regulations; unfavorable changes in the levels and terms of reimbursement by third party payers or government programs, including Medicare (including, but not limited to, the potential unfavorable impact of future reductions to Medicare reimbursements resulting from the Budget Control Act of 2011, as discussed in the next bullet point below) and Medicaid (most states have reported significant budget deficits that have, in the past, resulted in the reduction of Medicaid funding to the operators of our facilities, including UHS); demographic changes; the ability to enter into managed care provider agreements on acceptable terms; an increase in uninsured and self-pay patients which unfavorably impacts the collectability of patient accounts; decreasing in-patient admission trends; technological and pharmaceutical improvements that may increase the cost of providing, or reduce the demand for, health care, and; the ability to attract and retain qualified medical personnel, including physicians.
- The Budget Control Act of 2011 imposed annual spending limits for most federal agencies and programs aimed at reducing budget deficits including Medicare payment reductions of up to 2% per fiscal year. Current legislation extended those cuts through 2032. We cannot predict whether Congress will restructure the implemented Medicare payment reductions or what other federal budget deficit reduction initiatives may be proposed by Congress going forward. We also cannot predict the effect these enactments will have on the operators of our properties (including UHS), and thus, our business.

- There are additional legislative changes that are likely to result in major changes in the health care delivery system on a national or state level, including changes in the structure and administration of, and funding for, federal and state agencies and programs. For example, Congress has reduced to $0 the penalty for failing to maintain health coverage that was part of the original Patient Protection and Affordable Care Act, as amended by the Health and Education Reconciliation Act (collectively, the "ACA") as part of the Tax Cuts and Jobs Act. The Biden administration had issued executive orders implementing a special enrollment period permitting individuals to enroll in health plans outside of the annual open enrollment period and reexamining policies that may undermine the ACA or the Medicaid program. The Inflation Reduction Act of 2022 ("IRA") was passed on August 16, 2022, which among other things, allows for the Centers for Medicare and Medicaid Services to negotiate prices for certain single-source drugs reimbursed under Medicare Part B and Part D. The American Rescue Plan Act's expansion of subsidies to purchase coverage through an ACA exchange, which the IRA continued through 2025, had increased insurance exchange enrollment. These enhanced subsidies expired on December 31, 2025.
- There have been numerous political and legal efforts to expand, repeal, replace or modify the ACA since its enactment, some of which have been successful, in part, in modifying the ACA, as well as court challenges to the constitutionality of the ACA. The U.S. Supreme Court held in *California v. Texas* that the plaintiffs lacked standing to challenge the ACA's requirement to obtain minimum essential health insurance coverage, or the individual mandate. The Court dismissed the case without specifically ruling on the constitutionality of the ACA. The ACA faced its most recent challenge when the Supreme Court, in the June 2025 *Kennedy v. Braidwood Management* decision, opined in favor of ACA HIV preventive care coverage. The impacts of this decision cannot be predicted. Any future efforts to challenge, replace or replace the ACA or expand or substantially amend its provision is unknown.
- There can be no assurance that if any of the announced or proposed changes described above are implemented there will not be negative financial impact on the operators of our hospitals, which material effects may include a potential decrease in the market for health care services or a decrease in the ability of the operators of our hospitals to receive reimbursement for health care services provided which could result in a material adverse effect on the financial condition or results of operations of the operators of our properties, and, thus, our business.
- On September 2, 2026, the Continuing Appropriations and Extensions Act, 2027 was enacted, providing temporary funding for federal government operations through December 11, 2026. Full-year appropriations for fiscal year 2027 have not yet been enacted, and uncertainty remains regarding the timing of their enactment and the levels of funding that will ultimately be appropriated. If additional appropriations legislation or another continuing resolution is not enacted before the current funding expires, a lapse in appropriations could result in a partial or broader federal government shutdown. Federal budget delays and federal government shutdowns are unpredictable and may occur in the future. We cannot predict whether or not there will be future appropriations legislation avoiding a federal government shutdown, however, the operating results and results of operations of certain of our tenants, and therefore potentially ours, could be materially unfavorably impacted by the federal government shutdown.
- We may face competition for properties that include, but are not limited to, other REITs, private investors and firms, banks and other companies, including UHS. In addition, we may face competition from other REITs for our tenants.
- The operators of our facilities face competition from other health care providers, including physician owned facilities and other competing facilities, including certain facilities operated by UHS but the real property of which is not owned by us. Such competition is experienced in markets including, but not limited to, McAllen, Texas, the site of our McAllen Medical Center, a 370-bed acute care hospital.
- Changes in, or inadvertent violations of, tax laws and regulations and other factors that can affect REITs and our status as a REIT, including possible future changes to federal tax laws that could materially impact our ability to defer gains on divestitures through like-kind property exchanges.
- Should we be unable to comply with the strict income distribution requirements applicable to REITs, utilizing only cash generated by operating activities, we would be required to generate cash from other sources which could adversely affect our financial condition.
- We hold non-controlling equity interests in four LLCs/LPs, pursuant to the operating and/or partnership agreements of which the third-party member and the Trust, at any time, potentially subject to certain conditions, have the right to make an offer ("Offering Member") to the other member(s) ("Non-Offering Member") in which it either agrees to: (i) sell the entire ownership interest of the Offering Member to the Non-Offering Member at a price as determined by the Offering Member ("Transfer Price"), or; (ii) purchase the entire ownership interest of the Non-Offering Member at the equivalent proportionate Transfer Price. The Non-Offering Member has 60 to 90 days to either: (i) purchase the entire ownership interest of the Offering Member at the Transfer Price, or; (ii) sell its entire ownership interest to the Offering Member at the

equivalent proportionate Transfer Price. The closing of the transfer must occur within 60 to 90 days of the acceptance by the Non-Offering Member.

- We may experience fluctuations in the value of our common stock, which, among other things could be affected by changes in the interest rate environment.
- Other factors referenced herein or in our other filings with the Securities and Exchange Commission.

Given these uncertainties, risks and assumptions, you are cautioned not to place undue reliance on such forward-looking statements. Our actual results and financial condition, including the operating results of our lessees and the facilities leased to subsidiaries of UHS, could differ materially from those expressed in, or implied by, the forward-looking statements.

Forward-looking statements speak only as of the date the statements are made. We assume no obligation to publicly update any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except as may be required by law. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

Critical Accounting Policies and Estimates

There have been no significant changes to our critical accounting policies or estimates from those disclosed in our 2025 Annual Report on Form 10-K.

Results of Operations

During the three-month period ended September 30, 2026, net income was $4.9 million, as compared to $4.0 million during the third quarter of 2025. The $913,000 increase was attributable to:

- a net aggregate increase of $901,000 resulting primarily from nonrecurring depreciation expense recorded during the third quarter of 2025;
- an increase of $287,000 resulting from a decrease in interest expense due to a decrease in our average effective borrowing rate (which gives effect to various interest rate swap agreements), partially offset by an increase in our average borrowings outstanding pursuant to our credit agreement, and;
- a decrease of $275,000 resulting from a one-time settlement and release agreement executed during the third quarter of 2025.

During the nine-month period ended September 30, 2026, net income was $15.9 million, as compared to $13.3 million during the corresponding nine-month period of 2025. The $2.6 million increase was attributable to:

- a net aggregate increase of $1.3 million resulting from increased income generated at various properties, including the above-mentioned increase of approximately $900,000 from nonrecurring depreciation expense recorded during the third quarter of 2025;
- an increase of $773,000 resulting from a decrease in interest expense due to a decrease in our average effective borrowing rate (which gives effect to various interest rate swap agreements), partially offset by an increase in our average borrowings outstanding pursuant to our credit agreement;
- a gain on sale of land of $724,000; and;
- a decrease of $275,000 resulting from the above-mentioned, one-time settlement and release agreement executed during the third quarter of 2025.

Revenues increased slightly amounting to $25.3 million during each of the three-month periods ended September 30, 2026 and 2025. Revenues increased $148,000 to $74.9 million during the nine-month period ended September 30, 2026, as compared to $74.7 million during the nine-month period ended September 30, 2025.

Other operating expenses, which amounted to $7.9 million and $7.6 million during the three-month periods ended September 30, 2026 and 2025, respectively, and $22.4 million and $22.5 million during the nine-month periods ended September 30, 2026 and 2025, respectively, include expenses related to our properties as well as general and administrative expenses. Operating expenses incurred in connection with our properties amounted to $7.0 million and $6.7 million during the three-month periods ended September 30, 2026 and 2025, respectively, and $19.7 million and $19.8 million during the nine-month periods ended September 30, 2026 and 2025, respectively. A large portion of the property-related expenses are incurred in connection with our MOBs which are allocated to the tenants either directly as tenant reimbursements of common area maintenance expenses or included in base rental amounts. Tenant reimbursements for operating expenses are accrued as revenue in the same period during which the related expenses are incurred and are included as lease revenue in our condensed consolidated statements of income.

Funds from operations ("FFO") is a widely recognized measure of performance for Real Estate Investment Trusts ("REITs"). We believe that FFO and FFO per diluted share, which are non-GAAP financial measures, are helpful to our investors as measures of our operating performance. We compute FFO in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"), which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than we interpret the definition. FFO adjusts for the effects of certain items, such as gains on transactions that occurred during the periods presented. To the extent a REIT recognizes a gain or loss with respect to the sale of incidental assets, the REIT has the option to exclude or include such gains and losses in the calculation of FFO. We have opted to exclude gains and losses from sales of incidental assets in our calculation of FFO, if and when applicable. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered an alternative to net income determined in accordance with GAAP. In addition, FFO should not be used as: (i) an indication of our financial performance determined in accordance with GAAP; (ii) an alternative to cash flow from operating activities determined in accordance with GAAP; (iii) a measure of our liquidity, or; (iv) an indicator of funds available for our cash needs, including our ability to make cash distributions to shareholders.

Below is a reconciliation of our reported net income to FFO for the three and nine-month periods ended September 30, 2026 and 2025 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 4,929	$ 4,016	$ 15,855	$ 13,285
Depreciation and amortization expense on consolidated investments	7,054	7,903	21,036	21,742
Depreciation and amortization expense on unconsolidated affiliates	295	306	885	922
Gain on sale of land	-	-	(724)	-
Funds From Operations	$ 12,278	$ 12,225	$ 37,052	$ 35,949
Weighted average number of shares outstanding - Diluted	13,899	13,874	13,885	13,860
Funds From Operations per diluted share	$ 0.88	$ 0.88	$ 2.67	$ 2.59

Our FFO increased by $53,000 to $12.3 million during the third quarter of 2026, as compared to $12.2 million during the third quarter of 2025. The increase was due to the above-mentioned $913,000 increase in our net income during the third quarter of 2026, as compared to the third quarter of 2025, less an $860,000 decrease in the aggregate depreciation and amortization expense incurred by us and our unconsolidated affiliates. The decrease in the aggregate depreciation and amortization expense incurred during the third quarter of 2026, as compared to the third quarter of 2025, was due primarily to the approximately $900,000 of nonrecurring depreciation expense recorded during the third quarter of 2025.

Our FFO increased by approximately $1.1 million to $37.1 million during the first nine months of 2026, as compared to $35.9 million during the first nine months of 2025. The increase was due to: (i) the above-mentioned $2.6 million increase in our net income during the first nine months of 2026, as compared to the comparable period of 2025, partially offset by; (ii) the $724,000 gain on sale of land recorded during the first nine months of 2026, and; (iii) a $743,000 decrease in aggregate depreciation and amortization expense incurred by us and our unconsolidated affiliates due primarily to the approximately $900,000 of nonrecurring depreciation expense recorded during the third quarter of 2025.

Other Operating Results

Interest Expense:

As reflected in the schedule below, interest expense was $4.5 million and $4.8 million during the three-month periods ended September 30, 2026 and 2025, respectively and $13.4 million and $14.2 million during the nine-month periods ended September 30, 2026 and 2025, respectively, (amounts in thousands):

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Credit agreement	$ 4,796	$ 5,227	$ 14,005	$ 15,378
Mortgage interest	193	199	583	605
Interest rate swaps income, net (a.)	(521)	(797)	(1,528)	(2,350)
Amortization of financing fees	229	188	630	569
Other interest	(168)	(1)	(261)	-
Interest expense, net	$ 4,529	$ 4,816	$ 13,429	$ 14,202

(a.) Includes: (i) a $55 million interest rate swap with a fixed interest rate of 0.5050% that is scheduled to mature in March, 2027; (ii) a $25 million interest rate swap with a fixed interest rate of 3.9495% that is scheduled to mature in December, 2027, and; (iii) an $85 million interest rate swap with a fixed interest rate of 3.2725% that is scheduled to mature in September, 2028. During the three and nine-month periods ended September 30, 2026 and 2025, net interest was paid to us from the counterparties pursuant to the interest rate swaps that were active during each period. Market interest rates have increased significantly since March of 2020 when we entered into the above-mentioned $55 million interest rate swap with a fixed interest rate of 0.5050%. We therefore expect that our interest expense will increase significantly upon the maturity of the interest rate swap on March 25, 2027.

Interest expense decreased by $287,000 during the three-month period ended September 30, 2026, as compared to the comparable period of 2025, due primarily to: (i) a $431,000 decrease in the interest expense pursuant to our credit agreement resulting primarily from a decrease in our average cost of borrowings (to 5.189% during the third quarter of 2026 as compared to 5.927% during the comparable quarter of 2025), partially offset by an increase in our average outstanding borrowings (to $366.7 million during the third quarter of 2026 as compared to $349.9 million during the comparable quarter of 2025); (ii) a $276,000 increase due to a net decrease in interest rate swap income pursuant to our various interest rate swap agreements, as discussed in (a.) above, and; (iii) a $132,000 other combined net decrease.

Interest expense decreased by $773,000 during the nine-month period ended September 30, 2026, as compared to the comparable period of 2025, due primarily to: (i) a $1.4 million decrease in the interest expense pursuant to our credit agreement resulting primarily from a decrease in our average cost of borrowings (to 5.221% during the first nine months of 2026 as compared to 5.932% during the comparable period of 2025), partially offset by an increase in our average outstanding borrowings (to $358.7 million during the first nine months of 2026 as compared to $346.6 million during the comparable period of 2025); (ii) an $822,000 increase due to a net decrease in interest rate swap income pursuant to our various interest rate swap agreements, as discussed in (a) above, and; (iii) a $222,000 other combined net decrease.

Liquidity and Capital Resources

Net cash provided by operating activities

Net cash provided by operating activities was $33.5 million during the nine-month period ended September 30, 2026 as compared to $35.5 million during the comparable period of 2025. The $2.0 million net decrease was attributable to:

- an unfavorable change of $3.2 million in accrued expenses and other liabilities, due primarily to the timing of related disbursements;
- a favorable change of $1.2 million due to an increase in net income plus/minus the adjustments to reconcile net income to net cash provided by operating activities (depreciation and amortization, amortization related to above/below market leases, amortization of deferred financing costs, stock-based compensation expense and gain on sale of land);
- a favorable change of $599,000 in tenant reserves, deposits, and prepaid rents;
- an unfavorable change of $235,000 in accrued interest;
- an unfavorable change of $224,000 in leasing costs paid;
- an unfavorable change of $100,000 in lease receivables, and;
- other combined net unfavorable changes of $10,000.

Net cash used in investing activities

Net cash used in investing activities was $23.5 million during the first nine months of 2026 as compared to $12.4 million during the first nine months of 2025.

During the nine-month period ended September 30, 2026, we funded: (i) $24.6 million in additions to real estate investments, including tenant improvements at various MOBs, as well as the construction costs related to the Miller Medical Plaza in Palm Beach Gardens, FL, and; (ii) $191,000 in equity investments in unconsolidated LLCs. In addition, during the nine months ended September 30, 2026, we received: (i) $746,000 in net cash proceeds from the sale of land, and; (ii) $582,000 of cash in excess of income from unconsolidated LLCs.

During the nine-month period ended September 30, 2025, we funded: (i) $6.8 million in equity investments in unconsolidated LLCs (consisting primarily of our $6.5 million pro rata share of a $6.8 million third-party construction loan that was fully repaid in May, 2025); (ii) $5.6 million in additions to real estate investments, including tenant improvements at various MOBs, and; (iii) a $327,000 net advance made to a third-party partner of an unconsolidated LLC that was be repaid to us, with interest, during the fourth quarter of 2025. In addition, during the nine months ended September 30, 2025, we received $303,000 of cash in excess of income from unconsolidated LLCs.

Net cash used in financing activities

Net cash used in financing activities was $10.2 million during the nine months ended September 30, 2026, as compared to $23.2 million during the nine months ended September 30, 2025.

During the nine-month period ended September 30, 2026, we paid: (i) $31.2 million of dividends; (ii) $447,000 on mortgage notes payable that are non-recourse to us, and; (iii) $172,000 of financing costs related to our Credit Agreement. Additionally, during the nine months ended September 30, 2026, we received: (i) $21.5 million of net borrowings pursuant to our Credit Agreement, and; (ii) $117,000 of net cash from the issuance of shares of beneficial interest.

During the nine-month period ended September 30, 2025, we paid: (i) $30.7 million of dividends, and; (ii) $794,000 on mortgage notes payable that are non-recourse to us. Additionally, during the nine months ended September 30, 2025, we received: (i) $8.2 million of net borrowings pursuant to our Credit Agreement, and; (ii) $116,000 of net cash from the issuance of shares of beneficial interest.

Equity Issuance Program:

During the second quarter of 2024, we filed a shelf registration statement on Form S-3 (File No. 333-278730) (the "Form S-3"), registering the offer and sale, from time-to-time, of an indeterminate amount of the common shares of beneficial interest, preferred shares and debt securities up to an aggregate initial offering price of $100 million to or through one or more underwriters, dealers or agents, or directly to purchasers. The Form S-3 became effective on April 30, 2024.

No shares were issued under the Form S-3 since the effective date of April 30, 2024 through September 30, 2026. As of September 30, 2026, we have paid or incurred approximately $291,000 in various fees and expenses related to the Form S-3. The availability of the potential liquidity under this shelf registration statement depends on investor demand, market conditions and other factors. We make no assurance regarding when, or if, we will issue any securities under this registration statement.

Additional cash flow and dividends paid information for the nine-month periods ended September 30, 2026 and 2025:

As indicated on our condensed consolidated statement of cash flows, we generated net cash provided by operating activities of $33.5 million and $35.5 million during the nine-month periods ended September 30, 2026 and 2025, respectively. As also indicated on our statement of cash flows, non-cash expenses including depreciation and amortization expense, amortization related to above/below market leases, amortization of deferred financing costs and stock-based compensation expense, gain on the sale of land, as well as changes in certain assets and liabilities, are the primary differences between our net income and net cash provided by operating activities during each period.

We declared and paid dividends of $31.2 million and $30.7 million during the nine-month periods ended September 30, 2026 and 2025, respectively. During the first nine months of 2026, the $33.5 million of net cash provided by operating activities was approximately $2.3 million greater than the $31.2 million of dividends paid. During the first nine months of 2025, the $35.5 million of net cash provided by operating activities was approximately $4.8 million greater than the $30.7 million of dividends paid.

As indicated in the cash flows from investing activities and cash flows from financing activities sections of the statements of cash flows, there were various other sources and uses of cash during the nine months ended September 30, 2026 and 2025. From time to time, various other sources and uses of cash may include items such as investments and advances made to/from LLCs, additions to real estate investments, acquisitions/divestiture of properties, net borrowings/repayments of debt, and proceeds generated from the issuance of equity. Therefore, in any given period, the funding source for our dividend payments is not wholly dependent on the operating cash flow generated by our properties. Rather, our dividends as well as our capital reinvestments into our existing properties, acquisitions of real

property and other investments are funded based upon the aggregate net cash inflows or outflows from all sources and uses of cash from the properties we own either in whole or through LLCs, as outlined above.

In determining and monitoring our dividend level on a quarterly basis, our management and Board of Trustees consider many factors in determining the amount of dividends to be paid each period. These considerations primarily include: (i) the minimum required amount of dividends to be paid in order to maintain our REIT status; (ii) the current and projected operating results of our properties, including those owned in LLCs, and; (iii) our future capital commitments and debt repayments, including those of our LLCs. Based upon the information discussed above, as well as consideration of projections and forecasts of our future operating cash flows, management and the Board of Trustees have determined that our operating cash flows have been sufficient to fund our dividend payments. Future dividend levels will be determined based upon the factors outlined above with consideration given to our projected future results of operations.

We expect to finance all capital expenditures and acquisitions and pay dividends utilizing internally generated and additional funds. Additional funds may be obtained through: (i) borrowings under our $475 million Credit Agreement, which had $97.3 million of available borrowing capacity as of September 30, 2026, net of $377.7 million of outstanding borrowings as of that date; (ii) borrowings under or refinancing of existing third-party debt pursuant to mortgage loan agreements entered into by our consolidated and unconsolidated LLCs/LPs; (iii) the issuance of other long-term debt, and/or; (iv) the issuance of equity. In April, 2024 we filed a shelf registration statement on Form S-3 with the Securities and Exchange Commission pursuant to which we may offer up to $100 million of securities pursuant to supplemental prospectuses which we may file from time to time.

We believe that our operating cash flows, cash and cash equivalents, available borrowing capacity under our Credit Agreement and access to the capital markets provide us with sufficient capital resources to fund our operating, investing and financing requirements for the next twelve months, including providing sufficient capital to allow us to make distributions necessary to enable us to continue to qualify as a REIT under Sections 856 to 860 of the Internal Revenue Code of 1986. In the event we need to access the capital markets or other sources of financing, there can be no assurance that we will be able to obtain financing on acceptable terms or within an acceptable time. Our inability to obtain financing on terms acceptable to us could have a material unfavorable impact on our results of operations, financial condition and liquidity.

Credit facilities and mortgage debt

Management routinely monitors and analyzes the Trust's capital structure in an effort to maintain the targeted balance among capital resources including the level of borrowings pursuant to our revolving credit facility, the level of borrowings pursuant to non-recourse mortgage debt secured by the real property of our properties and our level of equity including consideration of equity issuances. This ongoing analysis considers factors such as the current debt market and interest rate environment, the current/projected occupancy and financial performance of our properties, the current loan-to-value ratio of our properties, the Trust's current stock price, the capital resources required for anticipated acquisitions and the expected capital to be generated by anticipated divestitures. This analysis, together with consideration of the Trust's current borrowings outstanding under the credit agreement, non-recourse mortgage borrowings and equity, assists management in deciding which capital resource to utilize when events such as refinancing of specific debt components occur or additional funds are required to finance the Trust's growth.

On April 21, 2026, we entered into the First Amendment ("First Amendment") to the Second Amended and Restated Credit Agreement, among the Trust as borrower, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent ("Credit Agreement"). Pursuant to the terms of the First Amendment, among other things, the borrowing capacity was increased to $475 million (from $425 million previously) and the minimum tangible net worth requirement was changed to $100 million (from $125 million previously). The maturity date, which was unchanged, is September 30, 2028, and we have the option to extend the maturity date for two additional six-month periods.

The Credit Agreement, as amended by the First Amendment, is comprised of $175 million of non-amortizing term loans and a $300 million revolving loan commitment which includes a $40 million sublimit for letters of credit, and a $30 million sublimit for swingline/short-term loans. Under the terms of the Credit Agreement, we may request that the revolving line of credit and/or the Term Loan be increased by up to an additional aggregate amount of $50 million. Borrowings under the Credit Agreement are guaranteed by certain subsidiaries of the Trust. In addition, borrowings are secured by first priority security interests in and liens on all equity interests in most of the Trust's wholly-owned subsidiaries.

Borrowings under the Credit Agreement will bear interest at a rate equal to, at our option, term SOFR for either one, three, or six months or the Base Rate, plus in either case, a specified margin depending on our total leverage ratio, as determined by the formula set forth in the Credit Agreement. The applicable margin on revolving loans range from 1.10% to 1.35% for Adjusted Term SOFR loans and 0.10% to 0.35% for Base Rate loans. The applicable margin on term loans range from 1.20% to 1.65% for Adjusted Term SOFR loans and 0.20% to 0.65% for Base Rate loans. The Credit Agreement defines "Base Rate" as the greatest of (a) the Administrative Agent's prime rate, (b) the federal funds effective rate plus 1/2 of 1%, and (c) one month Adjusted Term SOFR plus 1%. The Trust will also pay a quarterly facility fee on the $300 million revolving loan commitment ranging from 0.15% to 0.35% (depending on the Trust's total leverage ratio).

The margins over Adjusted Term SOFR, Base Rate and the facility fee are based upon our total leverage ratio. At September 30, 2026, the applicable margin over the Adjusted Term SOFR rate for revolving loans was 1.20%, the margin over the Base Rate was 0.20% and the facility fee was 0.20%. At September 30, 2025, the applicable margin over the Adjusted Term SOFR rate for term loans was 1.20%, the margin over the Base Rate was 0.20% and the facility fee was 0.20%.

At September 30, 2026, we had $377.7 million of outstanding borrowings pursuant to the terms of our Credit Agreement, and $97.3 million of available borrowing capacity. At December 31, 2025 (prior to the First Amendment), we had $356.2 million of outstanding borrowings pursuant to the terms of our Credit Agreement, and $68.8 million of available borrowing capacity. There are no compensating balance requirements.

The Credit Agreement is structured to allow the Trust to select a one, three or six-month borrowing term for all borrowings on the Term Loan and revolving line of credit, which can be renewed through the commitment period that matures on September 30, 2028. In our consolidated statements of cash flows, we report cash flows pursuant to our Credit Agreement on a net basis, as all borrowings under the Credit Agreement have a term of less than three months as of September 30, 2026 and 2025. Aggregate borrowings under our Credit Agreement were $21.6 million and $14.9 million during the quarters ended September 30, 2026 and 2025, respectively, and aggregate repayments were $9.4 million and $12.7 million during the quarters ended September 30, 2026 and 2025, respectively. Aggregate borrowings under our Credit Agreement were $55.5 million and $47.5 million during the nine-months ended September 30, 2026 and 2025, respectively, and aggregate repayments were $34.0 million and $39.4 million during the nine-months ended September 30, 2026 and 2025, respectively.

The Credit Agreement contains customary affirmative and negative covenants, including limitations on certain indebtedness, liens, acquisitions and other investments, fundamental changes, asset dispositions and dividends and other distributions. The Credit Agreement also contains restrictive covenants regarding the Trust's ratio of total debt to total assets, the fixed charge coverage ratio, the ratio of total secured debt to total asset value, the ratio of total unsecured debt to total unencumbered asset value, and minimum tangible net worth, as well as customary events of default, the occurrence of which may trigger an acceleration of amounts then outstanding under the Credit Agreement. We were in compliance with all of the covenants in the Credit Agreement at each of September 30, 2026 and December 31, 2025. We also believe that we would remain in compliance if, based on the assumption that the majority of the potential new borrowings will be used to fund investments, the full amount of our commitment was borrowed.

The following table includes a summary of the required compliance ratios, giving effect to the covenants contained in the Credit Agreement (dollar amounts in thousands):

	Covenant	September 30, 2026	December 31, 2025
Tangible net worth (a.)	>= $100,000	$ 134,997	$ 146,744
Total leverage	< =60%	44.7%	43.6%
Secured leverage	< =30%	2.1%	2.3%
Unencumbered leverage	< =60%	46.7%	45.4%
Fixed charge coverage	>=1.50x	3.5x	3.3x

(a.) As discussed above, in April, 2026, the minimum tangible net worth requirement was changed to $100 million pursuant to the terms of the First Amendment.

As indicated on the following table, we have various mortgages, all of which are non-recourse to us, included on our condensed consolidated balance sheet as of September 30, 2026 (amounts in thousands):

Facility Name	Outstanding Balance (in thousands) (a.)	Interest Rate	Maturity Date
Phoenix Children's East Valley Care Center fixed rate mortgage loan	$ 7,121	3.95%	January, 2030
Rosenberg Children's Medical Plaza fixed rate mortgage loan	11,004	4.42%	September, 2033
Total, excluding net debt premium and net financing fees	18,125		
Less net financing fees	(119)		
Total mortgages notes payable, non-recourse to us, net	$ 18,006		

(a.) All mortgage loans require monthly principal payments through maturity and either fully amortize or include a balloon principal payment upon maturity.

In May, 2025, a fixed rate mortgage loan on Tuscan Professional Building, with a remaining balance of $122,000 as of that date, was fully repaid upon its schedule maturity date.

At September 30, 2026 and December 31, 2025, we had various mortgages, all of which were non-recourse to us, included in our condensed consolidated balance sheet. The mortgages are secured by the real property of the buildings as well as property leases and rents. The mortgages outstanding as of September 30, 2026, had a combined carrying value of approximately $18.1 million and a

combined fair value of approximately $16.4 million. The mortgages outstanding as of December 31, 2025, had a combined carrying value of approximately $18.6 million and a combined fair value of approximately $17.5 million. The fair value of our debt was computed based upon quotes received from financial institutions. We consider these to be "level 2" in the fair value hierarchy as outlined in the authoritative guidance for disclosure in connection with debt instruments. Changes in market rates on our fixed rate debt impacts the fair value of debt, but it has no impact on interest incurred or cash flow.

Off Balance Sheet Arrangements

At each of September 30, 2026 and December 31, 2025, we had no off balance sheet arrangements.

Acquisition and Divestiture Activity

Please see *Note 4 to the condensed consolidated financial statements- Acquisitions, Divestitures and New Construction.*

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Financial Instruments

In October, 2024, we entered into an interest rate swap agreement on a total notional amount of $85 million with a fixed interest rate of 3.2725% that we designated as a cash flow hedge. The interest rate swap became effective on October 2, 2024 and is scheduled to mature on September 30, 2028. If one-month term SOFR is above 3.2725%, the counterparty pays us, and if one-month term SOFR is less than 3.2725%, we pay the counterparty, the difference between the fixed rate of 3.2725% and one-month term SOFR. This interest rate swap was entered into in replacement of two interest rate swap agreements, on an aggregate total notional amount of $85 million, that expired on September 16, 2024.

In December, 2023, we entered into an interest rate swap agreement on a total notional amount of $25 million with a fixed interest rate of 3.9495% that we designated as a cash flow hedge. The interest rate swap became effective on December 1, 2023 and is scheduled to mature on December 1, 2027. If one-month term SOFR is above 3.9495%, the counterparty pays us, and if one-month term SOFR is less than 3.9495%, we pay the counterparty, the difference between the fixed rate of 3.9495% and one-month term SOFR.

In March, 2020, we entered into an interest rate swap agreement on a total notional amount of $55 million with a fixed interest rate of 0.565% that we designated as a cash flow hedge. The interest rate swap became effective on March 25, 2020 and is scheduled to mature on March 25, 2027. On May 15, 2023, this interest rate swap agreement was modified to replace the benchmark rate from LIBOR to term SOFR. If one-month term SOFR is above 0.505%, the counterparty pays us, and if one-month term SOFR is less than 0.505%, we pay the counterparty, the difference between the fixed rate of 0.505% and one-month term SOFR. Market interest rates have increased significantly since this interest swap agreement was entered into and we expect that our interest expense will increase significantly upon the maturity of this interest rate swap agreement on March 25, 2027.

We measure our interest rate swaps at fair value on a recurring basis. The fair value of our interest rate swaps is based on quotes from third parties. We consider those inputs to be "level 2" in the fair value hierarchy as outlined in the authoritative guidance for disclosures in connection with derivative instruments and hedging activities. At September 30, 2026, the fair value of our interest rate swaps was a net asset of $3.4 million which is included in deferred charges and other assets on the accompanying condensed consolidated balance sheet. During the first nine months of 2026, we received approximately $1.5 million, net, from the counterparties, adjusted for the previous quarter accrual, pursuant to the terms of the swaps (consisting of $1.5 million due to us from the counterparties, partially offset by $53,000 due to the counterparties from us). During the third quarter of 2026, we received approximately $521,000, net, from the counterparties, adjusted for the previous quarter accrual, pursuant to the terms of the swaps (consisting of $538,000 due to us from the counterparties, partially offset by $17,000 due to the counterparties from us). During the first nine months of 2025, we received approximately $2.4 million from the counterparties, adjusted for the previous quarter accrual, pursuant to the terms of the swaps. During the third quarter of 2025, we received approximately $797,000 from the counterparties, adjusted for the previous quarter accrual, pursuant to the terms of the swaps. Cash flow hedges are accounted for by recording the fair value of the derivative instrument on the balance sheet as either an asset or a liability, with a corresponding amount recorded in accumulated other comprehensive income ("AOCI") within shareholders' equity. Amounts are reclassified from AOCI to the income statement in the period or periods the hedged transaction affects earnings. We do not expect any gains or losses on our interest rate swaps to be reclassified to earnings in the next twelve months.

The sensitivity analysis related to our fixed and variable rate debt assumes current market rates with all other variables held constant. As of September 30, 2026, the fair value and carrying value of our debt is approximately $394.1 million and $395.8 million, respectively. As of that date, the carrying value exceeds the fair value by approximately $1.7 million.

The table below presents information regarding our financial instruments that are sensitive to changes in interest rates. For debt obligations, the amounts of which are as of September 30, 2026, the table presents principal cash flows and related weighted average interest rates by contractual maturity dates.

	Maturity Date, Year Ending December 31						
(Dollars in thousands)	2026	2027	2028	2029	2030	Thereafter	Total
Long-term debt:							
Fixed rate:							
Debt(a)	$ 153	$ 626	$ 653	$ 680	$ 6,393	$ 9,620	$ 18,125
Average interest rates	4.20%	4.20%	4.30%	4.30%	4.40%	4.40%	4.39%
Variable rate:							
Debt(b)	$ —	$ —	$ 377,700	$ —	$ —	$ —	$ 377,700
Average interest rates	—	—	5.02%	—	—	—	5.02%
Interest rate swaps:							
Notional amount(c)	$ —	$ 80,000	$ 85,000	$ —	$ —	$ —	$ 165,000
Interest rates	—	1.58%	3.27%	—	—	—	2.45%

(a) Consists of non-recourse mortgage notes payable.

(b) Consists of $377.7 million of outstanding borrowings under the terms of our Credit Agreement which has a scheduled maturity date of September 30, 2028.

(c) Includes: (i) a $55 million interest rate swap with a fixed interest rate of 0.5050% that is scheduled to mature in March, 2027 (see note above regarding expected significant increase in our interest expense upon maturity of this interest rate swap in March, 2027); (ii) a $25 million interest rate swap with a fixed interest rate of 3.9495% that is scheduled to mature in December, 2027, and; (iii) an $85 million interest rate swap with a fixed interest rate of 3.2725% that is scheduled to mature in September, 2028.

As calculated based upon our variable rate debt outstanding as of September 30, 2026 that is subject to interest rate fluctuations, and giving effect to the three interest rate swaps as reflected on the table above, each 1% change in interest rates would impact our net income by approximately $2.1 million.

Item 4. Controls and Procedures

As of September 30, 2026, under the supervision and with the participation of our management, including the Trust's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), we performed an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "1934 Act").

Based on this evaluation, the CEO and CFO have concluded that our disclosure controls and procedures are effective to ensure that material information is recorded, processed, summarized and reported by management on a timely basis in order to comply with our disclosure obligations under the 1934 Act and the SEC rules thereunder.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting or in other factors during the third quarter of 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION
UNIVERSAL HEALTH REALTY INCOME TRUST

Item 1A. Risk Factors

Our Annual Report on Form 10-K for the year ended December 31, 2025 includes a listing of risk factors to be considered by investors in our securities. There have been no material changes in our risk factors from those set forth in our Annual Report on Form 10-K for the year ended December 31, 2025.

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Item 5. Other Information

None of the Trust's Board of Trustees or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Trust's quarter ended September 30, 2026, as such terms are defined under Item 408(a) of Regulation S-K.

Item 6. Exhibits

(a.) Exhibits:

31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data file because iXBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data file (formatted as Inline XBRL and contained in Exhibit 101)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 6, 2026

UNIVERSAL HEALTH REALTY INCOME TRUST
(Registrant)

/s/ Alan B. Miller

Alan B. Miller,
Chairman of the Board,
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Charles F. Boyle

Charles F. Boyle, Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION—Chief Executive Officer

I, Alan B. Miller, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Universal Health Realty Income Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2026

/s/ Alan B. Miller
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION—Chief Financial Officer

I, Charles F. Boyle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Universal Health Realty Income Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2026

/s/ Charles F. Boyle
Senior Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Universal Health Realty Income Trust (the "Trust") on Form 10-Q for the quarter ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alan B. Miller, President and Chief Executive Officer of the Trust, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust at the end of, and for the period covered by, the Report.

/s/ Alan B. Miller
President and Chief Executive Officer
November 6, 2026

A signed original of this written statement required by Section 906 has been provided to the Trust and will be retained and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Universal Health Realty Income Trust (the "Trust") on Form 10-Q for the quarter ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles F. Boyle, Senior Vice President and Chief Financial Officer of the Trust, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust at the end of, and for the period covered by, the Report.

/s/ Charles F. Boyle
Senior Vice President and Chief Financial Officer
November 6, 2026

A signed original of this written statement required by Section 906 has been provided to the Trust and will be retained and furnished to the Securities and Exchange Commission or its staff upon request.