

HEALTHCARE TRUST OF AMERICA, INC.  
Form 10-Q  
April 30, 2018

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

FORM 10-Q

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

For the quarterly period ended March 31, 2018

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: 001-35568 (Healthcare Trust of America, Inc.)

Commission File Number: 333-190916 (Healthcare Trust of America Holdings, LP)

HEALTHCARE TRUST OF AMERICA, INC.  
HEALTHCARE TRUST OF AMERICA HOLDINGS, LP

(Exact name of registrant as specified in its charter)

Maryland (Healthcare Trust of America, Inc.) 20-4738467

Delaware (Healthcare Trust of America Holdings, LP) 20-4738347

(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

16435 N. Scottsdale Road, Suite 320

Scottsdale, Arizona 85254

(Address of principal executive offices)

(480) 998-3478

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Sections 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.

Healthcare Trust of America, Inc. x Yes " No

Healthcare Trust of America Holdings, LP x Yes " No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Healthcare Trust of America, Inc. x Yes " No

Healthcare Trust of America Holdings, LP x Yes " No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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.

Healthcare Trust of America, Inc.	Large-accelerated filer x	Accelerated filer "	Non-accelerated filer "	Smaller reporting company "	Emerging growth company "
-----------------------------------	---------------------------	---------------------	-------------------------	-----------------------------	---------------------------

Edgar Filing: HEALTHCARE TRUST OF AMERICA, INC. - Form 10-Q

Healthcare Trust of America Holdings, LP	Large-accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	(Do not check if a smaller reporting company) Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>	Emerging growth company <input type="checkbox"/>
--	--	--	--	--	--

(Do not check if a smaller reporting 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.

Healthcare Trust of America, Inc.

Healthcare Trust of America Holdings, LP

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Healthcare Trust of America, Inc.  Yes  No

Healthcare Trust of America Holdings, LP  Yes  No

As of April 25, 2018, there were 205,184,578 shares of Class A common stock of Healthcare Trust of America, Inc. outstanding.

---

## Explanatory Note

This quarterly report combines the Quarterly Reports on Form 10-Q (“Quarterly Report”) for the quarter ended March 31, 2018, of Healthcare Trust of America, Inc. (“HTA”), a Maryland corporation, and Healthcare Trust of America Holdings, LP (“HTALP”), a Delaware limited partnership. Unless otherwise indicated or unless the context requires otherwise, all references in this Quarterly Report to “we,” “us,” “our,” “the Company” or “our Company” refer to HTA and HTALP, collectively, and all references to “common stock” shall refer to the Class A common stock of HTA.

HTA operates as a real estate investment trust (“REIT”) and is the general partner of HTALP. As of March 31, 2018, HTA owned a 98.1% partnership interest in HTALP, and other limited partners, including some of HTA’s directors, executive officers and their affiliates, owned the remaining partnership interest (including the long-term incentive plan (“LTIP” Units) in HTALP. As the sole general partner of HTALP, HTA has the full, exclusive and complete responsibility for HTALP’s day-to-day management and control, including its compliance with the Securities and Exchange Commission (“SEC”) filing requirements.

We believe it is important to understand the few differences between HTA and HTALP in the context of how we operate as an integrated consolidated company. HTA operates as an umbrella partnership REIT structure in which HTALP and its subsidiaries hold substantially all of the assets. HTA’s only material asset is its ownership of partnership interests of HTALP. As a result, HTA does not conduct business itself, other than acting as the sole general partner of HTALP, issuing public equity from time to time and guaranteeing certain debts of HTALP. HTALP conducts the operations of the business and issues publicly-traded debt, but has no publicly-traded equity. Except for net proceeds from public equity issuances by HTA, which are generally contributed to HTALP in exchange for partnership units of HTALP, HTALP generates the capital required for the business through its operations and by direct or indirect incurrence of indebtedness or through the issuance of its partnership units (“OP Units”).

Noncontrolling interests, stockholders’ equity and partners’ capital are the primary areas of difference between the condensed consolidated financial statements of HTA and HTALP. Limited partnership units in HTALP are accounted for as partners’ capital in HTALP’s condensed consolidated balance sheets and as a noncontrolling interest reflected within equity in HTA’s condensed consolidated balance sheets. The differences between HTA’s stockholders’ equity and HTALP’s partners’ capital are due to the differences in the equity issued by HTA and HTALP, respectively.

We believe combining the Quarterly Reports of HTA and HTALP, including the notes to the condensed consolidated financial statements, into this single Quarterly Report results in the following benefits:

- enhances stockholders’ understanding of HTA and HTALP by enabling stockholders to view the business as a whole in the same manner that management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation since a substantial portion of the disclosure in this Quarterly Report applies to both HTA and HTALP; and
- creates time and cost efficiencies through the preparation of a single combined Quarterly Report instead of two separate Quarterly Reports.

In order to highlight the material differences between HTA and HTALP, this Quarterly Report includes sections that separately present and discuss areas that are materially different between HTA and HTALP, including:

- the condensed consolidated financial statements;
- certain accompanying notes to the condensed consolidated financial statements, including Note 7 - Debt, Note 10 - Stockholders’ Equity and Partners’ Capital, Note 12 - Per Share Data of HTA, Note 13 - Per Unit Data of HTALP;
- the Funds From Operations (“FFO”) and Normalized FFO in Part 1, Item 2 of this Quarterly Report;
- the Controls and Procedures in Part 1, Item 4 of this Quarterly Report; and
- the Certifications of the Chief Executive Officer and the Chief Financial Officer included as Exhibits 31 and 32 to this Quarterly Report.

In the sections of this Quarterly Report that combine disclosure for HTA and HTALP, this Quarterly Report refers to actions or holdings as being actions or holdings of the Company. Although HTALP (directly or indirectly through one of its subsidiaries) is generally the entity that enters into contracts, holds assets and issues or incurs debt, management believes this presentation is appropriate for the reasons set forth above and because the business of the Company is a single integrated enterprise operated through HTALP.



HEALTHCARE TRUST OF AMERICA, INC. AND  
HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
TABLE OF CONTENTS

	Page
<b><u>PART I - FINANCIAL INFORMATION</u></b>	
<b><u>Item 1. Financial Statements (Unaudited)</u></b>	<b><u>4</u></b>
Healthcare Trust of America, Inc.	
<u>Condensed Consolidated Balance Sheets as of March 31, 2018 and December 31, 2017</u>	<u>4</u>
<u>Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2018 and 2017</u>	<u>5</u>
<u>Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three Months Ended March 31, 2018 and 2017</u>	<u>6</u>
<u>Condensed Consolidated Statements of Equity for the Three Months Ended March 31, 2018 and 2017</u>	<u>7</u>
<u>Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2018 and 2017</u>	<u>8</u>
Healthcare Trust of America Holdings, LP	
<u>Condensed Consolidated Balance Sheets as of March 31, 2018 and December 31, 2017</u>	<u>9</u>
<u>Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2018 and 2017</u>	<u>10</u>
<u>Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three Months Ended March 31, 2018 and 2017</u>	<u>11</u>
<u>Condensed Consolidated Statements of Changes in Partners' Capital for the Three Months Ended March 31, 2018 and 2017</u>	<u>12</u>
<u>Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2018 and 2017</u>	<u>13</u>
Notes for Healthcare Trust of America, Inc. and Healthcare Trust of America Holdings, LP	
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	<u>14</u>
<b><u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b>	<b><u>30</u></b>
<b><u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u></b>	<b><u>41</u></b>
<b><u>Item 4. Controls and Procedures</u></b>	<b><u>41</u></b>
<b><u>PART II - OTHER INFORMATION</u></b>	
<b><u>Item 1. Legal Proceedings</u></b>	<b><u>43</u></b>
<b><u>Item 1A. Risk Factors</u></b>	<b><u>43</u></b>
<b><u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u></b>	<b><u>43</u></b>
<b><u>Item 6. Exhibits</u></b>	<b><u>43</u></b>
<b><u>Signatures</u></b>	<b><u>44</u></b>

Table of Contents

## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements (Unaudited)

## HEALTHCARE TRUST OF AMERICA, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and per share data)

(Unaudited)

	March 31, 2018	December 31, 2017
<b>ASSETS</b>		
Real estate investments:		
Land	\$486,403	\$485,319
Building and improvements	5,851,437	5,830,824
Lease intangibles	638,103	639,199
Construction in progress	24,559	14,223
	7,000,502	6,969,565
Accumulated depreciation and amortization	(1,087,262 )	(1,021,691 )
Real estate investments, net	5,913,240	5,947,874
Investment in unconsolidated joint venture	69,147	68,577
Cash and cash equivalents	56,243	100,356
Restricted cash	12,695	18,204
Receivables and other assets, net	203,686	207,857
Other intangibles, net	104,824	106,714
Total assets	\$6,359,835	\$6,449,582
<b>LIABILITIES AND EQUITY</b>		
Liabilities:		
Debt	\$2,780,291	\$2,781,031
Accounts payable and accrued liabilities	134,574	167,852
Derivative financial instruments - interest rate swaps	742	1,089
Security deposits, prepaid rent and other liabilities	59,530	61,222
Intangible liabilities, net	66,665	68,203
Total liabilities	3,041,802	3,079,397
Commitments and contingencies		
Redeemable noncontrolling interests	6,770	6,737
Equity:		
Preferred stock, \$0.01 par value; 200,000,000 shares authorized; none issued and outstanding	—	—
Class A common stock, \$0.01 par value; 1,000,000,000 shares authorized; 205,179,776 and 204,892,118 shares issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	2,052	2,049
Additional paid-in capital	4,511,736	4,508,528
Accumulated other comprehensive loss	1,157	274
Cumulative dividends in excess of earnings	(1,284,826 )	(1,232,069 )
Total stockholders' equity	3,230,119	3,278,782
Noncontrolling interests	81,144	84,666
Total equity	3,311,263	3,363,448
Total liabilities and equity	\$6,359,835	\$6,449,582

The accompanying notes are an integral part of these condensed consolidated financial statements.



Table of Contents

HEALTHCARE TRUST OF AMERICA, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (In thousands, except for per share data)  
 (Unaudited)

	Three Months Ended March 31,	
	2018	2017
Revenues:		
Rental income	\$175,567	\$123,993
Interest and other operating income	94	354
Total revenues	175,661	124,347
Expenses:		
Rental	56,022	39,020
General and administrative	8,786	8,423
Transaction	191	284
Depreciation and amortization	70,392	47,056
Impairment	4,606	—
Total expenses	139,997	94,783
Income before other income (expense)	35,664	29,564
Interest expense:		
Interest related to derivative financial instruments	(58	) (324
Gain on change in fair value of derivative financial instruments, net	—	839
Total interest related to derivative financial instruments, including net change in fair value of derivative financial instruments	(58	) 515
Interest related to debt	(26,195	) (16,058
Gain on sale of real estate, net	—	3
Loss on extinguishment of debt, net	—	(32
Income from unconsolidated joint venture	570	—
Other income	35	8
Net income	\$10,016	\$14,000
Net income attributable to noncontrolling interests <sup>(1)</sup>	(214	) (455
Net income attributable to common stockholders	\$9,802	\$13,545
Earnings per common share - basic:		
Net income attributable to common stockholders	\$0.05	\$0.10
Earnings per common share - diluted:		
Net income attributable to common stockholders	\$0.05	\$0.09
Weighted average common shares outstanding:		
Basic	205,069	141,780
Diluted	209,177	146,117
Dividends declared per common share	\$0.305	\$0.300

(1) Includes amounts attributable to redeemable noncontrolling interests.

The accompanying notes are an integral part of these condensed consolidated financial statements.



Table of Contents

## HEALTHCARE TRUST OF AMERICA, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

(Unaudited)

	Three Months Ended March 31,	
	2018	2017
Net income	\$10,016	\$14,000
Other comprehensive gain (loss)		
Change in unrealized gains (losses) on cash flow hedges	900	(88 )
Total other comprehensive gain (loss)	900	(88 )
Total comprehensive income	10,916	13,912
Comprehensive income attributable to noncontrolling interests	(198 )	(422 )
Total comprehensive income attributable to common stockholders	\$10,718	\$13,490

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF EQUITY  
 (In thousands)  
 (Unaudited)

	Class A Common Stock Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Gain (Loss)	Cumulative Dividends in Excess of Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance as of December 31, 2016	141,719	\$1,417	\$2,754,818	\$ —	\$(1,068,961)	\$1,687,274	\$ 93,143	\$1,780,417
Issuance of operating partnership units in connection with an acquisition	—	—	—	—	—	—	610	610
Share-based award transactions, net	213	2	2,528	—	—	2,530	—	2,530
Repurchase and cancellation of common stock	(107 )	(1 )	(3,117 )	—	—	(3,118 )	—	(3,118 )
Dividends declared	—	—	—	—	(43,145 )	(43,145 )	(1,321 )	(44,466 )
Net income	—	—	—	—	13,545	13,545	425	13,970
Other comprehensive loss	—	—	—	(85 )	—	(85 )	(3 )	(88 )
Balance as of March 31, 2017	141,825	\$1,418	\$2,754,229	\$(85 )	\$(1,098,561)	\$1,657,001	\$ 92,854	\$1,749,855
Balance as of December 31, 2017	204,892	\$2,049	\$4,508,528	\$ 274	\$(1,232,069)	\$3,278,782	\$ 84,666	\$3,363,448
Share-based award transactions, net	289	3	3,504	—	—	3,507	—	3,507
Repurchase and cancellation of common stock	(92 )	(1 )	(2,708 )	—	—	(2,709 )	—	(2,709 )
Redemption of noncontrolling interest and other	91	1	2,412	—	—	2,413	(2,413 )	—
Dividends declared	—	—	—	—	(62,559 )	(62,559 )	(1,307 )	(63,866 )
Net income	—	—	—	—	9,802	9,802	181	9,983
Other comprehensive gain	—	—	—	883	—	883	17	900
Balance as of March 31, 2018	205,180	\$2,052	\$4,511,736	\$ 1,157	\$(1,284,826)	\$3,230,119	\$ 81,144	\$3,311,263

The accompanying notes are an integral part of these condensed consolidated financial statements.



Table of ContentsHEALTHCARE TRUST OF AMERICA, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Three Months Ended March 31,	
	2018	2017
Cash flows from operating activities:		
Net income	\$10,016	\$14,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and other	68,303	46,213
Share-based compensation expense	3,507	2,530
Bad debt expense	3	103
Impairment	4,606	—
Income from unconsolidated joint venture	(570)	) —
Gain on sale of real estate, net	—	(3 )
Loss on extinguishment of debt, net	—	32
Change in fair value of derivative financial instruments	—	(839 )
Changes in operating assets and liabilities:		
Receivables and other assets, net	9,274	(7,771 )
Accounts payable and accrued liabilities	(30,780)	(7,934 )
Prepaid rent and other liabilities	(3,479)	) 682
Net cash provided by operating activities	60,880	47,013
Cash flows from investing activities:		
Investments in real estate	(11,887)	(34,706 )
Development of real estate	(13,235)	) —
Proceeds from the sale of real estate	—	4,746
Capital expenditures	(17,417)	(12,894 )
Collection of real estate notes receivable	172	—
Net cash used in investing activities	(42,367)	(42,854 )
Cash flows from financing activities:		
Borrowings on unsecured revolving credit facility	—	92,000
Payments on unsecured revolving credit facility	—	(10,000 )
Payments on secured mortgage loans	(1,598)	(40,155 )
Security deposits	52	14
Repurchase and cancellation of common stock	(2,709)	(3,118 )
Dividends paid	(62,546)	(42,536 )
Distributions paid to noncontrolling interest of limited partners	(1,334)	(1,332 )
Net cash used in financing activities	(68,135)	(5,127 )
Net change in cash, cash equivalents and restricted cash	(49,622)	(968 )
Cash, cash equivalents and restricted cash - beginning of period	118,560	25,045
Cash, cash equivalents and restricted cash - end of period	\$68,938	\$24,077

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of ContentsHEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except unit data)

(Unaudited)

	March 31, 2018	December 31, 2017
<b>ASSETS</b>		
Real estate investments:		
Land	\$486,403	\$485,319
Building and improvements	5,851,437	5,830,824
Lease intangibles	638,103	639,199
Construction in progress	24,559	14,223
	7,000,502	6,969,565
Accumulated depreciation and amortization	(1,087,262 )	(1,021,691 )
Real estate investments, net	5,913,240	5,947,874
Investment in unconsolidated joint venture	69,147	68,577
Cash and cash equivalents	56,243	100,356
Restricted cash	12,695	18,204
Receivables and other assets, net	203,686	207,857
Other intangibles, net	104,824	106,714
Total assets	\$6,359,835	\$6,449,582
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Liabilities:		
Debt	\$2,780,291	\$2,781,031
Accounts payable and accrued liabilities	134,574	167,852
Derivative financial instruments - interest rate swaps	742	1,089
Security deposits, prepaid rent and other liabilities	59,530	61,222
Intangible liabilities, net	66,665	68,203
Total liabilities	3,041,802	3,079,397
Commitments and contingencies		
Redeemable noncontrolling interests	6,770	6,737
Partners' Capital:		
Limited partners' capital, 4,032,835 and 4,124,148 units issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	80,874	84,396
General partners' capital, 205,179,776 and 204,892,118 units issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	3,230,389	3,279,052
Total partners' capital	3,311,263	3,363,448
Total liabilities and partners' capital	\$6,359,835	\$6,449,582

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of ContentsHEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per unit data)

(Unaudited)

	Three Months Ended March 31,	
	2018	2017
Revenues:		
Rental income	\$175,567	\$123,993
Interest and other operating income	94	354
Total revenues	175,661	124,347
Expenses:		
Rental	56,022	39,020
General and administrative	8,786	8,423
Transaction	191	284
Depreciation and amortization	70,392	47,056
Impairment	4,606	—
Total expenses	139,997	94,783
Income before other income (expense)	35,664	29,564
Interest expense:		
Interest related to derivative financial instruments	(58	) (324
Gain on change in fair value of derivative financial instruments, net	—	839
Total interest related to derivative financial instruments, including net change in fair value of derivative financial instruments	(58	) 515
Interest related to debt	(26,195	) (16,058
Gain on sale of real estate, net	—	3
Loss on extinguishment of debt, net	—	(32
Income from unconsolidated joint venture	570	—
Other income	35	8
Net income	\$10,016	\$14,000
Net income attributable to noncontrolling interests	(33	) (30
Net income attributable to common unitholders	\$9,983	\$13,970
Earnings per common unit - basic:		
Net income attributable to common unitholders	\$0.05	\$0.10
Earnings per common unit - diluted:		
Net income attributable to common unitholders	\$0.05	\$0.10
Weighted average common units outstanding:		
Basic	209,177	146,117
Diluted	209,177	146,117
Dividends declared per common unit	\$0.305	\$0.300

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of ContentsHEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

(Unaudited)

Three Months	
Ended March 31,	
2018	2017

Net income	\$10,016	\$14,000
Other comprehensive gain (loss)		
Change in unrealized gains (losses) on cash flow hedges	900	(88 )
Total other comprehensive gain (loss)	900	(88 )
Total comprehensive income	10,916	13,912
Comprehensive income attributable to noncontrolling interests	(33 )	(30 )
Total comprehensive income attributable to common unitholders	\$10,883	\$13,882

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of ContentsHEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

(In thousands)

(Unaudited)

	General Partners' Capital		Limited Partners' Capital		Total Partners' Capital
	Units	Amount	Units	Amount	
Balance as of December 31, 2016	141,719	\$1,687,544	4,323	\$92,873	\$1,780,417
Issuance of limited partner units in connection with an acquisition	—	—	21	610	610
Share-based award transactions, net	213	2,530	—	—	2,530
Redemption and cancellation of general partner units	(107 )	(3,118 )	—	—	(3,118 )
Distributions declared	—	(43,145 )	—	(1,321 )	(44,466 )
Net income	—	13,545	—	425	13,970
Other comprehensive loss	—	(85 )	—	(3 )	(88 )
Balance as of March 31, 2017	141,825	\$1,657,271	4,344	\$92,584	\$1,749,855
Balance as of December 31, 2017	204,892	\$3,279,052	4,124	\$84,396	\$3,363,448
Share-based award transactions, net	289	3,507	—	—	3,507
Redemption and cancellation of general partner units	(92 )	(2,709 )	—	—	(2,709 )
Redemption of limited partner units and other	91	2,413	(91 )	(2,413 )	—
Distributions declared	—	(62,559 )	—	(1,307 )	(63,866 )
Net income	—	9,802	—	181	9,983
Other comprehensive gain	—	883	—	17	900
Balance as of March 31, 2018	205,180	\$3,230,389	4,033	\$80,874	\$3,311,263

The accompanying notes are an integral part of these condensed consolidated financial statements.



Table of ContentsHEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Three Months Ended March 31,	
	2018	2017
Cash flows from operating activities:		
Net income	\$ 10,016	\$ 14,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and other	68,303	46,213
Share-based compensation expense	3,507	2,530
Bad debt expense	3	103
Impairment	4,606	—
Income from unconsolidated joint venture	(570 )	—
Gain on sale of real estate, net	—	(3 )
Loss on extinguishment of debt, net	—	32
Change in fair value of derivative financial instruments	—	(839 )
Changes in operating assets and liabilities:		
Receivables and other assets, net	9,274	(7,771 )
Accounts payable and accrued liabilities	(30,780 )	(7,934 )
Prepaid rent and other liabilities	(3,479 )	682
Net cash provided by operating activities	60,880	47,013
Cash flows from investing activities:		
Investments in real estate	(11,887 )	(34,706 )
Development of real estate	(13,235 )	—
Proceeds from the sale of real estate	—	4,746
Capital expenditures	(17,417 )	(12,894 )
Collection of real estate notes receivable	172	—
Net cash used in investing activities	(42,367 )	(42,854 )
Cash flows from financing activities:		
Borrowings on unsecured revolving credit facility	—	92,000
Payments on unsecured revolving credit facility	—	(10,000 )
Payments on secured mortgage loans	(1,598 )	(40,155 )
Security deposits	52	14
Repurchase and cancellation of general partner units	(2,709 )	(3,118 )
Distributions paid to general partner	(62,546 )	(42,536 )
Distributions paid to limited partners and redeemable noncontrolling interests	(1,334 )	(1,332 )
Net cash used in financing activities	(68,135 )	(5,127 )
Net change in cash, cash equivalents and restricted cash	(49,622 )	(968 )
Cash, cash equivalents and restricted cash - beginning of period	118,560	25,045
Cash, cash equivalents and restricted cash - end of period	\$ 68,938	\$ 24,077

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Unless otherwise indicated or unless the context requires otherwise the use of the words “we,” “us” or “our” refers to Healthcare Trust of America, Inc. and Healthcare Trust of America Holdings, LP, collectively.

1. Organization and Description of Business

HTA, a Maryland corporation, and HTALP, a Delaware limited partnership, were incorporated or formed, as applicable, on April 20, 2006. HTA operates as a REIT and is the general partner of HTALP, which is the operating partnership, in an umbrella partnership, or “UPREIT” structure. HTA has qualified and intends to continue to be taxed as a REIT for federal income tax purposes under the applicable sections of the Internal Revenue Code.

We own real estate primarily consisting of medical office buildings (“MOBs”) located on or adjacent to hospital campuses or in off-campus, community core outpatient locations across 33 states within the United States, and we lease space to tenants primarily consisting of health systems, research and academic institutions, and various sized physician practices. We generate substantially all of our revenues from rents and rental-related activities, such as property and facilities management and other incidental revenues related to the operation of real estate.

Our primary objective is to maximize stockholder value with growth through strategic investments that provide an attractive risk-adjusted return for our stockholders by consistently increasing our cash flow. In pursuing this objective, we: (i) seek internal growth through proactive asset management, leasing, building services and property management oversight; (ii) target accretive acquisitions and developments of MOBs in markets with attractive demographics that complement our existing portfolio; and (iii) actively manage our balance sheet to maintain flexibility with conservative leverage. Additionally, from time to time we consider, on an opportunistic basis, significant portfolio acquisitions that we believe fit our core business and we expect to enhance our existing portfolio.

2. Summary of Significant Accounting Policies

The summary of significant accounting policies presented below is designed to assist in understanding our condensed consolidated financial statements. Such condensed consolidated financial statements and the accompanying notes are the representations of our management, who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the U.S. (“GAAP”) in all material respects and have been consistently applied in preparing our accompanying condensed consolidated financial statements.

Basis of Presentation

Our accompanying condensed consolidated financial statements include our accounts and those of our subsidiaries and any consolidated variable interest entities (“VIEs”). All inter-company balances and transactions have been eliminated in the accompanying condensed consolidated financial statements.

Interim Unaudited Financial Data

Our accompanying condensed consolidated financial statements have been prepared by us in accordance with GAAP in conjunction with the rules and regulations of the SEC. Certain information and footnote disclosures required for annual financial statements have been condensed or excluded pursuant to SEC rules and regulations. Accordingly, our accompanying condensed consolidated financial statements do not include all information and footnotes required by GAAP for complete financial statements. Our accompanying condensed consolidated financial statements reflect all adjustments, which are, in our opinion, of a normal recurring nature and necessary for a fair presentation of our financial position, results of operations and cash flows for the interim periods. Interim results of operations are not necessarily indicative of the results to be expected for the full year; such results may be less favorable for the full year. Our accompanying condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and the notes thereto included in our 2017 Annual Report on Form 10-K.

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)Principles of Consolidation

The condensed consolidated financial statements include the accounts of our subsidiaries and consolidated joint venture arrangements. The portions of the HTALP operating partnership not owned by us are presented as non-controlling interests in our consolidated balance sheets and statements of operations, consolidated statements of comprehensive income or loss, consolidated statements of equity, and consolidated statements of changes in partners' capital. The portions of other joint venture arrangements not owned by us are presented as redeemable non-controlling interests on the accompanying condensed consolidated balance sheets. In addition, as described in Note 1 - Organization and Description of Business, certain third parties have been issued OP Units in HTALP. Holders of OP Units are considered to be noncontrolling interest holders in HTALP and their ownership interests are reflected as equity on the accompanying condensed consolidated balance sheets. Further, a portion of the earnings and losses of HTALP are allocated to noncontrolling interest holders based on their respective ownership percentages. Upon conversion of OP Units to common stock, any difference between the fair value of the common stock issued and the carrying value of the OP Units converted to common stock is recorded as a component of equity. As of March 31, 2018 and December 31, 2017, there were approximately 4.0 million, and 4.1 million, respectively, of OP Units issued and outstanding.

VIEs are entities where investors lack sufficient equity at risk for the entity to finance its activities without additional subordinated financial support or where equity investors, as a group, lack one of the following: (i) the power to direct the activities that most significantly impact the entity's economic performance; (ii) the obligation to absorb the expected losses of the entity; and (iii) the right to receive the expected returns of the entity. We consolidate our investment in VIEs when we determine that we are the primary beneficiary. A primary beneficiary is one that has both: (i) the power to direct the activities of the VIE that most significantly impacts the entity's economic performance; and (ii) the obligation to absorb losses or the right to receive benefits of the VIE that could be significant to the entity. The HTALP operating partnership and our other joint venture arrangements are VIEs because the limited partners in those partnerships, although entitled to vote on certain matters, do not possess kick-out rights or substantive participating rights. Additionally, we determined that we are the primary beneficiary of our VIEs. Accordingly, we consolidate our interests in the HTALP operating partnership and in our other joint venture arrangements. However, because we hold what is deemed a majority voting interest in the HTALP operating partnership and our other joint venture arrangements, it qualifies for the exemption from providing certain disclosure requirements associated with investments in VIEs. We will evaluate on an ongoing basis the need to consolidate entities based on the standards set forth in GAAP as described above.

Reclassification

In November 2016, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2016-18 Statement of Cash Flows: Restricted Cash. ASU 2016-18 requires that a statement of cash flows explain the change during the period in cash, cash equivalents and restricted cash or restricted cash equivalents. Therefore, restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning of period and end of period amounts shown on the accompanying condensed consolidated statements of cash flows. We adopted ASU 2016-18 as set forth in our 2017 Annual Report on Form 10-K as of January 1, 2017, and as a result of the adoption, the guidance requires retrospective adoption for all periods presented. The following table represents the previously reported balances and the reclassified balances for the impacted items for the three months ended March 31, 2017 in the accompanying condensed consolidated statements of cash flows (in thousands):

Three Months Ended March 31, 2017	
As Previously Reported	As Reclassified

Cash flows from investing activities:

Edgar Filing: HEALTHCARE TRUST OF AMERICA, INC. - Form 10-Q

Other assets <sup>(1)</sup>	\$5,771	\$ —
Net cash used in investing activities	(37,083 )	(42,854 )
Net change in cash, cash equivalents and restricted cash <sup>(2)</sup>	\$4,803	\$ (968 )
Cash, cash equivalents and restricted cash - beginning of period <sup>(2)</sup>	11,231	25,045
Cash, cash equivalents and restricted cash - end of period <sup>(2)</sup>	\$16,034	\$ 24,077

(1) Prior to adoption of ASU 2016-18, the line item description was “Restricted cash, escrow deposits and other assets”.

(2) With the adoption of ASU 2016-18, the line item description now includes restricted cash.

15

---

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**Cash, Cash Equivalents and Restricted Cash**

Cash and cash equivalents consist of all highly liquid investments with a maturity of three months or less when purchased. Restricted cash is comprised of reserve accounts for property taxes, insurance, capital improvements and tenant improvements as well as collateral accounts for debt and interest rate swaps and deposits for future investments.

With our adoption of ASU 2016-18 as set forth in our 2017 Annual Report on Form 10-K as of January 1, 2017, the following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the accompanying condensed consolidated balance sheets to the combined amounts shown on the accompanying condensed consolidated statements of cash flows (in thousands):

	March 31,	
	2018	2017
Cash and cash equivalents	\$56,243	\$16,034
Restricted cash	12,695	8,043
Total cash, cash equivalents and restricted cash	\$68,938	\$24,077

**Revenue Recognition**

Minimum annual rental revenue is recognized on a straight-line basis over the term of the related lease (including rent holidays). Differences between rental income recognized and amounts contractually due under the lease agreements are recorded as straight-line rent receivables. Tenant reimbursement revenue, which is comprised of additional amounts recoverable from tenants for common area maintenance expenses and certain other recoverable expenses, is recognized as revenue in the period in which the related expenses are incurred. Tenant reimbursements are recorded on a gross basis, as we are generally the primary obligor with respect to purchasing goods and services from third-party suppliers, have discretion in selecting the supplier, and have credit risk. We recognize lease termination fees when there is a signed termination letter agreement, all of the conditions of the agreement have been met, and the tenant is no longer occupying the property. Rental income is reported net of amortization of inducements. Effective January 1, 2018, with the adoption of Topic 606 and corresponding amendments, the revenue recognition process will be based on a five-step model to account for revenue arising from contracts with customers and supersedes most of the existing revenue recognition guidance. Topic 606 requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. We have identified all of our revenue streams and we have concluded that rental income from leasing arrangements represents a substantial portion of our revenue and, therefore, is specifically excluded from Topic 606 and will be governed and evaluated with the anticipated adoption of Topic 842. The other revenue stream identified as impacting Topic 606 is concentrated in the recognition of real estate sales and this component does not have a material impact on our financial statements. For more detailed information on Topic 606 see “Recently Issued or Adopted Accounting Pronouncements” below.

**Investments in Real Estate**

Depreciation expense of buildings and improvements for the three months ended March 31, 2018 and 2017, was \$50.7 million and \$32.7 million, respectively.

**Unconsolidated Joint Ventures**

We account for our investments in unconsolidated joint ventures using the equity method of accounting because we have the ability to exercise significant influence, but not control, over the financial and operational policy decisions of the investments. Using the equity method of accounting, the initial investment is recognized at cost and subsequently adjusted for our share of the net income or loss and any distributions from the joint venture. As of March 31, 2018, we had a 50% interest in one such investment with a carrying value and maximum exposure to risk of \$69.1 million, which is recorded in investment in unconsolidated joint venture in the accompanying condensed consolidated balance sheets. We record our share of net income (loss) in income (loss) from unconsolidated joint venture in the accompanying condensed consolidated statements of operations. For the three months ended March 31, 2018, we

recognized income of \$0.6 million. Our unconsolidated joint venture was acquired during the second quarter of 2017 and, as such, there was no income (loss) or distributions for the three months ended March 31, 2017.

16

---

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

## Recently Issued or Adopted Accounting Pronouncements

The following table provides a brief description of recently adopted accounting pronouncements:

Accounting Pronouncement	Description	Effective Date	Effect on financial statements
Topic 606; collectively, ASU 2014-09, 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-11, ASU 2016-12, ASU 2016-20, ASU 2017-05, ASU 2017-10, ASU 2017-13 and ASU 2017-14 Revenue from Contracts with Customers (Issued May 2014, August 2015, March 2016, April 2016, May 2016, December 2016, February 2017, May 2017, September 2017 and November 2017)	<p>In May 2014, the FASB issued Topic 606. The objective of Topic 606 is to establish a comprehensive new five-step model requiring a company to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (i.e., payment) to which the company expects to be entitled in exchange for those goods or services. Expanded quantitative and qualitative disclosures regarding revenue recognition will be required for contracts that are subject to Topic 606. Topic 606 does not apply to revenue from lease contracts until the adoption of the new leases standard in ASU 2016-02, in January 2019.</p> <p>ASU 2017-05 applies to all nonfinancial assets (including real estate) for which the counterparty is not a customer and requires an entity to derecognize a nonfinancial asset in a partial sale transaction when it ceases to have a controlling financial interest in the asset and has transferred control of the asset. Once an entity transfers control of the nonfinancial asset, the entity is required to measure any noncontrolling interest it receives or retains at fair value. Under the current guidance, a partial sale is recognized and carryover basis is used for the retained interest resulting in only partial gain recognition by the entity, however, the new guidance eliminates the use of carryover basis and generally requires the full gain to be recognized.</p> <p>In adopting Topic 606, companies may use either a full retrospective or a modified retrospective approach.</p>	<p>Topic 606 is effective for fiscal years beginning after December 15, 2017 along with the right of early adoption as of the original effective date.</p>	<p>We adopted Topic 606 effective January 1, 2018 to all open contracts using the modified retrospective approach. As part of the adoption, we identified all revenue streams and concluded that revenues from leasing arrangements represented substantially all of our revenue and is generally excluded from the scope of Topic 606. Rather, rental revenue, including any executory type costs, will be governed and evaluated with the adoption of Topic 842 as described below. In addition, under Topic 606, revenue recognition for real estate sales will be substantially based on a principles-based approach to determine whether there has been transfer of control versus continuing involvement under the current guidance. There have not been, nor do we anticipate, any reclassifications or material impacts on our consolidated financial statements as a result of this adoption.</p>

ASU 2017-09

<p>Compensation - Stock Compensation (Topic 718): Clarifying the Scope of Modification (Issued May 2017)</p>	<p>ASU 2017-09 amends the scope of modification accounting for share-based payment arrangements and provides guidance on the types of changes to the terms and conditions of share-based payment awards to which an entity would be required to apply modification accounting under ASC 718.</p>	<p>ASU 2017-09 is effective for fiscal years beginning after December 15, 2017 with early adoption permitted.</p>	<p>We adopted ASU 2017-09 as of January 1, 2018. There have not been, nor do we anticipate, any reclassifications or material impacts on our consolidated financial statements as a result of this adoption.</p>
<p>ASU 2017-12 Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities (Issued August 2017)</p>	<p>ASU 2017-12 expands and refines hedge accounting for both financial (e.g., interest rate) and non-financial risk components, aligns the recognition and presentation of the effects of hedging instruments and hedge items in the financial statements, and includes certain targeted improvements to ease the application of current guidance related to the assessment of hedge effectiveness.</p>	<p>ASU 2017-12 is effective for fiscal years beginning after December 15, 2018 with early adoption permitted.</p>	<p>We adopted ASU 2017-12 as of January 1, 2018. Using the modified retrospective approach, the cumulative effect of the ineffectiveness for the year ended December 31, 2017 was immaterial; therefore, no adjustment was made to beginning retained earnings. Additionally, as a result of the adoption, we no longer disclose the ineffective portion of the change in fair value of our derivative financial instruments. The entire change in the fair value of the hedging instruments included in the assessment of hedge effectiveness will now be recorded in other comprehensive income and subsequently reclassified to interest expense in the period the hedging instrument affects earnings.</p>



Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following table provides a brief description of recently issued accounting pronouncements:

Accounting Pronouncement	Description	Effective Date	Effect on financial statements
Topic 842; collectively ASU 2016-02 and 2018-01 Leases (Issued February 2016 and January 2018)	<p>In February 2016, The FASB issued Topic 842. Topic 842 will supersede the existing guidance for lease accounting and states that companies will be required to recognize lease assets and lease liabilities on the balance sheet and disclose key information about leasing arrangements. Topic 842 requires qualitative and quantitative disclosures to supplement the amounts recorded in the financial statements so that users can understand the nature of the entity's leasing activities, including significant judgments and changes in judgments. ASU 2018-01 provides an optional transition practical expedient to not evaluate under Topic 842 existing or expired land easements that were not previously accounted for as leases under the current lease guidance in Topic 840. An entity that elects this practical expedient should evaluate new or modified land easements under Topic 842 beginning at the date the entity adopts Topic 842; otherwise, an entity should evaluate all existing or expired land easements in connection with the adoption of the new lease requirements in Topic 842 to assess whether they meet the definition of a lease. Within Topic 842, lessor accounting remained fairly unchanged. In adopting Topic 842, companies will be required to either use a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements or an optional transition method by recognizing a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption.</p>	<p>Topic 842 is effective for the fiscal years beginning after December 15, 2018 with early adoption permitted.</p>	<p>We will adopt the provisions of Topic 842 no later than January 1, 2019. As part of our adoption, we have started our evaluation process to determine the amount of the impact to our consolidated results from operations, consolidated statements of financial position and related disclosures. We anticipate that we will elect (a) the practical expedient offered that allows an entity to not reassess upon adoption (i) whether an expired or existing contract contains a lease arrangement; (ii) lease classification related to expired or existing lease arrangements; or (iii) whether costs incurred on expired or existing leases qualify as initial direct costs; and (b) the practical expedient to not separate certain non-lease components, such as common area maintenance from lease revenue if (i) the timing and pattern of revenue recognition are the same for the non-lease component; and (ii) the related lease component and the combined single lease component would be classified as an operating lease. Further, we anticipate as a result of the adoption, all leases for which we are the lessee, including ground leases and certain corporate leases, will be recorded on our consolidated financial statements as either financing leases or operating leases with a related right of use asset and lease liability. We are assessing the related cash flows of such leases and the appropriate discount rates that correspond to the terms of</p>

these leases. With respect to initial direct costs, we are assessing the projected impact the change in guidance will have on our accounting of such costs, however, we have capitalized approximately \$1.3 million of internal initial direct costs during the three months ended March 31, 2018 (as defined by the current lease standard, ASC 840 - Leases). Upon the adoption of Topic 842, these initial direct costs would have been either in part or in their entirety classified as selling or general and administrative costs on our consolidated results of operations.

ASU 2016-13  
Financial  
Instruments  
Credit Losses:  
Measurement of  
Credit Losses on  
Financial  
Instruments  
(Issued June  
2016)

ASU 2016-13 is intended to improve financial reporting by requiring more timely recognition of credit losses on loans and other financial instruments that are not accounted for at fair value through net income, including loans held for investment, held-to-maturity debt securities, trade and other receivables, net investment in leases and other such commitments. ASU 2016-13 requires that financial statement assets measured at an amortized cost be presented at the net amount expected to be collected through an allowance for credit losses that is deducted from the amortized cost basis.

ASU 2016-13 is effective for fiscal years beginning after December 15, 2019 with early adoption permitted.

We do not anticipate early adoption or there to be a material impact, however, we are evaluating the impact of adopting ASU 2016-13 on our consolidated financial statements.

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

## 3. Investments in Real Estate

For the three months ended March 31, 2018, our investments had an aggregate purchase price of \$12.3 million. As part of these investments, we incurred \$65,000 of capitalized costs. The allocations for these investments, in which we own a controlling financial interest, are set forth below in the aggregate for the three months ended March 31, 2018 and 2017, respectively (in thousands):

	Three Months Ended March 31,	
	2018	2017
Land	\$1,084	\$4,934
Building and improvements	10,280	29,762
In place leases	662	3,185
Below market leases	(139 )	(65 )
Net assets acquired	11,887	37,816
Other, net	447	1,230
Aggregate purchase price	\$12,334	\$39,046

The acquired intangible assets and liabilities referenced above had weighted average lives of the following terms for the three months ended March 31, 2018 and 2017, respectively (in years):

	Three Months Ended March 31,	
	2018	2017
Acquired intangible assets	8.4	11.3
Acquired intangible liabilities	8.4	10.2

## 4. Impairment

During the three months ended March 31, 2018, we recorded an impairment charge of \$4.6 million on two MOB's located in Texas and South Carolina with an aggregate value of \$13.0 million. During the three months ended March 31, 2017, no impairment charges were recorded.

## 5. Intangible Assets and Liabilities

Intangible assets and liabilities consisted of the following as of March 31, 2018 and December 31, 2017, respectively (in thousands, except weighted average remaining amortization terms):

	March 31, 2018		December 31, 2017	
	Balance	Weighted Average Remaining Amortization in Years	Balance	Weighted Average Remaining Amortization in Years
<b>Assets:</b>				
In place leases	\$473,514	9.7	\$474,252	9.8
Tenant relationships	164,589	10.3	164,947	10.2
Above market leases	39,919	6.2	40,082	6.3
Below market leasehold interests	92,362	60.2	92,362	63.4
	770,384		771,643	
Accumulated amortization	(330,274 )		(312,655 )	
Total	\$440,110	19.6	\$458,988	19.5
<b>Liabilities:</b>				
Below market leases	\$61,952	14.1	\$61,820	14.7
Above market leasehold interests	20,610	49.9	20,610	50.1
	82,562		82,430	

Edgar Filing: HEALTHCARE TRUST OF AMERICA, INC. - Form 10-Q

Accumulated amortization	(15,897 )	(14,227 )
Total	\$66,665 24.4	\$68,203 25.0

19

---

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The following is a summary of the net intangible amortization for the three months ended March 31, 2018 and 2017, respectively (in thousands):

	Three Months Ended March 31, 2018 2017	
Amortization recorded against rental income related to above and (below) market leases	\$(62)	\$(223)
Rental expense related to above and (below) market leasehold interests	277	129
Amortization expense related to in place leases and tenant relationships	17,648	12,730

## 6. Receivables and Other Assets

Receivables and other assets consisted of the following as of March 31, 2018 and December 31, 2017, respectively (in thousands):

	March 31, 2018	December 31, 2017
Tenant receivables, net	\$12,471	\$20,269
Other receivables, net	8,548	9,305
Deferred financing costs, net	7,328	7,759
Deferred leasing costs, net	26,383	25,494
Straight-line rent receivables, net	89,674	85,143
Prepaid expenses, deposits, equipment and other, net	57,291	58,358
Derivative financial instruments - interest rate swaps	1,991	1,529
Total	\$203,686	\$207,857

The following is a summary of the amortization of deferred leasing costs and financing costs for the three months ended March 31, 2018, and 2017, respectively (in thousands):

	Three Months Ended March 31, 2018 2017	
Amortization expense related to deferred leasing costs	\$1,506	\$1,262
Interest expense related to deferred financing costs	431	331

## 7. Debt

Debt consisted of the following as of March 31, 2018 and December 31, 2017, respectively (in thousands):

	March 31, 2018	December 31, 2017
Unsecured revolving credit facility	\$—	\$—
Unsecured term loans	500,000	500,000
Unsecured senior notes	1,850,000	1,850,000
Fixed rate mortgages loans	413,180	414,524
Variable rate mortgages loans	37,664	37,918
	2,800,844	2,802,442
Deferred financing costs, net	(15,145 )	(15,850 )
Discount, net	(5,408 )	(5,561 )
Total	\$2,780,291	\$2,781,031

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Unsecured Credit Agreement

Unsecured Revolving Credit Facility due 2022

In 2017, HTALP entered into an amended and restated \$1.3 billion unsecured credit agreement (the “Unsecured Credit Agreement”) which increased the amount available under the unsecured revolving credit facility to \$1.0 billion and extended the maturities of the unsecured revolving credit facility to June 30, 2022 and for the \$300.0 million unsecured term loan referenced below until February 1, 2023. The maximum principal amount of the Unsecured Credit Agreement may be increased by up to \$750.0 million, subject to certain conditions, for a total principal amount of \$2.05 billion.

Borrowings under the unsecured revolving credit facility accrue interest at a rate equal to adjusted LIBOR, plus a margin ranging from 0.83% to 1.55% per annum based on our credit rating. We also pay a facility fee ranging from 0.13% to 0.30% per annum on the aggregate commitments under the unsecured revolving credit facility. As of March 31, 2018, the margin associated with our borrowings was 1.00% per annum and the facility fee was 0.20% per annum.

Unsecured Term Loan due 2023

In 2017, we entered into an amended and restated Unsecured Credit Agreement as noted above. As part of this agreement, we obtained a \$300.0 million unsecured term loan that was guaranteed by us with a maturity date of February 1, 2023. Borrowings under this unsecured term loan accrue interest equal to adjusted LIBOR, plus a margin ranging from 0.90% to 1.75% per annum based on our credit rating. The margin associated with our borrowings as of March 31, 2018 was 1.10% per annum. Including the impact of the interest rate swaps associated with our unsecured term loan, the interest rate was 2.98% per annum, based on our current credit rating. As of March 31, 2018, HTALP had \$300.0 million under this unsecured term loan outstanding.

\$200.0 Million Unsecured Term Loan due 2023

As of March 31, 2018, HTALP had a \$200.0 million unsecured term loan outstanding, which matures on September 26, 2023. Borrowings under the unsecured term loan accrue interest at a rate equal to LIBOR, plus a margin ranging from 1.50% to 2.45% per annum based on our credit rating. The margin associated with our borrowings as of March 31, 2018 was 1.65% per annum. HTALP had interest rate swaps in place that fixed the interest rate at 3.22% per annum, based on our current credit rating.

\$300.0 Million Unsecured Senior Notes due 2021

As of March 31, 2018, HTALP had \$300.0 million of unsecured senior notes outstanding that are guaranteed by us. These unsecured senior notes are registered under the Securities Act of 1933, as amended (the “Securities Act”), bear interest at 3.38% per annum and are payable semi-annually. Additionally, these unsecured senior notes were offered at 99.21% of the principal amount thereof, with an effective yield to maturity of 3.50% per annum. As of March 31, 2018, HTALP had \$300.0 million of these unsecured senior notes outstanding that mature on July 15, 2021.

\$400.0 Million Unsecured Senior Notes due 2022

In 2017, in connection with the \$500.0 million unsecured senior notes due 2027 referenced below, HTALP issued \$400.0 million of unsecured senior notes that are guaranteed by us. These unsecured senior notes are registered under the Securities Act, bear interest at 2.95% per annum and are payable semi-annually. Additionally, these unsecured senior notes were offered at 99.94% of the principal amount thereof, with an effective yield to maturity of 2.96% per annum. As of March 31, 2018, HTALP had \$400.0 million of these unsecured senior notes outstanding that mature on July 1, 2022.

\$300.0 Million Unsecured Senior Notes due 2023

As of March 31, 2018, HTALP had \$300.0 million of unsecured senior notes outstanding that are guaranteed by us. These unsecured senior notes are registered under the Securities Act, bear interest at 3.70% per annum and are payable semi-annually. Additionally, these unsecured senior notes were offered at 99.19% of the principal amount thereof, with an effective yield to maturity of 3.80% per annum. As of March 31, 2018, HTALP had \$300.0 million of these unsecured senior notes outstanding that mature on April 15, 2023.



Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**\$350.0 Million Unsecured Senior Notes due 2026**

As of March 31, 2018, HTALP had \$350.0 million of unsecured senior notes outstanding that are guaranteed by us. These unsecured senior notes are registered under the Securities Act, bear interest at 3.50% per annum and are payable semi-annually. Additionally, these unsecured senior notes were offered at 99.72% of the principal amount thereof, with an effective yield to maturity of 3.53% per annum. As of March 31, 2018, HTALP had \$350.0 million of these unsecured senior notes outstanding that mature on August 1, 2026.

**\$500.0 Million Unsecured Senior Notes due 2027**

In 2017, in connection with the \$400.0 million unsecured senior notes due 2022 referenced above, HTALP issued \$500.0 million of unsecured senior notes that are guaranteed by us. These unsecured senior notes are registered under the Securities Act, bear interest at 3.75% per annum and are payable semi-annually. Additionally, these unsecured senior notes were offered at 99.49% of the principal amount thereof, with an effective yield to maturity of 3.81% per annum. As of March 31, 2018, HTALP had \$500.0 million of these unsecured senior notes outstanding that mature on July 1, 2027.

**Fixed and Variable Rate Mortgages**

In 2017, we were required by the seller under the Duke acquisition to execute, as the borrower, for a part of the purchase price a senior secured first lien loan, subject to customary non-recourse carve-outs, a promissory note (the "Promissory Note") in the amount of \$286.0 million. The Promissory Note bears interest at 4.0% per annum and is payable in three equal payments maturing on January 10, 2020 and is guaranteed by us.

As of March 31, 2018, HTALP and its subsidiaries had fixed and variable rate mortgage loans with interest rates ranging from 2.85% to 6.39% per annum and a weighted average interest rate of 4.30% per annum. Including the impact of the interest rate swap associated with our variable rate mortgages, the weighted average interest rate was 4.39% per annum.

**Future Debt Maturities**

The following table summarizes the debt maturities and scheduled principal repayments of our indebtedness as of March 31, 2018 (in thousands):

Year	Amount
2018	\$ 100,915
2019	107,676
2020	146,678
2021	305,772
2022	463,063
Thereafter	1,676,740
Total	\$ 2,800,844

**Deferred Financing Costs**

As of March 31, 2018, the future amortization of our deferred financing costs is as follows (in thousands):

Year	Amount
2018	\$ 2,117
2019	2,826
2020	2,804
2021	2,610
2022	1,987
Thereafter	2,801
Total	\$ 15,145



Table of Contents

HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

We are required by the terms of our applicable loan agreements to meet various affirmative and negative covenants that we believe are customary for these types of facilities, such as limitations on the incurrence of debt by us and our subsidiaries that own unencumbered assets, limitations on the nature of HTALP's business, and limitations on distributions by HTALP and its subsidiaries that own unencumbered assets. Our loan agreements also impose various financial covenants on us, such as a maximum ratio of total indebtedness to total asset value, a minimum ratio of EBITDA to fixed charges, a minimum tangible net worth covenant, a maximum ratio of unsecured indebtedness to unencumbered asset value, rent coverage ratios and a minimum ratio of unencumbered NOI to unsecured interest expense. As of March 31, 2018, we believe that we were in compliance with all such financial covenants and reporting requirements. In addition, certain of our loan agreements include events of default provisions that we believe are customary for these types of facilities, including restricting us from making dividend distributions to our stockholders in the event we are in default thereunder, except to the extent necessary for us to maintain our REIT status.

8. Derivative Financial Instruments and Hedging Activities

Risk Management Objective of Using Derivative Financial Instruments

We may use derivative financial instruments, including interest rate swaps, caps, options, floors and other interest rate derivative contracts, to hedge all or a portion of the interest rate risk associated with our borrowings. The principal objective of such arrangements is to minimize the risks and/or costs associated with our operating and financial structure as well as to hedge specific anticipated transactions. We do not intend to utilize derivatives for speculative or other purposes other than interest rate risk management. The use of derivative financial instruments carries certain risks, including the risk that the counterparties to these contractual arrangements are not able to perform under the agreements. To mitigate this risk, we only enter into derivative financial instruments with counterparties with high credit ratings and with major financial institutions with which we and our affiliates may also have other financial relationships. We do not anticipate that any of the counterparties will fail to meet their obligations. We record counterparty credit risk valuation adjustments on interest rate swap derivative assets in order to properly reflect the credit quality of the counterparty. In addition, our fair value of interest rate swap derivative liabilities is adjusted to reflect the impact of our credit quality.

Cash Flow Hedges of Interest Rate Risk

Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our exposure to interest rate movements. To accomplish this objective, we primarily use interest rate swaps and treasury locks as part of our interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable rate amounts from a counterparty in exchange for us making fixed rate payments over the life of the agreements without exchange of the underlying notional amount. A treasury lock is a synthetic forward sale of a U.S. treasury note, which is settled in cash based upon the difference between an agreed upon treasury rate and the prevailing treasury rate at settlement. Such treasury locks are entered into to effectively fix the treasury component of an upcoming debt issuance.

As a result of our adoption of ASU 2017-12 as of January 1, 2018, the entire change in the fair value of derivatives designated and qualify as cash flow hedges are recorded in accumulated other comprehensive income in the accompanying condensed consolidated balance sheets and are subsequently reclassified into earnings in the period in which the hedged forecasted transaction affects earnings. During the three months ended March 31, 2018, such derivatives were used to hedge the variable cash flows associated with variable rate debt. Additionally, we will no longer disclose the ineffective portion of the change in fair value of our derivatives.

Amounts reported in accumulated other comprehensive income in the accompanying condensed consolidated balance sheets related to derivatives will be reclassified to interest expense as interest payments are made on our variable rate debt. During the next twelve months, we estimate that an additional \$0.9 million will be reclassified from other comprehensive income in the accompanying condensed consolidated balance sheets as an increase to interest related to derivative financial instruments in the accompanying condensed consolidated statements of operations.

As of March 31, 2018, we had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk (in thousands, except number of instruments):

Interest Rate Swaps	March 31, 2018
Number of instruments	5
Notional amount	\$189,095

23

---

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The table below presents the fair value of our derivative financial instruments designated as a hedge as well as our classification in the accompanying condensed consolidated balance sheets as of March 31, 2018 and December 31, 2017, respectively (in thousands).

Derivatives Designated as Hedging Instruments:	Asset Derivatives		Fair Value at:		Liability Derivatives		Fair Value at:	
	Balance Sheet Location		March 31, 2018	December 31, 2017	Balance Sheet Location		March 31, 2018	December 31, 2017
Interest rate swaps	Receivables and other assets		\$1,991	\$ 1,529	Derivative financial instruments		\$742	\$ 1,089

The table below presents the gain or loss recognized on our derivative financial instruments designated as hedges as well as our classification in the accompanying condensed consolidated statements of operations for the three months ended March 31, 2018 and 2017, respectively (in thousands). As a result of the adoption of ASU 2017-12 as of January 1, 2018, we no longer disclose the ineffective portion of the change in fair value of our derivative financial instruments designated as hedges.

Derivatives Cash Flow Hedging Relationships:	Gain (Loss) Recognized in OCI on Derivative		Statement of Operations Location	Gain (Loss) Reclassified from Accumulated OCI into Income	
	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017		Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Interest rate swaps	\$970	\$(164)	Interest related to derivative financial instruments	\$ 70	\$(76 )

Non-Designated Hedges

Derivatives not designated as hedges are not speculative and are used to manage our exposure to interest rate movements and other identified risks, but do not meet the strict hedge accounting requirements of ASC 815 - Derivatives and Hedging. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly to gain or loss on change in fair value of derivative financial instruments in the accompanying condensed consolidated statements of operations. For the three months ended March 31, 2017, we recorded a gain on change in fair value of derivative financial instruments of \$0.8 million. There were no non-designated hedges as of March 31, 2018.

Tabular Disclosure of Offsetting Derivatives

The table below sets forth the net effects of offsetting and net presentation of our derivatives as of March 31, 2018 and December 31, 2017, respectively (in thousands). The net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value. The tabular disclosure of fair value provides the location that derivative assets or liabilities are presented in the consolidated balance sheets.

Offsetting of Derivative Assets					
Gross Amounts	Gross Amounts in	Net Amounts of Assets	Financial Instruments	Cash Collateral	Net Amount

Edgar Filing: HEALTHCARE TRUST OF AMERICA, INC. - Form 10-Q

	of Recognized Assets	the Consolidated Balance Sheets	Presented in the Consolidated Balance Sheets		Received	
March 31, 2018	\$1,991	\$ —	—\$ 1,991	\$	—\$	—\$ 1,991
December 31, 2017	1,529	—	1,529	—	—	1,529
Offsetting of Derivative Liabilities						
	Gross Amounts of Recognized Liabilities	Gross Amounts in the Consolidated Balance Sheets	Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	Financial Instruments	Cash Collateral Received	Net Amount
March 31, 2018	\$742	\$ —	—\$ 742	\$	—\$	—\$ 742
December 31, 2017	1,089	—	1,089	—	—	1,089

Table of Contents

HEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Credit Risk Related Contingent Features

We have agreements with each of our derivative counterparties that contain a provision that if we default on any of our indebtedness, including a default where repayment of the indebtedness has not been accelerated by the lender, then we could also be declared in default on our derivative obligations.

We also have agreements with each of our derivative counterparties that incorporate provisions from our indebtedness with a lender affiliate of the derivative counterparty requiring it to maintain certain minimum financial covenant ratios on our indebtedness. Failure to comply with the covenant provisions would result in us being in default on any derivative instrument obligations covered by these agreements.

As of March 31, 2018, the fair value of derivatives in a net liability position, including accrued interest, but excluding any adjustment for nonperformance risk related to these agreements, was \$0.7 million. As of March 31, 2018, we have not posted any collateral related to these agreements and we were not in breach of any of the provisions of these agreements. If we had breached any of the provisions of these agreements, we could have been required to settle our obligations under these agreements at an aggregate termination value of \$0.7 million at March 31, 2018.

9. Commitments and Contingencies

Litigation

We engage in litigation from time to time with various parties as a routine part of our business, including tenant defaults. However, we are not presently subject to any material litigation nor, to our knowledge, is any material litigation threatened against us, which if determined unfavorably to us, would have a material effect on our condensed consolidated financial position, results of operations or cash flows.

Environmental Matters

We follow the policy of monitoring our properties for the presence of hazardous or toxic substances. While there can be no assurance that a material environmental liability does not exist at our properties, we are not currently aware of any environmental liability with respect to our properties that would have a material effect on our condensed consolidated financial position, results of operations or cash flows. Further, we are not aware of any material environmental liability or any unasserted claim or assessment with respect to an environmental liability at our properties that we believe would require additional disclosure or the recording of a loss contingency.

Other

Our other commitments and contingencies include the usual obligations of real estate owners and operators in the normal course of business. In our opinion, these matters are not expected to have a material effect on our condensed consolidated financial position, results of operations or cash flows.

10. Stockholders' Equity and Partners' Capital

HTALP's operating partnership agreement provides that it will distribute cash flow from operations and net sale proceeds to its partners in accordance with their overall ownership interests at such times and in such amounts as the general partner determines. Dividend distributions are made such that a holder of one OP Unit in HTALP will receive distributions from HTALP in an amount equal to the dividend distributions paid to the holder of one share of our common stock. In addition, for each share of common stock issued or redeemed by us, HTALP issues or redeems a corresponding number of OP Units.

During 2017, we entered a forward sale arrangement pursuant to a forward equity agreement, with proceeds of \$75.0 million, excluding anticipated costs to borrow. In February 2018, the maturity date was extended to October 2018, subject to adjustments as provided in the forward equity agreement. Refer to Note 12 - Per Share Data of HTA to these condensed consolidated financial statements for a more detailed discussion related to our forward equity agreement.

Common Stock Dividends

See our accompanying condensed consolidated statements of operations for the dividends declared during the three months ended March 31, 2018 and 2017. On April 27, 2018, our Board of Directors announced a quarterly dividend of \$0.305 per share/unit of common stock to be paid on July 10, 2018 to stockholders of record of our common stock and OP unitholders on July 5, 2018.



Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)**Incentive Plan**

The Plan permits the grant of incentive awards to our employees, officers, non-employee directors and consultants as selected by our Board of Directors. The Plan authorizes us to grant awards in any of the following forms: options; stock appreciation rights; restricted stock; restricted or deferred stock units; performance awards; dividend equivalents; other stock-based awards, including units in HTALP; and cash-based awards. Subject to adjustment as provided in the Plan, the aggregate number of awards reserved and available for issuance under the Plan is 5,000,000 shares. As of March 31, 2018, there were 1,405,137 awards available for grant under the Plan.

**Restricted Common Stock**

For the three months ended March 31, 2018 and 2017, we recognized compensation expense of \$3.5 million and \$2.5 million, respectively. Compensation expense was recorded in general and administrative expenses in the accompanying condensed consolidated statements of operations.

As of March 31, 2018, we had \$11.7 million of unrecognized compensation expense, net of estimated forfeitures, which we will recognize over a remaining weighted average period of 1.8 years.

The following is a summary of our restricted common stock activity as of March 31, 2018 and 2017, respectively:

	March 31, 2018		March 31, 2017	
	Restricted Common Stock	Weighted Average Date Fair Value	Restricted Common Stock	Weighted Average Date Fair Value
Beginning balance	589,606	\$ 29.38	640,870	\$ 27.36
Granted	307,534	29.05	215,333	29.31
Vested	(205,270)	29.13	(229,621)	24.88
Forfeited	(20,061 )	29.66	(2,524 )	29.96
Ending balance	671,809	\$ 29.29	624,058	\$ 28.94

**11. Fair Value of Financial Instruments****Financial Instruments Reported at Fair Value - Recurring**

The table below presents our assets and liabilities measured at fair value on a recurring basis as of March 31, 2018, aggregated by the applicable level in the fair value hierarchy (in thousands):

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Derivative financial instruments	\$	—\$1,991	\$	—\$1,991

**Liabilities:**

Derivative financial instruments	\$	—\$742	\$	—\$742
----------------------------------	----	--------	----	--------

The table below presents our assets and liabilities measured at fair value on a recurring basis as of December 31, 2017, aggregated by the applicable level in the fair value hierarchy (in thousands):

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Derivative financial instruments	\$	—\$1,529	\$	—\$1,529
<b>Liabilities:</b>				
Derivative financial instruments	\$	—\$1,089	\$	—\$1,089

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

## Financial Instruments Reported at Fair Value - Non-Recurring

The table below presents our assets measured at fair value on a non-recurring basis as of March 31, 2018, aggregated by the applicable level in the fair value hierarchy (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
MOB <sup>(1)</sup> \$	\$	—\$12,985	\$	—\$12,985

(1) During the three months ended March 31, 2018, we recognized \$4.6 million of impairment charges to the carrying value of two MOB's. The estimated fair value as of March 31, 2018 for these MOB's was based upon a pending sales agreement.

The table below presents our assets measured at fair value on a non-recurring basis as of December 31, 2017, aggregated by the applicable level in the fair value hierarchy (in thousands):

	Level 1	Level 2	Level 3	Total
Assets:				
MOB <sup>(1)</sup> \$	\$	—\$10,271	\$	—\$10,271

(1) During the year ended December 31, 2017, we recognized \$13.9 million of impairment charges to the carrying value of two MOB's and a portfolio of MOB's. The estimated fair value as of December 31, 2017 for these MOB's was based upon a pending sales agreement and real estate market comparables.

There have been no transfers of assets or liabilities between levels. We will record any such transfers at the end of the reporting period in which a change of event occurs that results in a transfer. Although we have determined that the majority of the inputs used to value our interest rate swap derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with these instruments utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by us and our counterparties. However, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our interest rate swap derivative positions and have determined that the credit valuation adjustments are not significant to their overall valuation. As a result, we have determined that our interest rate swap derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

## Financial Instruments Disclosed at Fair Value

We consider the carrying values of cash and cash equivalents, tenant and other receivables, restricted cash and accounts payable, and accrued liabilities, to approximate fair value for these financial instruments because of the short period of time between origination of the instruments and their expected realization. All of these financial instruments are considered Level 2.

The fair value of debt is estimated using borrowing rates available to us with similar terms and maturities, which is considered a Level 2 input. As of March 31, 2018, the fair value of the debt was \$2,765.8 million compared to the



carrying value of \$2,780.3 million. As of December 31, 2017, the fair value of the debt was \$2,826.3 million compared to the carrying value of \$2,781.0 million.

Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

## 12. Per Share Data of HTA

In October 2017, we entered a forward sale arrangement pursuant to a forward equity agreement to sell approximately 2.6 million shares of common stock through our ATM at a price of \$29.40 per share, for proceeds of approximately \$75.0 million, excluding anticipated costs to borrow. In February 2018, the maturity date was extended to October 2018, subject to adjustments as provided in the forward equity agreement. To account for the forward equity agreement, we considered the accounting guidance governing financial instruments and derivatives and concluded that our forward equity agreement was not a liability as it did not embody obligations to repurchase our shares of common stock nor did it embody obligations to issue a variable number of shares for which the monetary value was predominately fixed, varying with something other than the fair value of the shares, or varying inversely in relation to our shares. We also evaluated whether the agreement met the derivatives and hedging guidance scope exception to be accounted for as an equity instrument and concluded that the agreement can be classified as an equity contract based on the following assessment: (i) none of the agreements' exercise contingencies were based on observable markets or indices besides those related to the market for our own stock price and operations; and (ii) none of the settlement provisions precluded the agreement from being indexed to our own common stock.

In addition, we considered the potential dilution resulting from the forward equity agreement on our earnings per common share calculations. We used the treasury method to determine the dilution resulting from the forward equity agreement during the period of time prior to settlement. The number of weighted-average shares outstanding - diluted used in the computation of earnings per common share for the three months ended March 31, 2018, included the effect from the assumed issuance of 2.6 million shares of common stock pursuant to the settlement of the forward equity agreement at the contractual price, less the assumed repurchase of common shares at the average market price using the proceeds of approximately \$75.0 million, excluding anticipated costs to borrow. For the three months ended March 31, 2018, approximately 266,000 weighted-average incremental shares were excluded from the computation of our weighted-average shares-diluted, as their impact was anti-dilutive.

We include unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents as "participating securities" pursuant to the two-class method. The resulting classes are our common stock and restricted stock. Our forward equity agreement is not considered a participating security and, therefore, is not included in the computation of earnings per share using the two-class method. For the three months ended March 31, 2018, and 2017, all of our earnings were distributed and the calculated earnings per share amount would be the same for all classes.

The following is the reconciliation of the numerator and denominator used in basic and diluted earnings per share of HTA for the three months ended March 31, 2018, and 2017, respectively (in thousands, except per share data):

	Three Months Ended March 31,	
	2018	2017
Numerator:		
Net income	\$10,016	\$14,000
Net income attributable to noncontrolling interests	(214 )	(455 )
Net income attributable to common stockholders	\$9,802	\$13,545
Denominator:		
Weighted average shares outstanding - basic	205,069	141,780
Dilutive shares - partnership units convertible into common stock	4,108	4,337
Adjusted weighted average shares outstanding - diluted	209,177	146,117
Earnings per common share - basic		
Net income attributable to common stockholders	\$0.05	\$0.10
Earnings per common share - diluted		
Net income attributable to common stockholders	\$0.05	\$0.09



Table of ContentsHEALTHCARE TRUST OF AMERICA, INC. AND HEALTHCARE TRUST OF AMERICA HOLDINGS, LP  
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

## 13. Per Unit Data of HTALP

In October 2017, we entered a forward sale arrangement pursuant to a forward equity agreement to sell 2.6 million shares of common stock through our ATM. Refer to Note 12 - Per Share Data of HTA to these condensed consolidated financial statements for a more detailed discussion related to our forward equity agreement executed in October 2017.

The following is the reconciliation of the numerator and denominator used in basic and diluted earnings per unit of HTALP for the three months ended March 31, 2018, and 2017, respectively (in thousands, except per unit data):

	Three Months Ended March 31,	
	2018	2017
Numerator:		
Net income	\$10,016	\$14,000
Net income attributable to noncontrolling interests	(33 )	(30 )
Net income attributable to common unitholders	\$9,983	\$13,970
Denominator:		
Weighted average units outstanding - basic	209,177	146,117
Dilutive units - partnership units convertible into common units	—	—
Adjusted weighted average units outstanding - diluted	209,177	146,117
Earnings per common unit - basic:		
Net income attributable to common unitholders	\$0.05	\$0.10
Earnings per common unit - diluted:		
Net income attributable to common unitholders	\$0.05	\$0.10

## 14. Supplemental Cash Flow Information

The following is the supplemental cash flow information for the three months ended March 31, 2018, and 2017, respectively (in thousands):

	Three Months Ended March 31,	
	2018	2017
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$37,518	\$19,186
Income taxes paid	656	60
Supplemental Disclosure of Noncash Investing and Financing Activities:		
Accrued capital expenditures	\$760	\$5,696
Dividend distributions declared, but not paid	63,828	44,489
Issuance of operating partnership units in connection with acquisitions	—	610
Note receivable retired in connection with an acquisition	—	2,494
Redemption of noncontrolling interest	2,413	—

Table of Contents

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

The use of the words "we," "us" or "our" refers to HTA and HTALP, collectively.

The following discussion should be read in conjunction with our condensed consolidated financial statements and notes appearing elsewhere in this Quarterly Report, as well as with the audited consolidated financial statements, accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2017 Annual Report on Form 10-K. Such condensed consolidated financial statements and information have been prepared to reflect HTA's and HTALP's financial position as of March 31, 2018 and December 31, 2017, together with results of operations and cash flows for three months ended March 31, 2018 and 2017. The information set forth below is intended to provide readers with an understanding of our financial condition, changes in financial condition and results of operations.

Forward-Looking Statements;

Executive Summary;

Company Highlights;

Critical Accounting Policies;

Recently Issued or Adopted Accounting Pronouncements;

Factors Which May Influence Results of Operations;

Results of Operations;

Non-GAAP Financial Measures;

Liquidity and Capital Resources;

Commitments and Contingencies;

Debt Service Requirements;

Off-Balance Sheet Arrangements; and

Inflation.

Forward-Looking Statements

Certain statements contained in this Quarterly Report constitute forward-looking statements within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act")). Such statements include, in particular, statements about our plans, strategies, prospects and estimates regarding future MOB market performance. Additionally, such statements are subject to certain risks and uncertainties, as well as known and unknown risks, which could cause actual results to differ materially and in adverse ways from those projected or anticipated. Therefore, such statements are not intended to be a guarantee of our performance in future periods. Forward-looking statements are generally identifiable by the use of such terms as "expect," "project," "may," "should," "could," "would," "intend," "plan," "anticipate," "estimate," "believe," "continue," "opinion," "potential," "pro forma" or the negative of such terms and other comparable terminology. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date this Quarterly Report is filed with the SEC. We cannot guarantee the accuracy of any such forward-looking statements contained in this Quarterly Report, and we do not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

Any such forward-looking statements reflect our current views about future events, are subject to unknown risks, uncertainties, and other factors, and are based on a number of assumptions involving judgments with respect to, among other things, future economic, competitive and market conditions, all of which are difficult or impossible to predict accurately. To the extent that our assumptions differ from actual results, our ability to meet such forward-looking statements, including our ability to generate positive cash flow from operations, provide dividends to stockholders and maintain the value of our real estate properties, may be significantly hindered. Factors that might impair our ability to meet such forward-looking statements include, without limitation, those discussed in Part I, Item 1A - Risk Factors in our 2017 Annual Report on Form 10-K, which is incorporated herein.



## Table of Contents

Forward-looking statements express expectations of future events. All forward-looking statements are inherently uncertain as they are based on various expectations and assumptions concerning future events and they are subject to numerous known and unknown risks and uncertainties that could cause actual events or results to differ materially from those projected. Due to these inherent uncertainties, our stockholders are urged not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date made. In addition, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to projections over time, except as required by law.

These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Additional information concerning us and our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

### Executive Summary

HTA is the largest publicly-traded REIT focused on MOBs in the U.S. as measured by the GLA of its MOBs. HTA conducts substantially all of its operations through HTALP. We invest in MOBs that we believe will serve the future of healthcare delivery and MOBs that are primarily located on health system campuses, near university medical centers, or in core community outpatient locations. We also focus on our key markets that have certain demographic and macro-economic trends and where we can utilize our institutional full-service property management, leasing and development services platform to generate strong tenant and health system relationships and operating cost efficiencies. Our primary objective is to maximize stockholder value with disciplined growth through strategic investments that provide an attractive risk-adjusted return for our stockholders by consistently increasing our cash flow. In pursuing this objective, we: (i) seek internal growth through proactive asset management, leasing, building services and property management oversight; (ii) target accretive acquisitions and developments of MOBs in markets with attractive demographics that complement our existing portfolio; and (iii) actively manage our balance sheet to maintain flexibility with conservative leverage. Additionally, from time to time we consider, on an opportunistic basis, significant portfolio acquisitions that we believe fit our core business and could enhance our existing portfolio. Since 2006, we have invested \$7.0 billion to create a portfolio of MOBs, development projects and other healthcare assets consisting of approximately 24.1 million square feet of GLA throughout the U.S. Approximately 70% of our portfolio was located on the campuses of, or adjacent to, nationally and regionally recognized healthcare systems. Our portfolio is diversified geographically across 33 states, with no state having more than 19% of our total GLA as of March 31, 2018. We are concentrated in 20 to 25 key markets that are experiencing higher economic and demographic trends than other markets, on average, that we expect will drive demand for MOBs. As of March 31, 2018, we had approximately 1 million square feet of GLA in each of our top ten markets and approximately 93% of our portfolio, based on GLA, is located in the top 75 MSAs, with Dallas, Houston, Boston, Tampa and Atlanta being our largest markets by investment.

### Company Highlights

#### Portfolio Operating Performance

For the three months ended March 31, 2018, our total revenue increased 41.3%, or \$51.3 million, to \$175.7 million, compared to the three months ended March 31, 2017.

For the three months ended March 31, 2018, net income attributable to common stockholders was \$0.05 per diluted share, or \$9.8 million, compared to \$0.09 per diluted share, or \$13.5 million, for the three months ended March 31, 2017. This decrease is primarily related to the increase in depreciation and amortization of \$23.3 million as a result of the increase in the size of our investment portfolio.

For the three months ended March 31, 2018, HTA's FFO was \$84.6 million, or \$0.40 per diluted share, compared to \$0.41 per diluted share, or \$60.2 million for the three months ended March 31, 2017.

For the three months ended March 31, 2018, HTALP's FFO was \$84.8 million, or \$0.41 per diluted OP Unit, compared to \$0.42 per diluted OP unit, or \$60.7 million for the three months ended March 31, 2017.

For the three months ended March 31, 2018, HTA's and HTALP's Normalized FFO remained stable at \$0.41 per diluted share and OP Unit, or \$85.0 million, compared to the three months ended March 31, 2017.

For additional information on FFO and Normalized FFO, see "FFO and Normalized FFO" below, which includes a reconciliation to net income attributable to common stockholders/unitholders and an explanation of why we present

this non-GAAP financial measure.

For the three months ended March 31, 2018, our NOI increased 40.2%, or \$34.3 million, to \$119.6 million, compared to the three months ended March 31, 2017.

31

---



## Table of Contents

For the three months ended March 31, 2018, our Same-Property Cash NOI increased 2.3%, or \$1.8 million, to \$81.0 million, compared to the three months ended March 31, 2017. Excluding the MOB's located on our Forest Park campuses, Same-Property Cash NOI growth would have been 3.2%.

For additional information on NOI and Same-Property Cash NOI, see "NOI, Cash NOI and Same-Property Cash NOI" below, which includes a reconciliation from net income and an explanation of why we present these non-GAAP financial measures.

### Key Market Focused Strategy and Investments

We believe we have been one of the most active investors in the medical office sector over the last decade. This has enabled us to create a high quality portfolio focused on MOB's serving the future of healthcare with scale and significance in 20 to 25 key markets.

Our investments strategy includes alignment with key healthcare systems, hospitals, and leading academic medical universities. The Company is the largest owner of on-campus or adjacent MOB's in the country, with approximately 16.8 million square feet of GLA, or 70%, of our portfolio located in these locations. The remaining 30% are located in core community outpatient locations where healthcare is increasingly being delivered.

Over the last several years, our investments have been focused in our 20 to 25 key markets which we believe will outperform the broader U.S. from an economic and demographic perspective. As of March 31, 2018, approximately 93% of our portfolio's GLA is located in top 75 MSAs. Our key markets represent top MSAs with strong growth metrics in jobs, household income and population, as well as low unemployment and mature healthcare infrastructures. Many of our key markets are also supported by strong university systems.

Our key market focus has enabled us to establish scale and effectively utilize our internal property management and leasing platform to deliver consistent same store growth and additional yield on investments, and also cost effective service to tenants. As of March 31, 2018, we had approximately 1 million square feet of GLA in each of our top ten markets and approximately 500,000 square feet in each of our top 16 markets. We expect to establish this scale across 20 to 25 key markets as our portfolio expands.

During the three months ended March 31, 2018, we invested \$8.4 million to acquire an MOB of approximately 24,000 square feet of GLA in Raleigh, North Carolina, that was 100% leased as of the acquisition date to Duke Health System. In addition, we invested \$3.9 million to consolidate our ownership interests in several MOB's.

### Internal Growth through Proactive In-House Property Management and Leasing

We believe we have the largest full-service operating platform in the medical office space that consists of our in-house property management and leasing which allows us to better manage and service our existing portfolio. In each of these markets, we have established a strong in-house property management and leasing platform that has allowed us to develop valuable relationships with health systems, physician practices, universities, and regional development firms that have led to investment and leasing opportunities. Our full-service operational platforms have also enabled us to focus on generating cost efficiencies as we gain scale across individual markets and regions.

As of March 31, 2018, our in-house property management and leasing platform operated approximately 22.6 million square feet of GLA, or 94%, of our total portfolio.

As of March 31, 2018, our leased rate (includes leases which have been executed, but which have not yet commenced) was 91.8% by GLA and our occupancy rate was 90.7% by GLA.

We entered into new and renewal leases on approximately 663,000 square feet of GLA, or 2.7% of our portfolio, for the three months ended March 31, 2018.

Tenant retention for the Same-Property portfolio was 81%, which included approximately 609,000 square feet of GLA of expiring leases for the quarter, which we believe is indicative of our commitment to maintaining buildings in desirable locations and fostering strong tenant relationships. Tenant retention is defined as the sum of the total leased GLA of tenants that renewed a lease during the period over the total GLA of leases that renewed or expired during the period.

### Financial Strategy and Balance Sheet Flexibility

As of March 31, 2018, we had total leverage, measured by net debt (total debt less cash and cash equivalents) to total capitalization, of 33.0%. Total liquidity was \$1.1 billion, including cash and cash equivalents of \$56.2 million, a \$75.0 million forward commitment, excluding anticipated costs to borrow, and \$994.5 million available on our

unsecured revolving credit facility (includes the impact of \$5.5 million of outstanding letters of credit) as of March 31, 2018.

On April 27, 2018, our Board of Directors announced a quarterly dividend of \$0.305 per share/unit of common stock.

32

---

Table of Contents

Critical Accounting Policies

The complete list of our critical accounting policies was disclosed in our 2017 Annual Report on Form 10-K. There have been no material changes to our critical accounting policies as disclosed herein. For further information on significant accounting policies that impact us, see Note 2 - Summary of Significant Accounting Policies to our accompanying condensed consolidated financial statements.

Recently Issued or Adopted Accounting Pronouncements

See Note 2 - Summary of Significant Accounting Policies to our accompanying condensed consolidated financial statements for a discussion of recently issued or adopted accounting pronouncements.

Factors Which May Influence Results of Operations

We are not aware of any material trends or uncertainties, other than national economic conditions affecting real estate generally and the risk factors previously listed in Part I, Item 1A - Risk Factors, in our 2017 Annual Report on Form 10-K that may reasonably be expected to have a material impact, favorable or unfavorable, on revenues or income from the investment, management and operation of our properties.

Rental Income

The amount of rental income generated by our properties depends principally on our ability to maintain the occupancy rates of currently leased space and to lease currently available space and space that will become available from unscheduled lease terminations at the then applicable rental rates. Negative trends in one or more of these factors could adversely affect our rental income in future periods.

Investment Activity

During the three months ended March 31, 2018, we had investments with an aggregate purchase price of \$12.3 million and no dispositions. During the three months ended March 31, 2017, we had investments with an aggregate purchase price of \$39.0 million and a disposition with a gross sales price of \$5.0 million.

Table of Contents

## Results of Operations

## Comparison of the Three Months Ended March 31, 2018 and 2017

As of March 31, 2018 and 2017, we owned and operated approximately 24.1 million, and 17.8 million square feet of GLA, respectively, with a leased rate of 91.8% (includes leases which have been executed, but which have not yet commenced), and an occupancy rate of 90.7%, and 91.0%, respectively. All explanations are applicable to both HTA and HTALP unless otherwise noted.

Comparison of the three months ended March 31, 2018 and 2017, respectively, is set forth below:

	Three Months Ended March 31,			
	2018	2017	Change	% Change
<b>Revenues:</b>				
Rental income	\$175,567	\$123,993	\$51,574	41.6 %
Interest and other operating income	94	354	(260 )	(73.4)
Total revenues	175,661	124,347	51,314	41.3
<b>Expenses:</b>				
Rental	56,022	39,020	17,002	43.6
General and administrative	8,786	8,423	363	4.3
Transaction	191	284	(93 )	(32.7)
Depreciation and amortization	70,392	47,056	23,336	49.6
Impairment	4,606	—	4,606	NM
Total expenses	139,997	94,783	45,214	47.7
Income before other income (expense)	35,664	29,564	6,100	20.6
<b>Interest expense:</b>				
Interest related to derivative financial instruments	(58 )	(324 )	266	82.1
Gain on change in fair value of derivative financial instruments, net	—	839	(839 )	NM
Total interest related to derivative financial instruments, including net change in fair value of derivative financial instruments	(58 )	515	(573 )	NM
Interest related to debt	(26,195 )	(16,058 )	(10,137 )	(63.1)
Gain on sale of real estate, net	—	3	(3 )	NM
Loss on extinguishment of debt, net	—	(32 )	32	NM
Income from unconsolidated joint venture	570	—	570	NM
Other income	35	8	27	NM
Net income	\$10,016	\$14,000	\$(3,984 )	(28.5)%
NOI	\$119,639	\$85,327	\$34,312	40.2 %
Same-Property Cash NOI	\$81,003	\$79,172	\$1,831	2.3 %

## Rental Income

Rental income consisted of the following for the three months ended March 31, 2018 and 2017, respectively (in thousands):

	Three Months Ended March 31,			
	2018	2017	Change	% Change
Contractual rental income	\$168,534	\$119,897	\$48,637	40.6 %
Straight-line rent and amortization of above and (below) market leases	4,589	2,472	2,117	85.6
Other rental revenue	2,444	1,624	820	50.5
Total rental income	\$175,567	\$123,993	\$51,574	41.6 %

Contractual rental income, which includes expense reimbursements, increased \$48.6 million for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. This increase was primarily due to \$50.0 million of additional contractual rental income from our 2017 and 2018 acquisitions (including properties owned

during both periods) and contractual rent increases, partially offset by a decrease in contractual rent as a result of buildings we sold during 2017.

34

---

Table of Contents

Average starting and expiring base rents for new and renewal leases consisted of the following for the three months ended March 31, 2018 and 2017, respectively (in square feet and per square foot of GLA):

Three Months  
Ended March  
31,  
2018    2017

New and renewal leases:

Average starting base rents	\$23.33	\$22.63
Average expiring base rents	22.81	23.07

Square feet of GLA                    663,000776,000

Lease rates can vary across markets, and lease rates that are considered above or below current market rent may change over time. Leases that expired in 2018 had rents that we believed were at market rates. In general, leasing concessions vary depending on lease type and term.

Tenant improvements, leasing commissions and tenant concessions for new and renewal leases consisted of the following for the three months ended March 31, 2018 and 2017, respectively (in per square foot of GLA):

Three Months  
Ended March  
31,  
2018    2017

New leases:

Tenant improvements	\$24.72	\$18.04
Leasing commissions	1.50	2.29
Tenant concessions	1.72	3.04

Renewal leases:

Tenant improvements	\$4.81	\$7.16
Leasing commissions	1.04	1.24
Tenant concessions	1.84	1.70

The average term for new and renewal leases executed consisted of the following for the three months ended March 31, 2018 and 2017, respectively (in years):

Three  
Months  
Ended  
March 31,  
2018    2017

New leases	6.4	5.5
Renewal leases	4.5	4.9

#### Rental Expenses

For the three months ended March 31, 2018 and 2017, rental expenses attributable to our properties were \$56.0 million, and \$39.0 million, respectively. The increase in rental expenses for the three months ended March 31, 2018 compared to 2017, was primarily due to \$19.0 million of additional rental expenses associated with our 2017 and 2018 acquisitions, partially offset by improved operating efficiencies and a decrease in rental expenses as a result of the buildings we sold during 2017.

#### General and Administrative Expenses

For the three months ended March 31, 2018 and 2017, general and administrative expenses were \$8.8 million and \$8.4 million, respectively. This increase in general and administrative expenses was primarily due to an increase in non-cash compensation expense and an overall increase in head count due to the continued growth of the company. General and administrative expenses include such costs as salaries, corporate overhead and professional fees, among other items.

Depreciation and Amortization Expense

For the three months ended March 31, 2018 and 2017, depreciation and amortization expense was \$70.4 million and \$47.1 million, respectively. This increase in depreciation and amortization expense was primarily due to the increase in the size of our portfolio.

Impairment

During the three months ended March 31, 2018, we recorded impairment charges of \$4.6 million related to two MOBs located in Texas and South Carolina with an aggregate value of \$13.0 million. During the three months ended March 31, 2017, no impairment charges were recorded.

Table of Contents

## Interest Expense and Net Change in Fair Value of Derivative Financial Instruments

Interest expense, excluding the impact of the net change in fair value of derivative financial instruments, increased by \$9.9 million during the three months ended March 31, 2018, compared to 2017. This increase was primarily the result of higher average debt outstanding during the three months ended March 31, 2018, as a result of the use of debt to partially fund our investments over the last 12 months with debt and a change in the composition of debt, driven by an increase in long-term senior unsecured notes, including the \$400.0 million and \$500.0 million 5-year and 10-year senior unsecured notes issued in June 2017 at a coupon rate of 2.95% per annum and 3.75% per annum, respectively. To achieve our objectives, we borrow at both fixed and variable rates. From time to time, we also enter into derivative financial instruments, such as interest rate swaps, in order to mitigate our interest rate risk on a related financial instrument. We do not enter into derivative or interest rate transactions for speculative purposes. Derivatives not designated as hedges are not speculative and are used to manage our exposure to interest rate movements.

## NOI and Same-Property Cash NOI

NOI increased \$34.3 million to \$119.6 million for the three months ended March 31, 2018, compared to the three months ended March 31, 2017. This increase was primarily due to \$34.0 million of additional NOI from our 2017 and 2018 acquisitions, which was partially offset by a decrease in NOI as a result of the buildings we sold during 2017 and a reduction in straight-line rent from properties we owned more than a year.

Same-Property Cash NOI increased \$1.8 million to \$81.0 million for the three months ended March 31, 2018, compared to the three months ended March 31, 2017. This increase was primarily the result of rent escalations, an increase in average occupancy, and improved operating efficiencies.

## Non-GAAP Financial Measures

## FFO and Normalized FFO

We compute FFO in accordance with the current standards established by the National Association of Real Estate Investment Trusts (“NAREIT”). NAREIT defines FFO as net income or loss attributable to common stockholders/unitholders (computed in accordance with GAAP), excluding gains or losses from sales of real estate property and impairment write-downs of depreciable assets, plus depreciation and amortization related to investments in real estate, and after adjustments for unconsolidated partnerships and joint ventures. We present this non-GAAP financial measure because we consider it an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs. Historical cost accounting assumes that the value of real estate assets diminishes ratably over time. Since real estate values have historically risen or fallen based on market conditions, many industry investors have considered the presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. Because FFO excludes depreciation and amortization unique to real estate, among other items, it provides a perspective not immediately apparent from net income or loss attributable to common stockholders/unitholders. We also compute Normalized FFO, which excludes from FFO: (i) transaction expenses; (ii) gain or loss on change in fair value of derivative financial instruments; (iii) gain or loss on extinguishment of debt; (iv) noncontrolling income or loss from OP Units included in diluted shares (only applicable to the Company); and (v) other normalizing items, which include items that are unusual and infrequent in nature. We present this non-GAAP financial measure because it allows for the comparison of our operating performance to other REITs and between periods on a consistent basis. Our methodology for calculating Normalized FFO may be different from the methods utilized by other REITs and, accordingly, may not be comparable to other REITs. Normalized FFO should not be considered as an alternative to net income or loss attributable to common stockholders/unitholders (computed in accordance with GAAP) as an indicator of our financial performance, nor is it indicative of cash available to fund cash needs. Normalized FFO should be reviewed in connection with other GAAP measurements.

The amounts included in the calculation of FFO and Normalized FFO are generally the same for HTALP and HTA, except for net income or loss attributable to common stockholders/unitholders, noncontrolling income or loss from OP Units included in diluted shares (only applicable to the Company) and the weighted average shares of our common stock or HTALP OP Units outstanding.





Table of Contents

The following is the reconciliation of HTA's FFO and Normalized FFO to net income attributable to common stockholders for the three months ended March 31, 2018 and 2017, respectively (in thousands, except per share data):

	Three Months Ended March 31,	
	2018	2017
Net income attributable to common stockholders	\$9,802	\$13,545
Depreciation and amortization expense related to investments in real estate	69,856	46,689
Gain on sale of real estate, net	—	(3 )
Impairment	4,606	—
Proportionate share of joint venture depreciation and amortization	351	—
FFO attributable to common stockholders	\$84,615	\$60,231
Transaction expenses	191	284
Gain on change in fair value of derivative financial instruments, net	—	(839 )
Loss on extinguishment of debt, net	—	32
Noncontrolling income from partnership units included in diluted shares	181	425
Normalized FFO attributable to common stockholders	\$84,987	\$60,133
Net income attributable to common stockholders per diluted share	\$0.05	\$0.09
FFO adjustments per diluted share, net	0.35	0.32
FFO attributable to common stockholders per diluted share	\$0.40	\$0.41
Normalized FFO adjustments per diluted share, net	0.01	0.00
Normalized FFO attributable to common stockholders per diluted share	\$0.41	\$0.41

Weighted average diluted common shares outstanding 209,177 146,117

The following is the reconciliation of HTALP's FFO and Normalized FFO to net income attributable to common unitholders for the three months ended March 31, 2018 and 2017, respectively (in thousands, except per unit data):

	Three Months Ended March 31,	
	2018	2017
Net income attributable to common unitholders	\$9,983	\$13,970
Depreciation and amortization expense related to investments in real estate	69,856	46,689
Gain on sale of real estate, net	—	(3 )
Impairment	4,606	—
Proportionate share of joint venture depreciation and amortization	351	—
FFO attributable to common unitholders	\$84,796	\$60,656
Transaction expenses	191	284
Gain on change in fair value of derivative financial instruments, net	—	(839 )
Loss on extinguishment of debt, net	—	32
Normalized FFO attributable to common unitholders	\$84,987	\$60,133
Net income attributable to common unitholders per diluted unit	\$0.05	\$0.10
FFO adjustments per diluted unit, net	0.36	0.32
FFO attributable to common unitholders per diluted unit	\$0.41	\$0.42
Normalized FFO adjustments per diluted unit, net	0.00	(0.01 )
Normalized FFO attributable to common unitholders per diluted unit	\$0.41	\$0.41

Weighted average diluted common units outstanding 209,177 146,117



Table of Contents

## NOI, Cash NOI and Same-Property Cash NOI

NOI is a non-GAAP financial measure that is defined as net income or loss (computed in accordance with GAAP) before: (i) general and administrative expenses; (ii) transaction expenses; (iii) depreciation and amortization expense; (iv) impairment; (v) interest expense and net change in fair value of derivative financial instruments; (vi) gain or loss on sales of real estate; (vii) gain or loss on extinguishment of debt; (viii) income or loss from unconsolidated joint venture; and (ix) other income or expense. We believe that NOI provides an accurate measure of the operating performance of our operating assets because NOI excludes certain items that are not associated with the management of our properties. Additionally, we believe that NOI is a widely accepted measure of comparative operating performance of REITs. However, our use of the term NOI may not be comparable to that of other REITs as they may have different methodologies for computing this amount. NOI should not be considered as an alternative to net income or loss (computed in accordance with GAAP) as an indicator of our financial performance. NOI should be reviewed in connection with other GAAP measurements.

Cash NOI is a non-GAAP financial measure which excludes from NOI: (i) straight-line rent adjustments; and (ii) amortization of below and above market leases/leasehold interests. Contractual base rent, contractual rent increases, contractual rent concessions and changes in occupancy or lease rates upon commencement and expiration of leases are a primary driver of our revenue performance. We believe that Cash NOI, which removes the impact of straight-line rent adjustments, provides another measurement of the operating performance of our operating assets. Additionally, we believe that Cash NOI is a widely accepted measure of comparative operating performance of REITs. However, our use of the term Cash NOI may not be comparable to that of other REITs as they may have different methodologies for computing this amount. Cash NOI should not be considered as an alternative to net income or loss (computed in accordance with GAAP) as an indicator of our financial performance. Cash NOI should be reviewed in connection with other GAAP measurements.

To facilitate the comparison of Cash NOI between periods, we calculate comparable amounts for a subset of our owned and operational properties referred to as "Same-Property". Same-Property Cash NOI excludes properties which have not been owned and operated by us during the entire span of all periods presented, excluding properties intended for disposition in the near term, development and land parcels, our share of unconsolidated joint ventures, notes receivable interest income and certain non-routine items. Same-Property Cash NOI should not be considered as an alternative to net income or loss (computed in accordance with GAAP) as an indicator of our financial performance. Same-Property Cash NOI should be reviewed in connection with other GAAP measurements.

The following is the reconciliation of HTA's and HTALP's NOI, Cash NOI and Same-Property Cash NOI to net income for the three months ended March 31, 2018 and 2017, respectively (in thousands):

	Three Months Ended March 31,	
	2018	2017
Net income	\$10,016	\$14,000
General and administrative expenses	8,786	8,423
Transaction expenses	191	284
Depreciation and amortization expense	70,392	47,056
Impairment	4,606	—
Interest expense and net change in fair value of derivative financial instruments	26,253	15,543
Gain on sale of real estate, net	—	(3 )
Loss on extinguishment of debt, net	—	32
Income from unconsolidated joint venture	(570 )	—
Other income	(35 )	(8 )
NOI	\$119,639	\$85,327
Straight-line rent adjustments, net	(3,166 )	(1,209 )
Amortization of (below) and above market leases/leasehold interests, net	215	(94 )
Cash NOI	\$116,688	\$84,024
Notes receivable interest income	(36 )	(292 )

Edgar Filing: HEALTHCARE TRUST OF AMERICA, INC. - Form 10-Q

Non Same-Property Cash NOI	(35,649 )	(4,560 )
Same-Property Cash NOI <sup>(1)</sup>	\$81,003	\$79,172

(1) Same-Property includes 342 buildings for the three months ended March 31, 2018 and 2017.

38

---

Table of Contents

## Liquidity and Capital Resources

Our primary sources of cash include: (i) cash flow from operations; (ii) borrowings under our unsecured revolving credit facility; (iii) net proceeds from the issuances of debt and equity securities; and (iv) proceeds from our dispositions. During the next 12 months our primary uses of cash are expected to include: (a) the funding of acquisitions of MOB's, development properties and other facilities that serve the healthcare industry; (b) capital expenditures; (c) the payment of operating expenses; (d) debt service payments, including principal payments; and (e) the payment of dividends to our stockholders. We anticipate cash flow from operations, restricted cash and reserve accounts and our unsecured revolving credit facility, if needed, will be sufficient to fund our operating expenses, capital expenditures and dividends to stockholders. Investments and maturing indebtedness may require funds from the issuance of debt and/or equity securities or proceeds from sales of real estate.

As of March 31, 2018, we had liquidity of \$1.1 billion, including \$994.5 million available under our unsecured revolving credit facility (which includes the impact of \$5.5 million of outstanding letters of credit), \$56.2 million of cash and cash equivalents and a \$75.0 million forward commitment, excluding anticipated costs to borrow.

In addition, we had unencumbered assets with a gross book value of \$6.3 billion. The unencumbered properties may be used as collateral to secure additional financings in future periods or refinance our current debt as it becomes due. Our ability to raise funds from future debt and equity issuances is dependent on our investment grade credit ratings, general economic and market conditions and our operating performance.

When we acquire a property, we prepare a capital plan that contemplates the estimated capital needs of that investment. In addition to operating expenses, capital needs may also include costs of refurbishment, tenant improvements or other major capital expenditures. The capital plan for each investment will be adjusted through ongoing, regular reviews of our portfolio or as necessary to respond to unanticipated additional capital needs. As of March 31, 2018, we estimate that our expenditures for capital improvements for the remainder of 2018 will range from \$35.0 million to \$40.0 million depending on leasing activity. As of March 31, 2018, we had \$3.5 million of restricted cash and reserve accounts for such capital expenditures. We cannot provide assurance, however, that we will not exceed these estimated expenditure levels.

If we experience lower occupancy levels, reduced rental rates, reduced revenues as a result of asset sales, or increased capital expenditures and leasing costs compared to historical levels due to competitive market conditions for new and renewal leases, the effect would be a reduction of net cash provided by operating activities. If such a reduction of net cash provided by operating activities is realized, we may have a cash flow deficit in subsequent periods. Our estimate of net cash available is based on various assumptions which are difficult to predict, including the levels of our leasing activity and related leasing costs. Any changes in these assumptions could impact our financial results and our ability to fund working capital and unanticipated cash needs.

## Cash Flows

The following is a summary of our cash flows for the three months ended March 31, 2018 and 2017, respectively (in thousands):

	Three Months Ended		
	March 31, 2018	2017	Change
Cash, cash equivalents and restricted cash - beginning of period <sup>(1)</sup>	\$ 118,560	\$ 25,045	\$ 93,515
Net cash provided by operating activities	60,880	47,013	13,867
Net cash used in investing activities <sup>(1)</sup>	(42,367 )	(42,854 )	487
Net cash provided by financing activities	(68,135 )	(5,127 )	(63,008 )
Cash, cash equivalents and restricted cash - end of period <sup>(1)</sup>	\$ 68,938	\$ 24,077	\$ 44,861

(1) The amounts for 2017 differ from amounts previously reported in our Quarterly Report for the three months ended March 31, 2017, as a result of the retrospective presentation of the early adoption of ASU 2016-18 in our 2017 Annual Report on Form 10-K as of January 1, 2017. Additionally, the presentation of beginning of period and end of period cash now includes restricted cash as a result of the adoption of ASU 2016-18.

Net cash provided by operating activities increased in 2018 primarily due to the impact of our 2017 and 2018 acquisitions, contractual rent increases and improved operating efficiencies, partially offset by our 2017 dispositions. We anticipate cash flows from operating activities to increase as a result of the above items and continued leasing activity in our existing portfolio.

39

---

## Table of Contents

For the three months ended March 31, 2018, net cash used in investing activities primarily related to capital expenditures of \$17.4 million, development of real estate of \$13.2 million, and investments in real estate of \$11.9 million. For the three months ended March 31, 2017, net cash used in investing activities primarily related to investments in real estate of \$34.7 million and capital expenditures of \$12.9 million, which was partially offset by proceeds from the sale of real estate of \$4.7 million.

For the three months ended March 31, 2018, net cash provided by financing activities primarily related to dividends paid to holders of our common stock of \$62.5 million. For the three months ended March 31, 2017, net cash used in financing activities primarily related to the net borrowings on our unsecured revolving credit facility of \$82.0 million, which was partially offset by dividends paid to holders of our common stock of \$42.5 million and payments on our secured mortgage loans of \$40.2 million.

### Dividends

The amount of dividends we pay to our stockholders is determined by our Board of Directors, in their sole discretion, and is dependent on a number of factors, including funds available, our financial condition, capital expenditure requirements and annual dividend distribution requirements needed to maintain our status as a REIT under the Internal Revenue Code of 1986, as amended. We have paid monthly or quarterly dividends since February 2007, and if our investments produce sufficient cash flow, we expect to continue to pay dividends to our stockholders. Because our cash available for dividend distributions in any year may be less than 90% of our taxable income for the year, we may obtain the necessary funds through borrowings, issuing new securities or selling assets to pay out enough of our taxable income to satisfy our dividend distribution requirement. Our organizational documents do not establish a limit on dividends that may constitute a return of capital for federal income tax purposes. The dividend we pay to our stockholders is equal to the distributions received from HTALP in accordance with the terms of HTALP's partnership agreement. It is our intention to continue to pay dividends. However, our Board of Directors may reduce our dividend rate and we cannot guarantee the timing and amount of dividends that we may pay in the future, if any.

For the three months ended March 31, 2018, we paid cash dividends of \$62.5 million on our own common stock. In April 2018, we paid cash dividends on our own common stock of \$62.6 million for the quarter ended March 31, 2018. On April 27, 2018, our Board of Directors announced a quarterly dividend of \$0.305 per share/unit of common stock to be paid on July 10, 2018 to stockholders of record of our common stock and OP unitholders on July 5, 2018.

### Financing

We have historically maintained a low leveraged balance sheet and intend to continue to maintain this structure in the long term. However, our total leverage may fluctuate on a short-term basis as we execute our business strategy. As of March 31, 2018, our leverage ratio, measured by net debt (total debt less cash and cash equivalents) to total capitalization, was 33.0%.

As of March 31, 2018, we had debt outstanding of \$2.8 billion and the weighted average interest rate therein was 3.54% per annum, inclusive of the impact of our interest rate swaps. The following is a summary of our unsecured and secured debt. See Note 7 - Debt to our accompanying condensed consolidated financial statements for a further discussion of our debt.

#### Unsecured Revolving Credit Facility

In 2017, HTALP entered into an amended and restated \$1.3 billion Unsecured Credit Agreement which increased the amount available under the unsecured revolving credit facility to \$1.0 billion. As of March 31, 2018, \$994.5 million was available on our \$1.0 billion unsecured revolving credit facility. Our unsecured revolving credit facility matures in June 2022.

#### Unsecured Term Loans

As of March 31, 2018, we had \$500.0 million of unsecured term loans outstanding, comprised of \$300.0 million under our Unsecured Credit Agreement maturing in 2023, and \$200.0 million under our unsecured term loan maturing in 2023.

#### Unsecured Senior Notes

As of March 31, 2018, we had \$1.85 billion of unsecured senior notes outstanding, comprised of \$300.0 million maturing in 2021, \$400.0 million maturing in 2022, \$300.0 million maturing in 2023, \$350.0 million maturing in 2026, and \$500.0 million maturing in 2027.



Mortgage Loans

During the three months ended March 31, 2018, we made payments on our mortgage loans of \$1.6 million loans and have \$100.9 million of principal payments due during the remainder of 2018.

40

---

Table of Contents

Commitments and Contingencies

There have been no material changes from the commitments and contingencies previously disclosed in our 2017 Annual Report on Form 10-K.

Debt Service Requirements

We are required by the terms of our applicable loan agreements to meet certain financial covenants, such as minimum net worth and liquidity, and reporting requirements, among others. As of March 31, 2018, we believe that we were in compliance with all such covenants and we are not aware of any covenants that it is reasonably likely that we would not be able to meet in accordance with our loan agreements.

Off-Balance Sheet Arrangements

As of and during the three months ended March 31, 2018, we had no material off-balance sheet arrangements that have had or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Inflation

We are exposed to inflation risk as income from future long-term leases is the primary source of our cash flows from operations. There are provisions in the majority of our tenant leases that protect us from the impact of normal inflation. These provisions include rent escalations, reimbursement billings for operating expense pass-through charges and real estate tax and insurance reimbursements on a per square foot allowance. However, due to the long-term nature of our leases, among other factors, the leases may not reset frequently enough to cover inflation.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes from the quantitative and qualitative disclosures about market risk previously disclosed in our 2017 Annual Report on Form 10-K.

Item 4. Controls and Procedures

Healthcare Trust of America, Inc.

HTA's management is responsible for establishing and maintaining disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including HTA's Chief Executive Officer (as the principal executive officer) and Chief Financial Officer (as the principal financial officer and principal accounting officer), to allow timely decisions regarding required disclosures.

As of March 31, 2018, an evaluation was conducted by HTA under the supervision and with the participation of its management, including HTA's Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, HTA's Chief Executive Officer and Chief Financial Officer each concluded that HTA's disclosure controls and procedures were effective as of March 31, 2018.

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2018 that have materially affected, or are reasonably believed to be likely to materially affect, our internal control over financial reporting.

April 30, 2018

Table of Contents

Healthcare Trust of America Holdings, LP

HTALP's management is responsible for establishing and maintaining disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including HTA's Chief Executive Officer (as the principal executive officer) and Chief Financial Officer (as the principal financial officer and principal accounting officer), to allow timely decisions regarding required disclosures.

As of March 31, 2018, an evaluation was conducted by HTALP under the supervision and with the participation of its management, including HTA's Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, HTA's Chief Executive Officer and Chief Financial Officer, on behalf of HTA in its capacity as general partner of HTALP, each concluded that HTALP's disclosure controls and procedures were effective as of March 31, 2018.

There were no changes in HTALP's internal control over financial reporting that occurred during the quarter ended March 31, 2018 that have materially affected, or are reasonably believed to be likely to materially affect, HTALP's internal control over financial reporting.

April 30, 2018

Table of Contents

## PART II - OTHER INFORMATION

## Item 1. Legal Proceedings

We are subject to claims and litigation arising in the ordinary course of business. We do not believe any liability from any reasonably foreseeable disposition of such claims and litigation, individually or in the aggregate, would have a material adverse effect on our accompanying condensed consolidated financial statements.

## Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our 2017 Annual Report on Form 10-K.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

## Purchases of Equity Securities by the Issuer and Affiliated Purchasers

During the three months ended March 31, 2018, we repurchased shares of our common stock as follows:

Period	Total Number of Shares Purchased (1)(2)	Average Price Paid per Share (1) (2)	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
January 1, 2018 to January 31, 2018	80,129	\$ 29.93	—	—
February 1, 2018 to February 28, 2018	—	—	—	—
March 1, 2018 to March 31, 2018	11,897	26.04	—	—

(1) Purchases mainly represent shares withheld to satisfy withholding obligations on the vesting of restricted shares. The price paid per share was the then closing price of our common stock on the NYSE.

(2) For each share of common stock redeemed by HTA, HTALP redeems a corresponding number of OP Units in the HTALP operating partnership. Therefore, the OP Units in the HTALP operating partnership repurchased by HTALP are the same as the shares of common stock repurchased by HTA as shown above.

## Item 6. Exhibits

The exhibits listed on the Exhibit Index (following the signatures section of this Quarterly Report) are included, and incorporated by reference, in this Quarterly Report.

Table of Contents

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.

Healthcare Trust of America, Inc.

By: /s/ Scott D. Peters      Chief Executive Officer, President and Chairman  
Scott D. Peters      (Principal Executive Officer)

Date: April 30, 2018

By: /s/ Robert A. Milligan      Chief Financial Officer  
Robert A. Milligan      (Principal Financial Officer and Principal Accounting Officer)

Date: April 30, 2018

Healthcare Trust of America Holdings, LP

By: Healthcare Trust of America, Inc.,  
its General Partner

By: /s/ Scott D. Peters      Chief Executive Officer, President and Chairman  
Scott D. Peters      (Principal Executive Officer)

Date: April 30, 2018

By: /s/ Robert A. Milligan      Chief Financial Officer  
Robert A. Milligan      (Principal Financial Officer and Principal Accounting Officer)

Date: April 30, 2018

Table of Contents

EXHIBIT INDEX

Pursuant to Item 601(a)(2) of Regulation S-K, this Exhibit Index immediately precedes the exhibits. The following exhibits are included, or incorporated by reference, in this Quarterly Report for the quarter ended March 31, 2018 (and are numbered in accordance with Item 601 of Regulation S-K).

- 31.1\* Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America, Inc.
- 31.2\* Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America, Inc.
- 31.3\* Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America Holdings, LP.
- 31.4\* Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America Holdings, LP.
- 32.1\*\* Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America Inc.
- 32.2\*\* Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America, Inc.
- 32.3\*\* Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America Holdings, LP.
- 32.4\*\* Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002 for Healthcare Trust of America Holdings, LP.
- 101.INS\* XBRL Instance Document.
- 101.SCH\* XBRL Taxonomy Extension Schema Document.
- 101.CAL\* XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF\* XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB\* XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE\* XBRL Taxonomy Extension Presentation Linkbase Document.

\* Filed herewith.

\*\* Furnished herewith.