

This instrument was prepared by  
and after recording return to:

Bradley Arant Boult Cummings LLP  
1600 Division Street, Suite 700  
Nashville, Tennessee 37203  
Attn: David C. Dillender, Esq.

This document has been recorded  
electronically. Please see the attached copy  
to view the county recorder stamp as it  
now appears in the public record.

Book: \_\_\_\_\_ Page: \_\_\_\_\_  
Entry: 2623076755 Date: 12-6-23  
Submitted by: First American National  
Commercial Services

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## CONSENT TO ASSIGNMENT OF LEASE

**THIS CONSENT TO ASSIGNMENT OF LEASE** (this “**Consent**”) is dated as of the 30 day of November 2023, and is made and delivered by **HERNANDO COUNTY, FLORIDA**, a political subdivision of the State of Florida (“**Lessor**”), to and for the benefit of **HMA HERNANDO, LLC** (successor by conversion to HMA Hernando, Inc.), a Florida limited liability company (“**Lessee**”), **HEALTH MANAGEMENT ASSOCIATES, LLC** (successor by conversion to Health Management Associates, Inc.), a Delaware limited liability company (“**Existing Guarantor**”), and **TAMPA GENERAL HOSPITAL HERNANDO, LLC**, a Florida limited liability company (“**TGHH**”).

### RECITALS:

**A.** Lessor and Lessee are parties to that certain Lease Agreement dated as of June 1, 1998, as evidenced by that certain Memorandum of Lease and Short Form of Lease recorded in Official Records Book 1196, Page 1418, of the Public Records of Hernando County, Florida, as amended by that certain First Amendment to Lease Agreement dated as of December 2, 2005, and recorded in Official Records Book 2412, Page 858, of the Public Records of Hernando County, Florida, as amended by that certain Second Amendment to Lease Agreement dated as of February 3, 2006, and recorded in Official Records Book 3374, Page 1401, of the Public Records of Hernando County, Florida, as amended by that certain Second Amendment to Lease Agreement dated as of September 13, 2011, and recorded in Official Records Book 2848, Page 444, of the Public Records of Hernando County, Florida, as amended by that certain Third Amendment to Lease Agreement dated September 24, 2013, as amended by that certain Fourth Amendment to Lease Agreement dated as of October 14, 2014, and as further amended by that certain Fifth Amendment to Lease Agreement dated March 12, 2018 (collectively, the “**Existing Lease**”), pursuant to which Lessor is leasing to Lessee the Leased Premises as more particularly described therein. Any capitalized terms used but not otherwise defined herein, shall have the same meanings ascribed thereto in the Existing Lease.

**B.** Existing Guarantor is an Affiliate of Lessee and previously executed that certain Guaranty dated June 1, 1998 (the “**Existing Guaranty**”), pursuant to which Existing Guarantor guaranteed certain obligations of Lessee under the Existing Lease.

**C.** Lessee and TGHH are parties to that certain Asset Purchase Agreement dated July 24, 2023 (the “**Purchase Agreement**”), pursuant to which Lessee and certain of its Affiliates have agreed to sell to TGHH and certain of its Affiliates substantially all of the assets used in connection with the operations of Bravera Health Brooksville in Brooksville, Florida, Bravera Health Spring Hill in Spring Hill, Florida and Bravera Heath Seven Rivers in Crystal River, Florida, together with certain related businesses (the “**Transaction**”). It is currently anticipated that the effective date of the Transaction will be on or about December 1, 2023 (the “**Closing**”).

**D.** In connection with and subject to the Closing, Lessee will assign all of its rights and interests under the Existing Lease to TGHH (the “**Assignment**”), Lessor and TGHH will enter into an Amended and Restated Lease Agreement (the “**A&R Lease**”) and Florida Health Sciences Center, Inc., a Florida not-for-profit corporation, will execute a guaranty in the form contemplated by the A&R Lease (the “**New Guaranty**”).

**E.** Lessee has requested Lessor’s consent to the Assignment and the release of Lessee’s and Existing Guarantor’s obligations under the Existing Lease and the Existing Guaranty, as applicable.

**F.** Lessor desires to provide its consent to the Assignment, as well as its release of Lessee’s and Existing Guarantor’s obligations under the Existing Lease and the Existing Guaranty, as applicable, subject to the terms and provisions contained in this Consent.

**NOW, THEREFORE,** in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Consent.** Lessor hereby consents to the assignment of the Existing Lease by Lessee to TGHH pursuant to an Assignment and Assumption of Lease in substantially the form attached hereto as Exhibit A.

2. **Release.** Effective as of the date of the Assignment, Lessor hereby releases and discharges Lessee, Existing Guarantor and each of their respective Affiliates from any and all liabilities and obligations under the Existing Lease and/or the Existing Guaranty arising as of or after the date of the Assignment. For the avoidance of uncertainty, Lessor acknowledges and agrees that neither Lessee nor Existing Guarantor shall have any duties or obligations with respect to the A&R Lease or the New Guaranty.

3. **Estoppel.** Lessor hereby certifies to Lessee, Existing Guarantor and TGHH, as of the effective date of this Consent, that:

- a. A true and complete copy of the Existing Lease (including all amendments or other modifications thereto) is attached hereto as Exhibit B;
- b. The Existing Lease is in full force and effect, the Existing Lease and the Existing Guaranty constitute the entire agreement among Lessor, Lessee and Existing Guarantor with respect to the Leased Premises, and there are no other agreements between or among Lessor, Lessee and/or Existing Guarantor, either oral or written, with respect to the Leased Premises;
- c. All conditions under the Existing Lease to be satisfied by Lessee as of the date hereof (including, without limitation, all work, if any, to be performed by Lessee in the Leased Premises) have been satisfied;
- d. As of the date hereof, neither Lessee nor Lessor are in default under the Existing Lease, nor, to the knowledge of Lessor, does any condition exist which, with the giving of notice or passage of time, or both, could give either Lessee or Lessor the right to claim a default under the Existing Lease;

- e. The Rental Payment payable by Lessee under the Existing Lease is currently \$300,000 per annum, which has been paid in full through May 31, 2024, and the Additional Payment payable by Lessee under the Existing Lease is currently \$925,988.39, which is due on December 1, 2023; and
- f. Lessor has no legal actions, whether voluntary or otherwise, pending or threatened against Lessee.
4. **Due Authority.** Each of Lessor, Lessee, Existing Guarantor and TGHH represents and warrants to each other that it, and the person or persons executing this Consent on its behalf, have the full right, power and authority to execute and deliver this Consent.

5. **Notices.** From and after the date of the Assignment, copies of all notices to TGHH, as “Lessee” under the A&R Lease, shall be given to TGHH at the following address:

Tampa General Hospital Hernando, LLC  
P.O. Box 1289  
Tampa, Florida 33601  
Attn: Director, Real Estate Portfolio Management

With a copy to:  
Carlton Fields, P.A.  
4221 W. Boy Scout Boulevard, Suite 1000  
Tampa, FL 33607  
Attn: James J. Kennedy, III, Attorney at Law

6. **Binding Effect.** This Consent and the covenants and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective successor and assigns.

7. **Modification.** This Consent may be modified or supplemented only by written agreement of the parties hereto.

8. **Governing Law.** This Consent shall be governed by and construed in accordance with the laws of the State of Florida, without regard to conflict of laws principles.

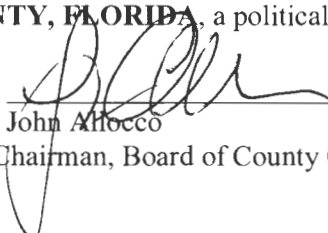
9. **Counterparts.** This Consent may be executed in as many counterparts as may be deemed necessary or convenient, and by Lessor, Lessee, Existing Guarantor and TGHH on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument. The execution and delivery of this Consent by facsimile or .pdf shall be sufficient for all purposes and shall be binding on any person or entity who so executes, subject to any conditions set forth herein.

*[Remainder of Page Left Intentionally Blank; Signatures on Following Pages.]*

IN WITNESS WHEREOF, Lessor, Lessee, Existing Guarantor and TGHH have executed this Consent as of the day and year first above written.

LESSOR:

**BOARD OF COUNTY COMMISSIONERS HERNANDO COUNTY, FLORIDA**, a political subdivision of the State of Florida

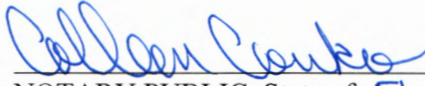
By:   
Name: John Allocco  
Title: Chairman, Board of County Commissioners

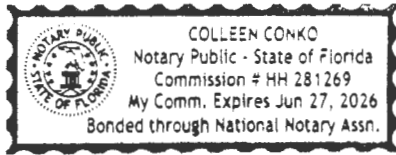
APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

  
County Attorney

STATE OF FLORIDA )  
 ) SS.  
COUNTY OF Hernando )

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 7<sup>th</sup> day of November, 2023, by John Allocco, as Chairman of the Board of County Commissioners of Hernando County, Florida, a political subdivision of the State of Florida, on behalf of said entity, who  is personally known to me or  has produced \_\_\_\_\_ as identification.

  
NOTARY PUBLIC, State of Florida  
Name: Colleen Conko  
Serial No. HH 281269

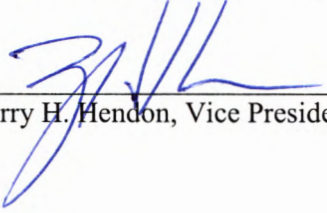


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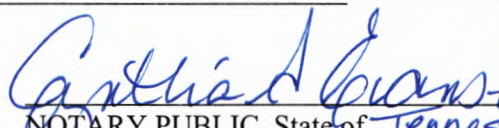
**LESSEE:**

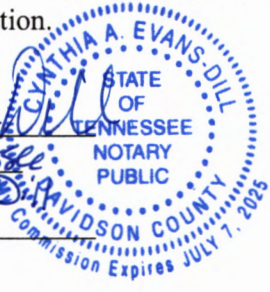
**HERNANDO HMA, LLC**, a Florida limited liability company

By:   
Terry H. Hendon, Vice President

STATE OF TENNESSEE )  
 ) SS.  
COUNTY OF Davidson )

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 27<sup>th</sup> day of November, 2023, by Terry H. Hendon, as Vice President of Hernando HMA, LLC, a Florida limited liability company, on behalf of said entity, who  is personally known to me or  has produced \_\_\_\_\_ as identification.

  
NOTARY PUBLIC, State of Tennessee  
Name: Cynthia A. Evans-Dill  
Serial No. \_\_\_\_\_

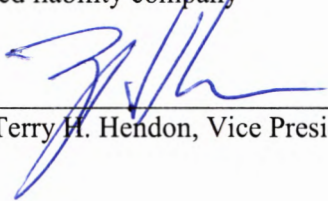


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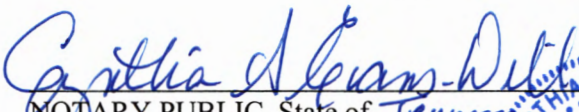

**EXISTING GUARANTOR:**

**HEALTH MANAGEMENT ASSOCIATES, LLC**, a Delaware limited liability company

By:   
Terry H. Hendon, Vice President

STATE OF TENNESSEE )  
 ) SS.  
COUNTY OF Davidson )

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 27<sup>th</sup> day of November, 2023, by Terry H. Hendon, as Vice President of Health Management Associates, LLC, a Delaware limited liability company, on behalf of said entity, who  is personally known to me or  has produced \_\_\_\_\_ as identification.

  
NOTARY PUBLIC, State of Tennessee  
Name: Cynthia A. Evans-Dill  
Serial No. \_\_\_\_\_  


[Signatures Continue on Following Page]



TGHH:

TAMPA GENERAL HOSPITAL HERNANDO, LLC, a Florida limited liability company

By: [Signature]  
Steve Short, Vice President and Secretary

STATE OF FLORIDA )  
 ) SS.  
COUNTY OF Hillsborough )

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 28 day of November, 2023, by Steve Short, as Vice President + Secretary of Tampa General Hospital Hernando, LLC, a Florida limited liability company, on behalf of said entity, who  is personally known to me or  has produced \_\_\_\_\_ as identification.

Sarah Millan  
NOTARY PUBLIC, State of Florida  
Name: Sarah Millan  
Serial No. HH 112590





**EXHIBIT A**

FORM OF ASSIGNMENT AND ASSUMPTION OF LEASE

*[See Attached.]*

This instrument was prepared by  
and after recording return to:

Bradley Arant Boult Cummings LLP  
1600 Division Street, Suite 700  
Nashville, Tennessee 37203  
Attn: David C. Dillender, Esq.

**NOTE TO RECORDER: DOCUMENTARY STAMP TAXES IN THE AMOUNT OF \$ \_\_\_\_\_ HAVE BEEN PAID UPON RECORDING OF THIS INSTRUMENT AND HAVE BEEN CALCULATED BASED UPON THE CONSIDERATION OF THE LEASEHOLD INTEREST IN THE REAL PROPERTY DESCRIBED HEREIN IN THE AMOUNT OF \$ \_\_\_\_\_.**

### **ASSIGNMENT AND ASSUMPTION OF LEASE**

**THIS ASSIGNMENT AND ASSUMPTION OF LEASE** (this “Agreement”) is made and entered into effective as of 12:00:01 a.m., Eastern Time, on December 1, 2023 (the “Effective Date”), by and between **HERNANDO HMA, LLC** (successor by conversion to HMA Hernando, Inc.), a Florida limited liability company (“Assignor”), and **TAMPA GENERAL HOSPITAL HERNANDO, LLC**, a Florida limited liability company (“Assignee”).

### **RECITALS:**

**A.** Assignor is the tenant under that certain Lease Agreement dated as of June 1, 1998, by and between Hernando County, Florida, a political subdivision of the State of Florida (“Lessor”), and Assignor, as evidenced by that certain Memorandum of Lease and Short Form of Lease recorded in Official Records Book 1196, Page 1418, of the Public Records of Hernando County, Florida, as amended by that certain First Amendment to Lease Agreement dated as of December 2, 2005, and recorded in Official Records Book 2412, Page 858, of the Public Records of Hernando County, Florida, as amended by that certain Second Amendment to Lease Agreement dated as of February 3, 2006, and recorded in Official Records Book 3374, Page 1401, of the Public Records of Hernando County, Florida, as amended by that certain Second Amendment to Lease Agreement dated as of September 13, 2011, and recorded in Official Records Book 2848, Page 444, of the Public Records of Hernando County, Florida, as amended by that certain Third Amendment to Lease Agreement dated September 24, 2013, as amended by that certain Fourth Amendment to Lease Agreement dated as of October 14, 2014, and as further amended by that certain Fifth Amendment to Lease Agreement dated March 12, 2018 (collectively, the “Hospital Lease”), whereby Assignor leases from Lessor certain real property described on **Exhibit A** attached hereto and made a part hereof (the “Leased Premises”).

**B.** As of the date hereof, Assignor has conveyed to Assignee certain assets owned by Assignor, as more particularly described in and as contemplated by that certain Asset Purchase Agreement dated as of July 24, 2023 (as amended or otherwise modified, the “Purchase Agreement”), by and among CHS/Community Health Systems, Inc., a Delaware corporation, the Sellers (as defined in the Purchase Agreement), Florida Health Sciences Center, Inc. d/b/a Tampa General Hospital, a Florida not-for-profit corporation, and Buyers (as defined in the

Purchase Agreement). Any capitalized terms used but not otherwise defined in this Agreement shall have the same meanings herein as ascribed to such terms in the Purchase Agreement.

C. Pursuant to the Purchase Agreement, Assignor has agreed to assign to Assignee all of Assignor's right, title and interest under, in and to the Hospital Lease.

D. Pursuant to the Purchase Agreement, Assignee has agreed to assume and perform all obligations of Assignor which accrue or arise on or after the Effective Date under the Hospital Lease.

**AGREEMENT:**

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **ASSIGNMENT.** Assignor hereby irrevocably sells, conveys, transfers, assigns, and delivers unto Assignee, its successors and assigns, all of Assignor's right, title and interest under, in and to the Hospital Lease.

2. **ASSUMPTION.** Assignee hereby accepts, as of the Effective Date, the foregoing assignment and expressly assumes and agrees to pay, perform and/or discharge all obligations of Assignor which accrue or arise on or after the Effective Date under the Hospital Lease.

3. **EXCLUDED LIABILITIES.** The Excluded Liabilities are expressly excluded from the obligations being assumed by Assignee under this Agreement.

4. **THIRD PARTY RIGHTS.** Assignee's assumption of the Hospital Lease from Assignor, to the extent provided herein, shall not enlarge or otherwise affect the rights of any third party under the Hospital Lease.

5. **FURTHER ASSURANCES.** Each of Assignor and Assignee agree to execute such other documents and take such other actions as may be reasonably necessary or desirable to confirm or effectuate the assignment and assumption contemplated hereby.

6. **BINDING EFFECT.** This Agreement and the covenants and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. **NO MODIFICATION OF PURCHASE AGREEMENT.** This Agreement is delivered pursuant to the Purchase Agreement and is subject in all respects to the provisions thereof and is not meant to supersede, limit, qualify, expand or otherwise modify the provisions of the Purchase Agreement.

8. **MODIFICATION.** This Agreement may be modified or supplemented only by written agreement of the parties hereto.

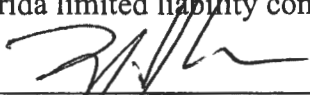
**9. COUNTERPARTS.** This Agreement may be executed in two or more counterparts and via facsimile or other electronic means, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. A signature delivered by email of a PDF document shall be deemed an original signature hereto and such delivery shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGES FOLLOW]

**IN WITNESS WHEREOF**, the parties have executed this Agreement effective as of the date first written above.

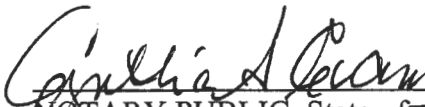
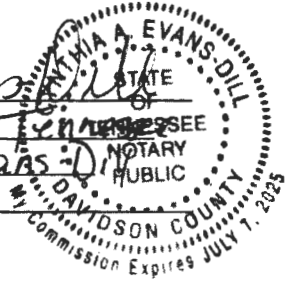
**ASSIGNOR:**

**HERNANDO HMA, LLC,**  
a Florida limited liability company

By:   
Name: Terry H. Hendon  
Title: Vice President

STATE OF TENNESSEE )  
 ) SS.  
COUNTY OF Davidson )

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 27<sup>th</sup> day of November, 2023, by Terry H. Hendon, as Vice President of Hernando HMA, LLC, a Florida limited liability company, on behalf of said entity, who  is personally known to me or  has produced \_\_\_\_\_ as identification.

  
NOTARY PUBLIC, State of Tennessee  
Name: Cynthia A. Evans-Dill  
Serial No. \_\_\_\_\_  


[Signatures continue on following page]

**ASSIGNEE:**

**TAMPA GENERAL HOSPITAL  
HERNANDO, LLC**, a Florida limited liability  
company

By: [Signature]  
Name: Steve Short  
Title: Vice President and Secretary

STATE OF FLORIDA )  
 ) SS.  
COUNTY OF Hillsborough )

The foregoing instrument was acknowledged before me by means of  physical presence  
or  online notarization, this 28 day of November, 2023, by  
Steve Short, as VP-Secretary of Tampa General Hospital Hernando, LLC, a  
Florida limited liability company, on behalf of said entity, who  is personally known to me or  
 has produced \_\_\_\_\_ as identification.

Sarah Millan  
NOTARY PUBLIC, State of Florida  
Name: Sarah Millan  
Serial No. HH112590





**EXHIBIT A**

**Leased Premises**

*[See Attached.]*

## EXHIBIT A

### Leased Premises

#### PARCEL 5 (SPRING HILL REGIONAL)

Lot 3, SEVEN HILLS MEDICAL AND BUSINESS CENTER, according to the map or plat thereof as recorded in Plat Book 26, Pages 3 and 4, of the Public Records of Hernando County, Florida.

TOGETHER WITH easement estates appurtenant thereto as set forth in instruments recorded in O.R. Book 769, pages 553, 558 and 565, Public Records of Hernando County, Florida.

#### NEW HOSPITAL SITE:

A parcel of land lying in and being a part of the East ½ of the Southwest ¼ and the West ¼ of the West ½ of the Southeast ¼ of Section 30, Township 22 South, Range 19 East, Hernando County, Florida and being more particularly described as follows: Commence at the Northwest corner of said East ½; thence South 00°08' 12" East, along the West boundary of said East ½, 49.65 feet to the Southerly right of way line of Cortez Boulevard (State Road 50); thence along said right of way line the following five (5) courses: (1) North 89°13'33" East 751.00 feet, (2) South 00°46'27" East 6.50 feet, (3) North 89°13'33" East 424.00 feet, (4) North 00°46'27" West 6.50 feet, (5) North 89°13'33" East 26.87 feet to the Point of Beginning; thence continue North 89° 13 '3 3" East, along said right of way line, 500. 00 feet to the East boundary of said West 1/ 4;thence South 00°23'24" West, along said East boundary, 1182.79 feet; thence South 89°14'03" West 601.46 feet; thence South 87°57'30" West 612.31 feet; thence North 00°48' 11" West 476.60 feet; thence North 89°14'03" East 108.12 feet; thence North 00°45'57" West 40.67 feet to the beginning of a non-tangent curve concave Southeasterly, having a radius of 124.20 feet, a delta of 79°52'22", a chord bearing of North 47°31 '22" East and a chord of 159.46 feet; thence, along the arc of said curve, 173.14 feet; thence North 89°14'03" East 40.00 feet; thence North 00°45'57" West 292.34 feet to the point of curvature of a curve concave Southeasterly, having a radius of 10.00 feet, a delta of 94°59'34", a chord bearing of North 46°43'50" East and a chord of 14.74 feet; thence, along the arc of said curve, 16.58 feet to the beginning of a compound curve concave Southwesterly, having a radius of 575.00 feet, a delta of 06°44'04", a chord bearing of South 82°24'21" East and a chord of 67.55 feet; thence, along the arc of said curve, 67.59 feet to the point of tangency; thence South 79°02'19" East 374.74 feet to the point of curvature of a curve concave Southwesterly, having a radius of 225.00 feet, a delta of 06°42' 50", a chord bearing of South 82°23'44" East and a chord of 26.35 feet; thence, along the arc of said curve, 26.37 feet; thence North 00°46'27" West 360.26 feet to the Point of Beginning.

**EXHIBIT B**

EXISTING LEASE

*[See Attached.]*

# LEASE AGREEMENT

*by and between*

HERNANDO COUNTY, FLORIDA  
a political subdivision of the State of Florida ("County")

*and*

HERNANDO HMA, INC.

DATED: As of June 1, 1998

LEASE AGREEMENT

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LEASE AGREEMENT

THIS LEASE AGREEMENT is made as of the 1st day of June, 1998, by and between **HERNANDO COUNTY, FLORIDA**, a political subdivision of the State of Florida ("Lessor"), acting through its Board of County Commissioners, and **HERNANDO HMA, INC.**, a Florida for profit corporation ("Lessee").

RECITALS

**WHEREAS**, Lessor has previously leased certain property in Hernando County, Florida, to Regional Healthcare, Inc., a Florida not-for-profit corporation ("RHI"), and its predecessors for operation of Hospital Facilities (as hereinafter defined) to benefit the residents of Hernando County and adjacent areas;

**WHEREAS**, on or about February 26, 1993, RHI and its affiliates, Spring Hill Regional Hospital, Inc. ("Spring Hill"), Hernando Healthcare Inc., ("HHI") and Healthcare Realty Corporation ("HRC") filed Chapter 11 petitions with the United States Bankruptcy Court, Middle District of Florida, Tampa Division (the "Bankruptcy Court");

**WHEREAS**, the Debtors filed a Plan of Arrangement in the Bankruptcy Court which contemplated the sale and/or lease of the Hospital Facilities to a third party and subsequently entered into negotiations with the Lessee pertaining to such transaction;

**WHEREAS**, pursuant to the provisions of that certain Definitive Agreement dated as of the 12th day of March, 1998, by and among RHI, Spring Hill, HHI, and Lessee, as amended by Amendment to Definitive Agreement dated May 18, 1998 (together the "Agreement"), Lessee has agreed to lease the Leased Premises (as hereinafter defined)



subsequent to the approval by the Bankruptcy Court of the Agreement and this Lease Agreement.

**WHEREAS**, Lessor has agreed to lease the Leased Premises owned by Lessor to Lessee upon, and subject to, the terms set forth herein, subsequent to the approval by the Bankruptcy Court of the Agreement and this Lease Agreement and at such time as delivery of the Lease Agreement is required under the terms of the Agreement;

**WHEREAS**, Lessee has agreed to continue to operate the Leased Premises as Hospital Facilities and to establish a Governing Board (as herein defined) that would have certain advisory as well as specific responsibilities, all as hereinafter set forth, in the oversight of the operation of the Hospital Facilities; and

**WHEREAS**, pursuant to the provisions of *Florida Statutes*, Section 155.40, Lessor has the authority to enter into this Lease Agreement.

#### AGREEMENTS

**NOW, THEREFORE**, in consideration of the foregoing, and the mutual covenants and agreements hereinafter contained, Lessor and Lessee hereby agree as follows:

#### **ARTICLE I**

#### **RECITALS, DEFINITIONS AND DEMISE**

##### SECTION 1.1 RECITALS

The recitals stated above are true and correct and are incorporated into this Lease by this reference.

##### SECTION 1.2 DEFINITIONS

The following terms, when used in this Lease, shall have the following meaning:

A. "Affiliate" means an entity which, directly or indirectly, controls, is controlled by, or is under common control with, the referenced party.

B. "Brooksville Regional Hospital" means the hospital facilities known as Brooksville Regional Hospital located on the land described for such facility in Composite Exhibit "A" attached hereto and incorporated herein, together with all improvements, additions and fixtures installed, constructed or placed thereon, and all appurtenances and hereditaments pertaining thereto, whether now existing or whether installed, placed or constructed thereon after the date of this Lease, less any parts thereof which may be taken by exercise of the power of eminent domain.

C. "Commencement Date" means as of June 1, 1998.

D. "Debtors" mean RHI, Spring Hill and HHI.

E. "Environmental Condition" means any noncompliance on or about the Leased Premises with any Environmental Law caused by Lessee's Operations on the Leased Premises.

F. "Environmental Law" means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to the Handling (as hereinafter defined), emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances, materials or wastes, including without limitation petroleum products, into the environment including, without limitation, ambient air, surface water, ground water, or land.

G. "Environmental Notice" means any written notice or report of any the following:

1) Any suit, proceeding, investigation, order, consent order, injunction, writ, award, or action related to or affecting the Handling of any Waste (as hereinafter defined) on or about the Leased Premises relating to Lessee's Operations (as hereinafter defined) on the Leased Premises;

2) Any Spill or Environmental Condition on or about the Leased Premises relating to Lessee's Operations on the Leased Premises;

3) Any dispute relating to the Handling of any Waste, Spill or Environmental Condition on or about the Leased Premises relating to Lessee's Operations on the Leased Premises;

4) Any claims by or against any insurer related to or arising out of any Waste, Spill or Environmental Condition on or about the Leased Premises relating to Lessee's Operations on the Leased Premises;

5) Any recommendations or requirements of any governmental or regulatory authority, or insurer relating to any Handling of Waste, Spill, or Environmental Condition on or about the Leased Premises, relating to Lessee's Operations on the Leased Premises;

6) Any legal requirement or deficiency related to the Handling of Waste, Spill or Environmental Condition on or about the Leased Premises relating to Lessee's Operations on the Leased Premises; or

7) Any notice given to a tenant, concessionaire, manager, or other party or entity occupying or using the Leased Premises, or any part thereof which has engaged in or engages in the Handling of any Waste on or about the Leased Premises during the period of Lessee's Operations.

H. "Excluded Assets" means, collectively:

1) Cash, cash deposits and escrows, and all other cash equivalent items of Lessee, including all investments of Lessee;

2) Lessee's corporate and fiscal records and other records pertaining to the operation of the Hospital Facilities by Lessee which Lessee is required by law to retain in its possession to the extent that such records are not necessary for the operation of the Hospital Facilities by Lessor; and

3) All refunds and reimbursements for periods within the Lease Term, even if payable after the expiration of the Lease Term, available from insurers, third party payors, Medicaid and Medicare under applicable rules and regulations and other comparable programs;

4) All accounts receivable that exist and are available to the Lessee for periods on or prior to the expiration or termination of the Lease; and

5) All notes payable held by Lessee as of the date of the expiration or termination of the Lease, including notes signed by physicians.

I. "Governing Board" means the local governing board of the Hospital Facilities, initially consisting of the present members of

the Board of Directors of Debtors and the Chief Executive Officer and Operations Vice President of Lessee.

J. "Guarantor" means Health Management Associates, Inc. a Delaware corporation.

K. "Handling" means the use, treatment, storage, manufacture, processing, distribution, transport, placement, handling, discharge, generation, production or disposal.

L. "Hospital Facilities" means (i) Brooksville Regional Hospital and Spring Hill Regional Hospital and any new hospital developed on the Leased Premises by Lessee that replaces either Hospital (singularly, hereinafter "Hospital"), (ii) medical offices and administrative facilities appurtenant to Brooksville Regional Hospital and Spring Hill Regional Hospital, (iii) all ancillary facilities pertaining to the operation of each of the Hospitals, and (iv) all fixtures in the Hospital and the ancillary, office and administrative facilities, all of which are located on the Leased Premises that were transferred by the Debtors to Lessor immediately prior to the Commencement Date of this Lease, whether now existing or whether installed, constructed or placed on the Leased Premises after the date of this Lease, less any portions thereof and interests therein released in writing by Lessor and Lessee from this Lease or taken by the exercise of the power of eminent domain.

M. "Indemnified Parties" means Lessor and Lessor's successor and assigns, including all employees, commissioners and administrators of the Lessor.

N. "Indemnity" means the indemnity provisions contained in this Lease in favor of Lessor. Wherever this Lease requires Lessee

to indemnify Lessor, such indemnity shall extend to all claims arising in connection with the indemnified matter and shall expressly include all of Lessor's attorneys' fees and costs and consultants' fees. Upon written request of Lessor, Lessee shall defend and hold Lessor harmless and shall undertake the defense of Lessor, at Lessee's sole expense, in connection with any indemnity set forth in this Lease. Lessee shall have the right to settle and/or compromise any claim that is the subject of Lessee's Indemnity obligations provided for in this Lease. In no event shall Lessor be required or obligated to advance any attorneys' fees and costs or consultant's fees as a condition to enforcement of any indemnity of Lessee under this Lease. In the event Lessee fails or refuses to undertake the defense of Lessor at Lessee's expense or fails to pay, when incurred, the reasonable attorneys' fees and costs and reasonable consultants' fees of Lessor after receiving such request, or if Lessee fails to diligently and continuously conduct such defense after receiving such request as determined by Lessor in its sole discretion, then if Lessor so elects, Lessor may undertake such defense without reducing Lessee's obligation to protect, indemnify and hold harmless Lessor as provided in this Lease, and Lessee shall pay the costs incurred by Lessor in undertaking its own defense, including but not limited to, reasonable attorneys' fees and costs and reasonable consultants' fees. All such fees and costs incurred by Lessor shall constitute a portion of the indemnification duties set forth in this Lease. It is the intent of the parties that Lessee shall pay, address, and satisfy in full all such fees and costs

incurred by Lessor from the date of the assertion of any claim through the appellate process at no expense to Lessor.

O. "Judicial Determination" means the final decision of a court of competent jurisdiction subsequent to expiration of all appeals and/or appeal periods and the posting of a supersedeas bond, if required, in the appeal process.

P. "Lease" and "Lease Agreement" mean this Lease Agreement and all duly executed amendments thereto.

Q. "Lease Term" means the period that Lessee has the right to possession under this Lease which shall begin on the Commencement Date and shall expire on June 1, 2028, unless sooner terminated pursuant to the provisions of this Lease.

R. "Leased Premises" means:

1) The real property and facilities pertaining to Brooksville Regional Hospital, Spring Hill Regional Hospital, Brooksville Service Center, Brooksville Enrichment Center, Pinebrook Medical Center and parking lot, all as specifically described in Composite Exhibit "A" attached hereto and incorporated herein, including all buildings, improvements, additions, appurtenances and hereditaments thereto, all of which are used as or constitute a part of the Hospital Facilities.

2) A total of one hundred sixty-seven (167) licensed hospital beds comprised of ninety-two (92) beds at Brooksville Regional Hospital and seventy-five (75) beds at Spring Hill Regional Hospital (all of which are appurtenances to Brooksville Regional Hospital) and any expansion or additions thereto together with all improvements, fixtures and appurtenances; and

3) All other assets which make up and comprise the Hospital Facilities, including medical offices and administrative facilities appurtenant to Brooksville Regional Hospital and Spring Hill Regional Hospital which were owned or operated by any of the Debtors and transferred to Lessor immediately prior to the Commencement Date of this Lease, (including, without limitation, Brooksville Enrichment Center, Brooksville Service Center, Pinebrook Medical Center, and the Desoto Avenue Parking Lot, all as more particularly described in Composite Exhibit "A") and all fixtures and appurtenances thereto whether now existing or whether installed, constructed or placed on the Leased Premises after the date of this Lease, less any parts thereof and interests therein released in writing from this Lease by Lessor and Lessee or taken by the exercise of the power of eminent domain.

S. "Lessee" means Hernando HMA, Inc., a Florida for-profit corporation, and its successors and assigns as specifically provided for in this Lease Agreement, including any surviving, resulting or transferee corporation that may be permitted under Section 8.1 of this Lease.

T. "Lessor" means Hernando County, a political subdivision of the State of Florida, and its successors and assigns.

U. "Operations" means Lessee's or any other party's use or occupancy of the Leased Premises from the date Lessee first enters the Leased Premises through the expiration or termination of this



Lease (or the date Lessee vacates the Leased Premises, whichever is later).

V. "Permitted Encumbrances" means those certain title exceptions set forth in Schedule B, Section 2, subsections 6 through 17 of the Title Commitment, and matters shown on the Survey.

W. "Rental Payment" means all payments due from Lessee to Lessor or otherwise required to be paid by Lessee pursuant to the terms of this Lease.

X. "Spill" means any major spill, contamination, discharge, leakage, release or escape of any Waste in or affecting the Leased Premises as a result of Lessee's Operations, whether sudden or gradual, accidental or anticipated, or of any other nature or manner that has previously occurred as a result of Lessee's Operations or which may occur as a result of Lessee's Operations.

Y. "Spring Hill Regional Hospital" means the real property described for such facility in Composite Exhibit "A" attached hereto and incorporated herein, together with all improvements, additions, and fixtures installed, constructed or placed thereon, and all appurtenances and hereditaments thereto, whether now existing or whether installed, placed or constructed thereon after the date of this Lease, less any parts thereof which may be taken by exercise of the power of eminent domain.

Z. "Survey" means the following ALTA surveys of the Leased Premises prepared by Heidt and Associates, Inc.: Drawing No. 222219-1 dated February 11, 1998, Drawing No. 342218-1 dated February 23, 1998, Drawing No. 342318-1 dated February 23, 1998, and Drawing No.

182220-1 dated February 23, 1998, certified in accordance with generally accepted professional standards, and describing the boundaries, improvements, setbacks and all matters of record set forth in the Title Commitment.

AA. "Taxes" means all real estate and personal property taxes, including general and special assessments, and all other charges, taxes and assessments, ordinary and extraordinary, foreseen and unforeseen, which are levied, imposed or assessed upon or against this Lease, against the leasehold estate, against the Leased Premises and against all leasehold improvements and all fixtures that may be constructed or installed on the Leased Premises, as well as all sales, use, excise, and all other taxes of any nature whatsoever now or hereafter imposed by any lawful authority on all Rental and/or payments due or required under this Lease. The term "Taxes" shall also include all fees for licenses and permits, and all fees, charges, taxes and assessments, now or hereafter imposed, foreseen and unforeseen, that may be due, levied or assessed against Lessee or any business conducted on or affiliated with the Leased Premises during the Lease Term.

AB. "Title Commitment" means the Leasehold Title Insurance Commitment dated February 9, 1998, Case No. 9801043, issued by Lawyers Title Insurance Corporation, that will insure as of the commencement of the Lease that the Lessor and Lessee, as their respective interests may appear, have good and marketable title to the Leased Premises, and that the Leased Premises are free and clear of all liens, encumbrances, charges, assessments, taxes, easements, restrictions and stipulations except for items shown on Schedule B -

Section 1 of the Title Commitment that will be removed or satisfied at or before Closing and the Permitted Encumbrances.

AC. "Unwind" means the unwind transaction of this Lease as set forth in Section 3.2(C).

AD. "Waste" means any contaminant, chemical, petroleum product, waste, waste product, radioactive waste, poly-chlorinated biphenyls, asbestos, hazardous or toxic substance, contaminant, pollutant, substance, or waste of any kind, and any other substance which is regulated by any Environmental Law which is caused by Lessee's Operations on the Leased Premises.

SECTION 1.3 DEMISE OF THE LEASED PREMISES

For and in consideration of the Lessee's timely payment of the Rental Payment and the Lessee's timely performance of the other covenants and agreements of Lessee required under this Lease, Lessor does hereby demise and lease to Lessee, and Lessee does hereby lease, take, and hire from Lessor, the Leased Premises, and all appurtenances and hereditaments relating thereto.

**ARTICLE II**

**REPRESENTATIONS**

SECTION 2.1 REPRESENTATIONS OF LESSOR

Lessor makes the following representations to Lessee:

A. Lessor is a political subdivision of the State of Florida duly created and existing pursuant to the laws and Constitution of the State of Florida, and has the power to enter into this Lease.

B. Lessor is duly authorized to execute and deliver this Lease and contemporaneous with the signing of this Lease, shall deliver to Lessee a copy of the Certified Resolution of the County Commission

authorizing the appropriate representative of the Lessor to sign the Lease and all other documents required by the Lessor to effect the lease of the Leased Premises as provided herein.

C. This Lease is the legally binding obligation of Lessor and is enforceable against Lessor in accordance with its terms, except as enforceability against Lessor may be affected by its bankruptcy, insolvency, other laws governing creditors' rights generally, and equitable principles.

D. The leasing of the Leased Premises to Lessee will enable Lessee to provide needed hospital and health care facilities in Hernando County and will promote the health and welfare of the people of Hernando County.

E. Lessor has good title to the Leased Premises and shall deliver to Lessee such affidavits and certificates as may be reasonably necessary to delete the standard exceptions to the title insurance policy to be issued pursuant to the Title Commitment and shall deliver such instruments to Lessee as are required to be delivered by the Lessor as set forth in Schedule B, Section 1, of the Title Commitment.

F. Lessor acknowledges that the Leased Premises are in compliance with and in concurrence with all applicable land use and zoning regulations of Hernando County, Florida, that pertain to those portions of the Leased Premises located in the unincorporated areas of Hernando County, Florida, and represents as to those portions of the Leased Premises that are located within any municipality within Hernando County, Florida, that the Lessor is not aware of nor has Lessor received any written notice of noncompliance of the Leased

Premises with respect to any zoning code of the applicable municipality.

G. Lessor, without independent investigation, is not aware of any litigation or claims made against the Leased Premises other than claims that were made through the Bankruptcy Court.

SECTION 2.2 REPRESENTATIONS OF LESSEE

Lessee makes the following representations to Lessor:

A. Lessee is a duly incorporated for-profit corporation, in good standing under the laws of the State of Florida, and empowered to operate hospital and health care facilities under the laws of the State of Florida.

B. Lessee is duly authorized to enter into this Lease and to perform its obligations under this Lease.

C. This Lease is the legally binding obligation of Lessee and is enforceable against Lessee in accordance with its terms, except as enforceability against Lessee may be affected by its bankruptcy, insolvency, other laws governing creditors' rights generally, and equitable principles.

D. Lessee is in compliance in all material respects with all applicable statutes, rules, regulations and requirements of all applicable governmental entities having jurisdiction over Lessee and its operations, including, without limitation, the Florida Agency for Health Care Administration, and Lessee has timely filed all reports, data and other information required to be filed by it with such governmental entities.

E. Lessee and Guarantor expressly represent that they have the requisite skills, financial ability and management expertise to operate the Hospital Facilities.

### ARTICLE III

#### LEASE TERM AND RENTAL PROVISIONS

##### SECTION 3.1 LEASE TERM

The Lease Term shall begin on the Commencement Date and, subject to the provisions of this Lease, shall continue for a period of thirty (30) years thereafter.

##### SECTION 3.2 EXPIRATION OR TERMINATION OF LEASE

A. Upon the expiration of the Lease Term or earlier termination of this Lease by a Judicial Determination in the event of a default by Lessee hereunder, other than the early Unwind termination as set forth in Section 3.2(C) hereof, Lessee shall for no consideration relinquish and surrender to Lessor possession of the Leased Premises and Lessee shall also convey to Lessor by (i) quit claim deed all of its interest in the Leased Premises, including, without limitation, the Brooksville Regional Hospital, Brooksville Enrichment Center, Brooksville Service Center, Pinebrook Medical Center, and the Desoto Avenue Parking Lot, and any additional structures developed by Lessee on the Leased Premises, and (ii) bill of sale without warranties of all hospital licenses, certificates and permits for the Hospital Facilities, including, but not limited to, the certificates of need and rights to the hospital beds so licensed, and all tangible and intangible personal property including furniture, fixtures, equipment, inventories, and medical records necessary for the Operations that are located on the Leased Premises,

other than tangible and intangible property described herein as Excluded Assets, free and clear of any Taxes (except as to ad valorem taxes, if any, for the balance of the year of closing hereunder), indebtedness, liens or encumbrances, but such conveyances and transfers shall be subject to (a) the Permitted Encumbrances, (b) all restrictions, covenants, reservations, and easements placed of record by Lessee that were approved and joined in by Lessor, (c) ad valorem taxes, if any, for the balance of the year of closing hereunder, and (d) all applicable zoning and land use restrictions. It is the intention of the parties to this Lease Agreement that in the event of the expiration of the Lease Term or earlier termination of this Lease by a Judicial Determination in the event of a default by Lessee under the Lease Agreement (other than the Excluded Assets), that the Leased Premises and all tangible and intangible property necessary for the immediate and continued operation of the Hospital Facilities by Lessor as acute care hospital facilities be conveyed, transferred or assigned, or to the extent not transferable or assignable made available to the Lessor including, but not limited to, all licenses and permits held by the Lessee for the operation of the Hospital Facilities.

B. Upon expiration of the Lease Term or early termination of this Lease by a Judicial Determination in the event of a default by Lessee hereunder or in the event of the "unwind" transaction described in Section 3.2(C), the Lessor shall have the option of requiring Lessee to transfer to Lessor for the consideration herein described all right, title and interest in and to any and all other health care facilities that Lessee may have developed in Hernando

County, subsequent to the Commencement Date, for new medical technology or new medical related services or for certain material hospital services transferred from the Hospitals in accordance with Section 4.1(c) that were not developed on the Leased Premises (the "New Improvements"). The definition of New Improvements shall include all licenses, certificates and permits for the New Improvements, including, but not limited to, certificates of need and all tangible property including the then remaining furniture, fixtures, equipment and other tangible and intangible personal property, including medical records necessary for the operation that is conducted at the New Improvements other than those specific items of tangible and intangible property described herein as Excluded Assets. In consideration for the transfer of the New Improvements to Lessor, the Lessor agrees to pay to Lessee in immediately available funds on the date of transfer of the New Improvements to Lessor an amount equal to the fair market value of the New Improvements and the business operated therein. Prior to the date of transfer of the New Improvements to Lessor, the Lessee shall deliver to Lessor a written notice setting forth the fair market value for the New Improvement. Lessor shall, within ninety (90) days after receipt of the notice, either accept or reject the fair market value determination of Lessee. If Lessor objects, then Lessor and Lessee shall each select an MAI commercial real estate appraiser, with at least ten (10) years experience in appraising hospital facilities, in the State of Florida. Upon selection, Lessor's and Lessee's appraiser shall work together in good faith to agree upon the fair market value. If after thirty (30) days of selection of



the appraisers by Lessor and Lessee a dispute continues, then in that event both appraisers shall select a third appraiser meeting the criteria described above. Once the third appraiser has been selected, then, as soon thereafter as practical but within forty-five (45) days, the third appraiser shall make its determination as to which of the estimates received from the original appraisers most closely reflects the fair market value of the New Improvements. The determination by the third appraiser shall be rendered in writing to both the Lessor and Lessee and shall be final and binding upon them. The parties shall share equally in the cost of the third appraiser. Upon the final determination of value of the New Improvements, the Lessor shall pay such amount as provided for herein or reject the sum so determined and not purchase the New Improvements.

In the event that Lessee has, in accordance with the terms of this Lease Agreement, transferred to the New Improvements certain material hospital services from the Hospital Facilities pursuant to Section 4.1(C) and the Lessor determines that it will not purchase the New Improvements the Lessee shall prior to the closing contemplated under this Article III restore to the Hospital Facilities, to the greatest extent possible and with all reasonable effort, the material hospital services transferred or relocated to the New Improvements. In addition, if the Lessee has reduced, liquidated or eliminated any hospital services or facilities in accordance with Section 4.1(C) hereof from the Hospital Facilities that are rebuilt or reconstituted on a facility not located on the Leased Premises or a New Improvement, then in that event, the Lessee

shall restore such facility to the Hospital Facilities prior to the time of the transfers as contemplated herein.

C. The Lessor shall have the right at any time after the first anniversary of the Commencement Date, but prior to the third anniversary of the Commencement Date, to in good faith "unwind" the lease transaction contemplated hereby, to reacquire Lessee's interest in the Leased Premises, to terminate the Lease and to purchase the New Improvements, all hospital licenses, certificates and permits for the Hospital Facilities and New Improvements, including, but not limited to, the certificates of need and the rights to hospital beds so licensed, and all tangible and intangible property including the then remaining furniture, fixtures, equipment and medical records necessary for Operations that are located on the Leased Premises and New Improvements, other than those specific items of tangible and intangible property described herein as Excluded Assets, by paying to Lessee an amount equal to the product of (i) EBITDA for the Hospital Facilities and New Improvements, multiplied by (ii) seven (7). Sixty (60) days prior to the date of closing of the "unwind" ("Unwind Closing"), Lessee shall present to the Lessor its calculation of EBITDA (EBITDA as used herein is defined as earnings before interest, taxes, depreciation and amortization) accomplished in accordance with generally acceptable accounting principles for the twelve month period immediately preceding the notice of the value of EBITDA provided Lessor by Lessee sixty (60) days prior to the date of the Unwind Closing. Upon receipt of the notice of value but prior to the date of the Unwind Closing, the Lessor may have its auditors

review the calculation of EBITDA. In the event there is any discrepancy of the calculation of this amount, the Lessor and Lessee shall resolve their differences or, alternatively, Lessee and Lessor jointly will immediately select an independent public accounting firm to resolve such dispute prior to the date of the Unwind Closing, which resolution will be final and binding. In the event Lessor still disagrees with the EBITDA calculation subsequent to such final resolution, the Lessor may not close and in such event the Unwind Closing and the rights provided to Lessor pursuant to this Section 3.2(c) shall be terminated and of no further force and effect. The fees and expenses of such accounting firm will be shared by Lessor and Lessee in proportion to the relative amounts of the dispute and the amount resolved to be determined for the account of Lessor and Lessee, respectively. In order to exercise the unwind option, the Lessor shall give Lessee written notice thereof at least 180 days prior to the date of the Unwind Closing and shall tender the required funds as calculated above to Lessee on the date of the Unwind Closing, and Lessee and Lessor will cooperate reasonably with each other in effecting such "unwind" (including matters of transition), execute such documentation (including conveyance and assignment documents) as is reasonably necessary to effect the "unwind" (including the transfer to the Lessor of the Leased Premises, New Improvements and tangible and intangible personal property, other than the Excluded Assets, necessary for operations that are located on the Leased Premises, New Improvements) and all licenses and permits pertaining to the Leased Premises and New Improvements, free and clear of any indebtedness, liens or encumbrances but subject to

the provisions described in Section 3.2(A)(a)-(d). In addition, the parties hereto agree to make appropriate adjustments post Unwind Closing to reflect a purchase price using an EBITDA for the twelve (12) month period immediately preceding the Unwind Closing.

D. In the event of an "unwind" the Lessor shall and does hereby covenant not to sell or lease the Hospital Facilities to any other party for a period of three (3) years from the date of the Unwind Closing except to a qualified not-for-profit entity satisfying the following requirements: (i) the not-for-profit entity shall be a local entity managed and totally controlled by Hernando County residents, (ii) the local not-for-profit entity shall not be an Affiliate of any other not-for-profit organization, (iii) the local not-for-profit entity shall operate and maintain the Hospital Facilities, (iv) the local not-for-profit entity shall not pay any rent or other remuneration to the County, other than nominal rent or remuneration, for the Hospital Facilities, and (v) the financing for the purchase and operation of the Hospital Facilities as described herein shall be accomplished by County using traditional governmental financing techniques.

E. Upon expiration of the Lease Term or early termination of the Lease by a Judicial Determination by virtue of a default by Lessee under the Lease, the Lessee hereby agrees that for a period of three (3) years following such termination of the Lease, that Lessee shall not operate any competing hospital facilities (other than New Improvements not purchased by Lessor or other healthcare previously consented to by Lessor) within Hernando County except with the express written consent of the Lessor. This covenant not to

compete is specifically not applicable to the termination or expiration of the Lease Term by virtue of an Unwind Closing that occurs pursuant to the provisions of Section 3.2(B).

F. Contemporaneous with the expiration of the Lease Term or early termination as described above, the Lessee shall provide Lessor with evidence of tail insurance evidencing that Lessee has maintained professional negligence liability insurance with minimum limits of liability of \$1,000,000 for each occurrence and \$3,000,000 in the aggregate, which insurance shall be provided to Lessor to protect Lessor from any claims or liabilities arising from Lessee's operation of the Hospital Facilities.

SECTION 3.3 RENT

The annual rental payment for the Leased Premises for each year of the Lease Term (the "Rental Payment") shall be in the amount of Three Hundred Thousand and 00/100 Dollars (\$300,000.00). This Rental Payment shall be paid to Lessor by Lessee on the Commencement Date and on each anniversary date of the Commencement Date during the Lease Term.

**ARTICLE IV**

**OPERATION OF HOSPITAL FACILITIES**

SECTION 4.1 OPERATION OF HOSPITAL FACILITIES

A. Lessee covenants and agrees that during the entire Lease Term, Lessee will continuously operate as going concerns the Hospital Facilities as (i) two general acute care hospitals with programs for the diagnosis, treatment, and care of sick and injured persons, without discrimination on account of race, creed, color, national origin, or sex, consistent with accepted principles of hospital

financial management and (ii) ancillary services necessary and proper for the Hospitals, including, without limitation, radiology, pathology, laboratory, diagnostic imaging services, chemotherapy, inhalation, pulmonary and physical therapy, practice of medicine and health care services, and (iii) administrative offices related thereto as may be customary and proper for a general acute care hospital. Any change in such operation shall be determined by the Governing Board and Lessor as described in Section 4.1(C). ] Lessee further covenants and agrees that it will not deny emergency hospital care to any person based on ability to pay; provided, however, Lessee shall have the right to refuse to admit patients because of lack of facilities or appropriate personnel or to protect the welfare of patients already admitted and Lessee may adopt and amend from time to time appropriate rules respecting the admission of patients provided, however, that such rules are consistent with the terms of this Lease. Notwithstanding anything to the contrary contained in this Subsection, Lessee shall treat indigent patients as required under applicable Florida law. Lessee acknowledges that on the Commencement Date, it shall continue the same indigent care program that was previously adopted by Debtors for the Hospital Facilities, a copy of which is attached hereto as Exhibit "B" (the "Indigent Care Policy"), and that it shall in the future provide, at the minimum, indigent care to the extent as specified in the Indigent Care Policy and as may be specifically required by the provisions of Chapter 87-92, Laws of Florida, and *Florida Statutes*, Section 155.40, and any other applicable provision of federal or state law.

B. Lessee shall establish and maintain, at all times during the Lease Term, a Governing Board for the Hospitals. The Governing Board shall consist of fifteen (15) members initially comprised of the present members of the Board of Directors of the Debtors and the Executive Director and Operations Vice President of the Hospitals. Guarantor may increase the size of the Governing Board at any time and from time to time with an additional two (2) representatives selected by Guarantor. In the event that either or both of the two additional members are members of the medical staff of the Hospitals, the prospective candidates must be approved by the Medical Executive Committee of the candidate's Hospital prior to final selection by Guarantor. The size of the Governing Board, however, may neither be reduced nor increased (except for the two (2) additional representatives that may be selected by Guarantor as described above) without the consent of the Governing Board. At all times during the term of the Lease, not less than the greater of ten (10) or a majority of the members of the Governing Board, will be residents of Hernando County, Florida, who are not officers, employees or agents of Guarantor, or any of its Affiliates or directors of Guarantor or any of its Affiliates. The terms of each member of the Governing Board other than those members selected by Guarantor shall be staggered, with a maximum term for any member of three (3) years. Each member of the Governing Board may serve for two consecutive terms, and then is required to remain off the Governing Board for one year after the completion of such successive terms. If a Governing Board member dies, voluntarily leaves such position sooner or is removed from such position by a vote of the Governing Board

or if a Governing Board member's term expires, or if the size of the Governing Board is increased beyond seventeen (17) members by the Governing Board, the vacancies and/or additions so created shall be filled by the Governing Board recommending one or more candidates to fill each of such positions to Guarantor for Guarantor's sole approval, which approval shall not be unreasonably withheld. Notwithstanding the preceding sentences, Guarantor may select up to four (4) members of the Governing Board (including the Executive Director and Operation's Vice President of the Hospitals) as described herein, without recommendations from the Governing Board as to such members. A quorum of the Governing Board shall consist of a majority of its members. Members of the Governing Board may be present in person or by means of communications equipment whereby all members of the Governing Board can hear each other simultaneously. Actions by the Governing Board shall be by a majority of a quorum. Governing Board's powers and responsibilities shall include:

- 1) Adopting a hospital vision, mission and value statement, and any amendments thereto, assisting in developing policies and monitoring progress toward strategic goals;

- 2) For the term of the Lease the Governing Board shall have the right to approve the hiring or termination of the Executive Director of the Hospitals, which approval shall not be unreasonably withheld;

- 3) Approval of any change of the name of any of the Hospitals;



4) Participating on an advisory basis in development of and reviewing all operating and capital budgets and facility plans;

5) Granting medical staff membership and clinical privileges and, when necessary, taking disciplinary action consistent with credentialing processes, medical staff by-laws and strategic plans;

6) Monitoring medical staff and Hospital compliance with the Joint Commission for Accreditation of Healthcare Organizations ("JCAHO") and Health Care Financing Administration's ("HCFA") conditions of participation in the Medicaid and Medicare programs;

7) Fostering community relationships; and

8) Review of operating information provided by Lessee regarding performance of the Hospital Facilities for the period from the prior meeting to the then current meeting of the Governing Board. In addition to financial statements and operating statistics for the Hospital for the aforesaid period, the Governing Board shall also be provided with the results of an annual financial audit of the Hospitals as certified by an independent public accounting firm. The Lessor shall also receive the results of the aforesaid financial audit, copies of the annually released corporate information of Guarantor, and a copy of the asset inventory prepared in connection with the annual financial audit of the Hospitals.

C. During the term of the Lease, Lessee shall operate the Hospital Facilities as full service hospitals substantially in the

same manner as currently operated; provided, however that if Lessee reasonably determines that any material hospital services or facilities should be changed, reduced, liquidated or eliminated, Lessee may change, reduce, liquidate or eliminate such services or facilities only upon the prior approval of the Governing Board and Lessor.

D. Lessee agrees to provide the same level of care to indigents as provided by the Hospitals immediately prior to the Commencement Date as described in the Agreement. Lessee acknowledges that any patient presented to the emergency room who has a medical emergency or who, in the judgment of a staff physician, has an immediate emergency need will be treated in accordance with such policies. No such patient will be turned away because of age, race, gender or inability to pay. Lessee will ensure that the Hospitals will continue to provide medical services to patients covered by the Medicare and Medicaid programs.

E. In insuring a modern full-service hospital, Lessee is committed to providing the equipment and capital improvements that are and will be needed by the Hospital Facilities to serve the medical needs of the community through state of the art facilities. Lessee shall fund and pay, and Guarantor shall cause Lessee to fund and pay, for capital expenditures and improvements to the Hospital Facilities to the extent as provided for in Section 12.7(d) of the Agreement, the terms of which are hereby incorporated herein by reference, and, thereafter during the Lease Term, to the extent necessary to maintain the Hospital Facilities as two full-service acute care facilities, to maintain the licenses for the Hospital

Facilities issued by the State of Florida, and to maintain the accreditation of the Hospital Facilities by JCAHO and HCFA.

F. Lessee will offer employment on an "at will" basis, as of the Commencement Date, and at their salaries on the Commencement Date, to all of the employees of Debtors (including senior management) who are active employees of Debtors as of the Commencement Date performing services at the Hospital Facilities. The employees will retain their current seniority, as of the Commencement Date, with regard to vacation and sick time accrual under Lessee's plans. Such employees shall continue to vest in their accrued benefit of Debtor's Pension Plan, as hereinafter defined, determined as of the date of closing based on service with Lessee (the full vesting under the Pension Plan is five (5) years). In addition, such employees shall also be given credit for any years of service with Debtors for purposes of Lessee's qualified retirement plans with respect to eligibility, participation and vesting. Lessee's retirement plan requires one full year of service to be eligible to participate and seven (7) years to be fully vested. With respect to health insurance coverage, exclusions for pre-existing conditions and applicable waiting periods will be waived. The salaries of the employees at the Commencement Date will provide the base for future merit increases. In the event of an employee reduction, Lessee will pay severance based on position and length of service with Debtors and Lessee in accordance with a severance policy that is applicable generally to all Lessee employees. In addition to a severance payment, eligible employees will also have normal and customary rights to health plan continuation coverage as

mandated by Section 4980B of the Code or applicable state health care continuation coverage statutes. Lessee agrees that it will not effect any reductions in work force for a period of twelve (12) months after the Commencement Date other than reductions through attrition, flexible staffing for seasonal adjustments, or decreases in patient census.

G. Lessee acknowledges that all of the Debtors obligations and liabilities with respect to the pension plan for the current employees of the Debtors are evidenced by the plan described as Regional Healthcare, Inc. Pension Plan and Trust Agreement as amended and restated, effective as of January 1, 1989 (the "Pension Plan"). Lessee agrees to be the plan sponsor and assume and be responsible for all obligations and liabilities set forth in the Pension Plan. It is understood that the Lessee shall freeze the Pension Plan pursuant to applicable law immediately subsequent to the Commencement Date. Lessee shall service such Pension Plan in order to insure that the benefits are distributed to qualified beneficiaries of the Pension Plan. It is further understood that Lessee shall maintain the Pension Plan in accordance with all applicable laws and shall under no circumstances borrow from such funds. All Pension Plan funds shall be used solely for the benefit of the participants of the Pension Plan and to pay for custodial and other administrative expenses associated with the Pension Plan.

H. Lessee covenants and agrees that during the entire Lease Term, the Hospital Facilities shall be operated as two full service hospitals providing all essential services necessary to maintain their hospital licenses issued by the Agency for Healthcare

Administration, or its successor, and full accreditation by JCAHO, HCFA and any comparable successor accreditation body, as a general acute care hospitals, unless otherwise prescribed by applicable health planning regulations approved by Lessor. It is, however, understood that on the Commencement Date the Hospital Facilities are subject to conditional accreditation issued by JCAHO. Lessee shall undertake to review, cure and correct the deficiencies that exist in the Hospital Facilities as to eliminate the conditional accreditation as soon as reasonably possible.

I. Lessee shall comply with all laws, rules, regulations, and requirements of all federal, state, and local governments and agencies and departments thereof which are applicable to it or to licensed hospitals in the State of Florida, including, but not limited to, *Florida Statutes*, Sections 155.40 and 155.41 and shall at all times have in effect all licenses necessary for the operation of the Hospital Facilities as contemplated by this Lease; provided, however, that nothing herein shall preclude Lessee from challenging in good faith any of such laws, rules, regulations, or requirements.

#### ARTICLE V

#### TAXES AND UTILITIES

#### SECTION 5.1 TAXES

Lessee shall pay all Taxes, if any, prior to delinquency. If Lessee desires to contest the validity of any Taxes for which Lessee is responsible, Lessee may do so without being in default under its obligation to pay Taxes, provided Lessee institutes appropriate legal proceedings to contest the validity of the tax or assessment. If assessed, Lessee shall comply with *Florida Statutes*, Sections

194.171(3) (or shall obtain an injunction, if necessary, or such other provision as may be specified by law) to prevent the sale of any tax certificate or the sale of any property subject to the tax lien by reason of non-payment of the tax or assessment being contested in such legal proceedings. If Lessee fails to comply with *Florida Statutes*, Sections 194.171(3) (or to obtain such injunction, or if any injunction so obtained is dissolved), Lessee shall deposit with Lessor at least thirty (30) days before the contested tax or assessment would become delinquent for non-payment (or within ten (10) days of dissolution of the injunction), an amount which is sufficient to pay in full the contested tax or assessment, including, without limitation, all penalties and attorneys' fees and costs if the adjudication in such proceedings should be adverse to Lessee. Lessor shall have the right to make any such payment; provided, however, Lessor shall refund to Lessee any portion of the deposit retained by Lessor which shall be determined by the court not to be due to the taxing authorities on account of such taxes, penalties or attorneys' fees and costs.

SECTION 5.2 UTILITIES

Lessee shall pay all charges for gas, electric power, water, sewer, and all other utilities and services necessary or desirable for the operation, maintenance, use, and upkeep of the Hospital Facilities and the Leased Premises.

**ARTICLE VI**  
**INSURANCE**

SECTION 6.1 INSURANCE

Lessee covenants that it will obtain and maintain at all times during the Lease Term the insurance for the Hospital Facilities and all tangible personal property used in connection therewith as described in this Article and all other insurance for the Hospital Facilities that Lessee and Lessor reasonably deem necessary or appropriate. Lessee will cause the Hospital Facilities and all tangible personal property used in connection therewith at all times to be reasonably insured against all such risks as are customarily insured against in connection with the operation of hospital facilities of type and size comparable to the Hospital Facilities within the State of Florida in areas comparable to Hernando County. In connection therewith, Lessee will carry and maintain, or cause to be carried and maintained, as minimum requirements, and pay, or cause to be paid, timely the premiums for at least the following insurance when and as such insurance is commercially available:

A. With respect to the Leased Premises including the Hospital Facilities and all tangible personal property used in connection therewith, fire insurance, with uniform standard extended coverage endorsements, and vandalism and malicious mischief insurance with the broadest coverage approved for issuance in the State of Florida, including insurance against loss or damage from lightning, windstorm, hurricane, tornado, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in an amount equal to the replacement cost of the Hospital Facilities and all tangible

personal property used in connection therewith, excluding land and foundations;

B. Commercial general liability, property damage and bodily injury insurance, insuring Lessor and Lessee against any liability whatsoever occasioned by any accident, injury or damage suffered or occurring on or about the Leased Premises or any appurtenance thereto. Lessee shall also procure and maintain during the Lease Term contractual liability insurance coverage for the performance of Lessee's indemnity obligations under this Lease. Each liability policy shall be for the minimum amount of \$1,000,000.00 combined single limit coverage per accident.

C. Worker's compensation insurance in the minimum amount required by the laws of the State of Florida;

D. Comprehensive automobile liability insurance with limits of not less than \$1,000,000.00 per person and \$1,000,000.00 per occurrence for bodily injury and not less than \$1,000,000.00 per occurrence for property damage;

E. So long as the Medical Malpractice Liability Reform Act, Section 766.105 et seq., Florida Statutes, or any similar law or laws providing insurance to health care providers against liability for death, injury, loss or damage occurring in the examination, diagnosis, treatment, or care of any patient is in effect in the State of Florida (or in the United States if applicable within the State of Florida), a policy or policies of medical liability and malpractice insurance with limits not less than the basic coverage, if any, required under such law or laws, which policy or policies shall be in such form as may be required under such law or laws



(provided that, in lieu of maintaining such policy or policies, the Lessee may comply with any self-insurance requirements respecting qualifications for such insurance if the laws of the State of Florida provide for such qualification by self-insuring in lieu of maintaining such policy or policies) and the Lessee will take any and all other actions required for the Lessee to qualify and to remain qualified for such insurance.

F. Directors and Officers liability insurance for the benefit of Lessee, Guarantor and the members of the Governing Board shall be obtained in accordance with policies, procedures and amounts generally applicable to other hospital facilities owned or operated by Guarantor.

SECTION 6.2 BLANKET POLICIES

Any property insurance required to be carried under this Article may be included as part of any blanket or other policy or policies of insurance as long as the minimum coverage standards required by this Lease are met or exceeded for the Hospital Facilities independently of coverage for other properties or facilities covered by such policies.

SECTION 6.3 INCREASE IN COVERAGE

The minimum limits and coverage for liability policies shall be increased from time to time, as reasonably determined by Lessee and Lessor, to assure full protection to Lessor against claims for injury (including death) and damage to property.

SECTION 6.4 QUALIFIED INSURER AND STANDARD PROVISIONS

Lessee covenants that each insurance policy required by this Article: (i) shall be issued by such insurer or insurers as are financially responsible, are capable and qualified to write the respective insurance in the State of Florida and of recognized standing; and (ii) shall be in such form and with such provisions (including, without limitation, the loss payable clause, the waiver of subrogation or right of recovery claim clause, deductible clause and the designation of the named insured parties) as are generally considered standard provisions for the type of insurance involved and are reasonably acceptable to Lessor. Lessor agrees that in the event of destruction of all or any part of the Leased Premises, all insurance proceeds paid as a result of such casualty shall be made available to Lessee for payment for the repair, restoration or replacement of the portion of the Leased Premises damaged or destroyed. All insurance required under this Lease shall be written with insurance companies authorized to do business in the state of Florida and reasonably acceptable to Lessor. The cost of all premiums on the policies shall be paid by Lessee. The form and substance of all policies shall be subject to the approval of Lessor. The policies shall contain a clause that the insurer will not cancel or change the insurance coverage without first giving Lessor thirty (30) days' prior written notice. The original policies or binders shall be delivered to Lessor within ten (10) days of the commencement of this Lease. Lessee shall also furnish Lessor with original or binders of renewal policies for each such policy at least ten (10) days prior to the expiration date of the expiring policy. All

policies (exclusive of worker's compensation) required under this Section shall name Lessor as an additional named insured.

SECTION 6.5 LIABILITY PROTECTION

Lessee will provide for and insure in the commercial general liability policies required above, not only its own liability in respect of the matters there mentioned, but also the interest of Lessor as an additional insured party. Lessee will not, without the prior written consent of Lessor, settle or consent to the settlement of any pending or threatened litigation or claims for which Lessee is obligated under the provisions of this Section to insure the interest of Lessor.

SECTION 6.6 INSURANCE PROCEEDS

All insurance proceeds paid as compensation for loss or damage to the Leased Premises as a result of any casualty shall be the property of Lessee to be used in accordance with Section 7.5 and, if not used by Lessee as provided in Section 7.5, shall be provided to Lessor.

**ARTICLE VII**

**MAINTENANCE AND REPAIR**

**ALTERATIONS AND IMPROVEMENTS**

SECTION 7.1 CONDITION OF HOSPITAL FACILITIES

Lessee accepts the Hospital Facilities in the condition existing on the Commencement Date, "as is, where is, with all faults." Lessee shall keep and maintain the Hospital Facilities and tangible personal property used therein in good repair and operating condition, reasonable wear, tear, and depreciation excepted, and subject to

replacement in the normal course of business at Lessee's own expense during the Lease Term.

SECTION 7.2 REPAIRS

Lessee shall make all repairs (including replacements) to the Hospital Facilities, and tangible personal property used therein, foreseen and unforeseen, structural or otherwise, whether or not caused by Lessee's act or omission, that may be necessary to keep and maintain the Hospital Facilities and tangible personal property used therein in good repair and operating condition and in compliance with all applicable rules, codes, laws, regulations, and ordinances of all governmental and quasi governmental agencies or boards having jurisdiction over the Hospital Facilities during the Lease Term.

SECTION 7.3 ALTERATIONS AND IMPROVEMENTS

Lessee shall have the right, at its own expense, to make such additions, alterations, improvements in or to the Hospital Facilities as it deems necessary or desirable, provided that neither the value of the Hospital Facilities nor their utility for the purposes described in Section 4.1 is thereby materially impaired, and provided, further, that all permanent or structural additions, alterations, improvements, or replacements shall be deemed a part of the Hospital Facilities and shall become the property of Lessor without further cost to Lessor.

SECTION 7.4 REMOVAL OR DISPOSITION OF PROPERTY

If Lessee is not in default under this Lease, and provided such change is not governed by the approval requirements set forth in Section 4.1(C) hereof, Lessee shall have the right from time to time to remove any or all non-structural improvements, furniture,

equipment and fixtures in the Hospital Facilities, provided Lessee repairs any damage to the Hospital Facilities caused by such removal, and provided Lessee restores at the time of termination of the Lease as provided herein that portion of the Hospital Facilities affected by such removal to the condition existing prior to the installation of the item so removed (and provides a substitution or replacement of any item so removed if such item constitutes a part of the Leased Premises necessary or desirable for continued use of the Hospital Facilities as full service general acute care hospitals).

If any property or structure, or any furnishings, machinery, equipment, or other improvement constituting a part of or used in the Leased Premises or the Operations shall become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary and if its demolition, disposal or removal will not impair the structural soundness, efficiency, or the economic value of the Leased Premises, Lessee may demolish, remove, or dispose of such property and may, to the extent permitted by law, sell, trade in, exchange, replace or otherwise dispose of same, in whole or in part, as long as the Leased Premises and the Operations remain functional and operational as contemplated in Section 4.1 hereof.

SECTION 7.5 DAMAGED OR DESTROYED PROPERTY

If any part of the Hospital Facilities shall be destroyed or damaged by fire or other casualty Lessee shall promptly replace, repair, rebuild, and restore the property damaged or destroyed to substantially the same condition as existed prior to such damage or destruction, with such alterations and additions as will not impair the capacity or character of the applicable Hospital Facilities for

the purposes stated in Section 4.1, applying so much as may be necessary of the net proceeds of insurance received by Lessee by virtue of any such damage or destruction and paying from Lessee's own funds for the cost of such replacement, repair, rebuilding, or restoration, either on completion thereof or as the work progresses, if such insurance proceeds shall not be sufficient to pay for all such work.

SECTION 7.6 CONSTRUCTION LIENS

Lessor's interest in the Leased Premises shall not be subject to liens for improvements made by Lessee and Lessee shall have no power or authority to create any lien or permit any lien to attach to Lessee's leasehold or to the estate, reversion or other estate of Lessor in the Leased Premises or any improvements of which the Leased Premises are a part. All contractors, artisans, mechanics and laborers and other persons supplying design services, materials or labor or contracting with Lessee with respect to the Leased Premises or any part thereof, or any party entitled to claim a construction lien under the laws of Florida (whether same shall proceed in law or in equity) are hereby charged with notice that they shall look solely to Lessee to secure payment of any amounts due for work done or material furnished to Lessee relating to the Leased Premises, or for any other purpose during the Lease Term.

Lessee covenants and agrees that Lessee shall indemnify the Indemnified Parties against all such claims and Lessee covenants and agrees to transfer any claimed or asserted lien to a bond or such other security as may be permitted by law within thirty (30) days of the assertion of any such lien or claim of lien. In the event

Lessee fails to transfer such lien to bond or other security within such thirty (30) day period then, in addition to its other remedies specified in this Lease, Lessor shall have the right to discharge the lien or to transfer the lien claimed to bond or other security permitted by law and in any such event Lessee shall pay all costs so incurred by Lessor immediately upon demand therefor.

#### ARTICLE VIII

#### ASSIGNMENTS, SUBLEASES AND ENCUMBRANCES

#### SECTION 8.1 ASSIGNMENTS AND TRANSFERS, BUSINESS COMBINATIONS, AND RIGHT OF FIRST REFUSAL TO LESSOR

A. Assignment and Transfers. Lessee shall have the right to assign its interest in this Lease or to sublease all or any portion of the Leased Premises or its real estate interest in the Leased Premises or Guarantor or its Affiliates shall have the right to sell or transfer fifty percent (50%) or more of the voting stock of Lessee or enter into any transaction changing the control of Lessee (whether in a single transaction or a series of transactions) only with the prior written consent of Lessor.

B. Competing Properties Acquired by Business Combination. Any sale, purchase, merger, other reorganization, partnership, affiliation, or other transaction (in any case, a "Business Combination") pursuant to which Guarantor (or any of its Affiliates) or any corporation or other entity surviving or resulting from such Business Combination (or any of its Affiliates) will own or operate or have any interest in the ownership or operation of any other hospital in Hernando County, Florida, and/or Bayonet Point Hospital, in Pasco County, Florida (the "Other Hospitals") must be approved

by the Lessor; provided, however, as to Bayonet Point Hospital, said approval shall not be unreasonably withheld; provided further, however, that the Lessor shall be deemed to have consented to such Business Combination if Guarantor (and all of its Affiliates) and any other company surviving such Business Combination (and all of its Affiliates) have, within twelve (12) months after the date on which such Business Combination becomes effective, divested themselves of their entire right, title and interest in the Other Hospitals, whether held directly or indirectly, and any interest, whether direct or indirect, in the management or operation of the Other Hospitals.

C. Transfer of Control of Guarantor.

1) In the event that, at any time during the Lease Term, Guarantor proposes (i) a transfer or sale (whether in a single transaction or series of transactions) of fifty percent (50%) or more of the voting stock of Guarantor, or substantially all of the assets of Guarantor, to a third party which was not an Affiliate of Guarantor immediately prior to such transfer or sale, or (ii) the merger or consolidation of Guarantor with or into a third party which was not an Affiliate of Guarantor immediately prior to such merger or consolidation (other than a merger or consolidation in which Guarantor is the surviving entity thereof) (each a "Disposition"), then the Lessor shall have the following options:

(a) Approve the Disposition and thereby consent to the transaction by and between the third party and Lessee; or

(b) Disapprove the Disposition to the third party.



2) In the event the Lessor disapproves the Disposition as described in Section 8.1 C.1) (b), the Lessor shall elect one of the following options: (i) Lessor may purchase the Leased Premises, New Improvements and all tangible and intangible personal property used therein, other than the Excluded Assets, of Lessee that would be transferred to Lessor at the time of termination of the Lease (the "Termination Assets"), within one hundred and eighty (180) days from the date the Lessor disapproves the Disposition, upon payment of the fair market value for the Termination Assets as hereinafter described (the "Lease Asset Value"), or (ii) the Lessor will, within one hundred and eighty (180) days from the date the Lessor disapproves the Disposition, find a purchaser acceptable to Lessor that will purchase and close on the Termination Assets as provided for herein. If the Lessor does not exercise its rights under Section 8.1 C.1) (a) or Section 8.1 C.1) (b) within the time frame set forth herein, the Lessor shall be deemed to have consented to the Disposition and to the transaction by and between the Acquiror (as herein defined) and Guarantor.

3) In the event a Disposition transaction as described in Section 8.1 C.1) is proposed, Guarantor shall give written notice to Lessor ("Disposition Notice"), containing the name, address, qualifications, financial information and background of the third party with whom the Disposition is proposed (the "Acquiror").

4) The Disposition Notice shall also set forth the Lease Asset Value for the Termination Assets. Lessor shall, within ninety (90) days after receipt of the Disposition Notice, either accept or reject the Disposition. In addition, if Lessor disagrees with Guarantor's

determination of the Lease Asset Value, then Lessor and Guarantor shall each select an MAI commercial real estate appraiser, with at least 10 years' experience in appraising hospital facilities, in the southeast region of the United States. Upon selection, Lessor's and Guarantor's appraisers will work together in good faith to agree upon the fair market value of the Termination Assets, taking into consideration the remaining term of the Lease, and the business operated therein. If after thirty (30) days of selection of the appraisers by Lessor and Guarantor a dispute continues, then in that event, both appraisers shall select a third appraiser meeting the criteria described above. Once the third appraiser has been selected, then, as soon thereafter as practicable but within thirty (30) days, the third appraiser shall make its determination as to which of the estimates received from the original appraisers most closely reflects the fair market value of the Termination Assets. The determination by the third appraiser shall be rendered in writing to both the Lessor and Guarantor and shall be final and binding upon them. The parties shall share equally in the cost of the third appraiser.

5) If the final determination of the Lease Asset Value is acceptable to Lessor, then, within thirty (30) days following the final determination of the Lease Asset Value, Guarantor and Lessor will enter into an agreement setting forth the terms and conditions of the sale of the Termination Assets for the Lease Asset Value. The parties' efforts in that regard will be pursued diligently and in good faith, and the agreement entered into by Lessor and Guarantor will contain only those terms and conditions that would be customary

to consummate the transaction in accordance with the provisions hereof, including those with respect to any required governmental approvals, transfers of Licenses and Permits and contracts, and other provisions necessary to ensure that Lessor receives in the Termination Asset those assets required to operate the Hospital Facilities as an acute care, in-patient hospital facility.

6) In evaluating the third party seeking to purchase, merge or consolidate with Lessee and/or Guarantor, the Lessor shall in each and every instance determine if the third party satisfies the conditions described in Section 8.1 A. hereof, and if it does, the Lessor shall approve the third party and the transaction so contemplated.

7) In the event that the Lessor does not agree with the final determination of the Lease Asset Value or fails to close under the purchase agreement described above, then in that event Guarantor may complete the Disposition transaction with the Acquiror. In such event, the Acquiror shall take the Termination Assets subject to all terms set forth in this Lease Agreement.

8) Lessee and Guarantor will afford to Lessor and its counsel, accountants and other representatives reasonable access to the books and records of Lessee and Guarantor relevant to the operation of the Hospital Facilities, and promptly will furnish Lessor with all information as Lessor may reasonably request in connection therewith.

SECTION 8.2 RESTRICTIONS ON MORTGAGE OR OTHER ENCUMBRANCES  
OF LEASED PREMISES BY LESSEE

Except as otherwise expressly provided in this Lease, Lessee shall have no power or authority to mortgage, pledge, sell, assign,

transfer, convey, or make any other disposition or encumbrance of the Leased Premises or Lessee's leasehold interest in the Lease Agreement without the prior written consent of Lessor. It shall be an express condition of any such mortgage, sale, assignment, transfer, conveyance or other disposition or encumbrance, that it shall be subject to all of the terms and conditions of this Lease, and that any transfer as a result of the exercise of any remedies in favor of a mortgagee or lien holder shall be subject to the provisions of Section 8.1, above, requiring Lessor's (additional) consent thereto.

#### ARTICLE IX

##### ADDITIONAL COVENANTS OF LESSEE

###### SECTION 9.1 PROTECTION OF THE LEASED PREMISES

Lessee shall use reasonable care in performing its duties to protect the Leased Premises. Lessee covenants that it will not knowingly permit anything to be done on or about the Leased Premises that will adversely affect, impair, or contravene any policies of insurance that may be carried on the Leased Premises or any part thereof against loss or damage by fire, casualty, or otherwise.

#### ARTICLE X

##### EVENTS OF DEFAULT AND REMEDIES

###### SECTION 10.1 EVENTS OF DEFAULT DEFINED

Each of the following shall be an event of default under this Lease and the terms "event of default" or "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

A. Failure by Lessee to observe and perform any covenant, condition, or agreement on its part to be observed or performed which can be cured by the payment of money, for a period of thirty (30) days after written notice is given by Lessor to Lessee, specifying such failure; or

B. Failure by Lessee to observe and perform any covenant, condition, or agreement on its part to be observed or performed other than the payment of money, for a period of sixty (60) days after written notice is given by Lessor to Lessee, specifying such failure; provided, however, if the failure stated in the notice cannot be corrected within such sixty (60) day period, Lessee shall not be deemed to be in default if corrective action is instituted by Lessee within such sixty (60) day period and is diligently pursued until the corrective action is completed; or

C. The dissolution or liquidation of Lessee or the filing by Lessee of a voluntary petition in bankruptcy, or the filing of an involuntary petition in bankruptcy against Lessee (unless such petition is dismissed within one hundred twenty (120) days after it was filed); failure by Lessee promptly to lift any execution, garnishment, or attachment of such consequence as will impair its ability to carry on its operation of the Hospital Facilities; Lessee's seeking of or consenting to or acquiescing in the appointment of a receiver of the Leased Premises; the commission by Lessee of an act of bankruptcy, or adjudication of Lessee as bankrupt; or any assignment by Lessee for the benefit of its creditors, or the entry by Lessee into an agreement of composition with its creditors. The term "dissolution or liquidation of Lessee"

as used in this subsection, shall not be construed to include (i) the cessation of the corporate existence of Lessee resulting either from a merger or consolidation of Lessee into or with another corporation, (ii) an administrative dissolution of Lessee by the Florida Department of State, because of the failure of Lessee to file its annual report with the Department of State provided that Lessee is reinstated as a corporation within ninety (90) days after such administrative dissolution, or (iii) a transfer of all or substantially all of Lessee's assets as permitted under this Lease.

SECTION 10.2 REMEDIES ON DEFAULT

If any event of default described in Section 10.1 shall occur, Lessor, without limiting its other remedies under the law or pursuant to the provisions of this Lease, may elect to terminate this Lease, and exclude Lessee from possession of the Leased Premises after giving Lessee written notice of its election to cancel and terminate this Lease and in any such event Lessee shall execute and deliver to Lessor, if necessary, all documents and items required pursuant to the provisions of Section 3.2. No termination shall be implied or effective unless Lessor elects in writing to terminate this Lease. In addition, the Lessor shall have the right to seek payment of all amounts due hereunder to be paid by Lessee or loaned to Lessee by Lessor pursuant to Section 10.3 hereof.

SECTION 10.3 ADVANCES BY LESSOR

In addition to the foregoing remedy, if Lessee fails to pay the premiums on policies to provide the full insurance coverage required by this Lease, fails to pay any Taxes at or prior to the time they are required to be paid, or fails to keep the Hospital Facilities

in good order and repair or fails to perform any other covenants or agreements on Lessee's part to be performed hereunder, Lessor, after first giving Lessee reasonable prior notice of any such failure on its part, may (but shall not be obligated to) pay the premiums on such insurance, pay such taxes or other charges, or make such repairs, renewals, and replacements as may be necessary to maintain the Hospital Facilities properly and in good order and repair and in a reasonably safe condition, or perform such acts which Lessee has failed to perform and all amounts advanced or paid therefor by Lessor shall become an additional obligation of Lessee to Lessor. Lessee hereby agrees to pay the same upon demand to Lessor together with interest thereon at the maximum rate then permitted to be charged by private parties in contracts governed by Florida law.

SECTION 10.4 AGREEMENT TO PAY ATTORNEYS' FEES AND EXPENSES

In the event Lessor or Lessee is required to employ an attorney or incur other expenses for the enforcement or interpretation of this Lease, the non-prevailing party will, on demand therefor, pay to the other party its attorneys' fees (including fees for paralegals and legal assistants) and costs and expenses incurred out of court, in the trial court, on appeal or in bankruptcy, mediation, arbitration or any administrative proceedings.

SECTION 10.5 WAIVER

Any of the terms or conditions of this Lease may be waived at any time and from time to time, in writing, by both parties; provided, however, that except as otherwise specifically provided in this Lease, no failure or delay on the part of either party in exercising any of its respective rights hereunder upon any failure

by the other party to perform or observe any condition, covenant or provision herein contained shall operate as a waiver thereof, nor shall any single or partial exercise of any of such rights preclude any other or further exercise thereof or the exercise of any other right hereunder. No waiver or release of any of the terms, conditions, or provisions of this Lease shall be valid or asserted or relied upon by either party hereto or offered in any judicial proceeding or otherwise, unless the same is in writing, and duly executed by the party granting such waiver or release.

## ARTICLE XI

### ENVIRONMENTAL PROVISIONS

#### SECTION 11.1 COMPLIANCE

Lessee covenants and warrants that Lessee's Operations on the Leased Premises will at all times substantially comply with and conform to all Environmental Laws, including without limitation, those Environmental Laws which relate to the Handling of any Waste on or about the Leased Premises. Upon receipt of any material Environmental Notice whatsoever, Lessee shall deliver to Lessor a true, correct and complete copy of any written Environmental Notice. In the event (i) of any Environmental Notice; or (ii) if Lessee has caused, suffered or permitted, directly or indirectly, any Spill or Environmental Condition on or about the Leased Premises, or (iii) if any Spill or Environmental Condition has occurred on or about the Leased Premises or otherwise affecting the Leased Premises, then Lessee shall immediately take all of the following actions:

- A. Notify Lessor;



B. Promptly commence and diligently pursue all steps necessary to clean up any such Spill and any contamination related to the Spill or to remediate or abate such Environmental Condition and Environmental Notice;

C. Promptly provide Lessor with copies of all reports, data, proposals, test results or analyses, assessment or remediation plans relating to such incidents;

D. Abate the Environmental Condition and the Environmental Notice and otherwise restore the Leased Premises or affected property to the condition required by all applicable laws and regulations; provided, however, if any laws or regulations hereafter enacted shall prescribe more stringent standards than those in effect at the time any remediation is effected, Lessee shall perform any work required to bring the Leased Premises into compliance with such stricter standards at Lessee's sole expense; and

E. Fully cooperate with Lessor with respect to any such incident, including permitting Lessor to monitor and inspect all activities; provided, however, Lessor shall not interfere with any remediation work that may be in progress.

SECTION 11.2 COMPLETION OF REMEDIAL WORK

In the event Lessee shall fail to commence the remedial work in timely fashion or fail to prosecute the remedial work to completion within a reasonable time after commencement of such work, Lessor may, but shall not be required to, cause the remedial work to be performed, subject fully to the Environmental Indemnification provisions of this Lease, and Lessee shall pay for all such work as the costs are incurred.

SECTION 11.3 CLAIMS

Lessee shall immediately notify Lessor of any material claims for damages, penalties or otherwise against Lessor or Lessee described above.

SECTION 11.4 ASBESTOS

Without representation or warranty by Lessor as to its content or to the existence or non-existence of asbestos in the Leased Premises, attached hereto as Exhibit "C" is a description of certain asbestos that is present in the Leased Premises.

**ARTICLE XII**

**CONDEMNATION**

SECTION 12.1 TAKING

If any competent authority, for any public or quasi-public purposes, takes or condemns, or if Lessor makes a conveyance in lieu of a taking or condemnation of, either (i) the whole of the Leased Premises, or (ii) such part of the Leased Premises as hereafter defined so as to prevent or substantially impair the use of the Leased Premises for the purposes stated in Section 4, then the Lease Term shall automatically cease and terminate on the date possession of the Leased Premises is required by, or surrendered to, the condemning authority.

SECTION 12.2 LAST YEAR OF LEASE TERM

If any competent authority, for any public or quasi-public purpose, takes or condemns, or if Lessor makes a conveyance in lieu of a taking or condemnation of, any part of the Leased Premises in the last year of the Lease Term such that the use of the premises for the purposes stated in Section 4 is prohibited or substantially

impaired, either party shall have the right to terminate this Lease by written notice to the other party tendered no later than thirty (30) days following the date possession is required by the condemning authority. If either party elects so to terminate, the Lease Term shall cease and terminate as of the date when possession of the area so taken is required by, or surrendered to, the condemning authority.

SECTION 12.3 COLLECTION OF AWARDS

In the event of a complete or partial taking of the Leased Premises, the parties agree that Lessor shall be entitled to collect the portion of the award paid by the condemning authority attributable to the land, permanent improvements and all estates or interests therein that is equal to the expired portion of the Lease Term expressed as a percentage and Lessee shall collect the balance of the award. Lessee, however, may also claim business relocation damages described in Section 12.5 herein.

SECTION 12.4 NON-TERMINATION OF LEASE

In the event of a partial taking of the Leased Premises which does not result in termination of this Lease then, Lessee shall, at Lessee's expense, promptly repair, restore and reconstruct the Leased Premises and Lessor shall make available to Lessee such portion of the condemnation awards as may be required to pay for such repairs and restoration. The restoration shall be made as nearly as possible to the condition existing immediately prior to such taking of the Leased Premises and improvements thereon.

SECTION 12.5 BUSINESS LOCATION EXPENSES

Nothing in this Section shall be deemed to prohibit Lessee from claiming compensation from the condemning authority (but not from

Lessor) for business relocation expenses in connection with such taking.

### ARTICLE XIII

#### ASSUMPTION OF RISK

##### SECTION 13.1 USE AND OCCUPATION

To the maximum extent permitted by law, Lessee agrees to use and occupy the Leased Premises at its own risk, and hereby (for itself and all persons claiming under, by or through Lessee) releases Lessor and its servants, contractors, and employees, from all claims and demands of every kind resulting from any accident, damage, injury, or death occurring thereon, unless solely due to such party's gross negligence or willful misconduct. Lessee expressly covenants and agrees that Lessor shall not be liable to Lessee or Lessee's contractors, licensees, agents, guests, invitees, or employees for any injury, damage, or loss to its, his or their persons or property by any cause whatsoever, including, without limitation, construction defects, water, rain, sleet, fire, storms, negligence and accidents, breakage, stoppage, or leaks of gas, water, heating, sewer pipes, boilers, wiring or plumbing or any other defect in, on or about the Leased Premises.

##### SECTION 13.2 LIABILITY

Lessee expressly assumes all liability for or on account of all claims, suits, liability and expense arising from claims for injury, loss or damage, on or about or relating to the Leased Premises except those caused by the acts of Lessor or Lessor's agents, contractors or representatives.

ARTICLE XIV

INDEMNITY

SECTION 14.1 GENERAL INDEMNITY

Lessee agrees to indemnify Lessor and to defend and hold the Indemnified Parties harmless from and against all liability and damage caused by or growing out of any injury, death, loss or damage to persons or property upon the Leased Premises or arising from Lessee's Operations upon the Leased Premises during the Lease Term (except to the extent caused by Lessor's acts), including, without limitation, the obligation to pay all attorneys' fees and costs, and consultants' fees incurred by Lessor as a result thereof. Lessee and Lessor acknowledge that the Indemnity obligation of Lessee as to notice, settlement and attorneys' fees are as set forth in Section 1.2(N) herein. Lessee shall also indemnify, defend and hold the Indemnified Parties harmless from and against any losses, liabilities, damages, interests, fines, penalties, expenses, and attorneys' fees and costs based upon, arising out of or otherwise in respect to, noncompliance with any governmental law, statute, regulation, ordinance, or administrative or judicial judgment or order relating to Lessee's Operations on the Leased Premises except as to those matters of non-compliance that existed as of the Commencement Date for the Hospital Facilities and the operation thereof.

SECTION 14.2 CONTAMINATION INDEMNITY

As a material inducement to Lessor to enter into this Lease, Lessee shall hold the Indemnified Parties harmless from all judgments or claims, and shall assume the burden and expense of defending all suits, administrative proceedings, and negotiations of any

description with any and all persons, political subdivisions or government agencies arising out of any of the occurrences of any Spill or Environmental Conditions on the Leased Premises which may occur as a result of Lessee's Operations on the Leased Premises.

By its execution of this Lease, Lessee acknowledges the receipt and sufficiency of Fifty Dollars (\$50.00) paid by Lessor as separate consideration for all indemnities provided and given by Lessee in this Lease, which sum also is separate (and sufficient) consideration for all other indemnities provided by Lessee to Lessor under this Lease, including, without limitation, Lessee's indemnification of Lessor described in other Sections of this Lease.

#### ARTICLE XV

#### MISCELLANEOUS

##### SECTION 15.1 COVENANT OF QUIET ENJOYMENT

So long as Lessee performs and observes all of the covenants and agreements on its part herein contained, it shall peaceably and quietly have, hold, and enjoy the Leased Premises during the Lease Term subject to all terms and provisions hereof, against the lawful claims of all persons or entities claiming by, through or under Lessor.

##### SECTION 15.2 COUNTERPARTS

This Lease may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

SECTION 15.3 BINDING EFFECT

This Lease shall inure to the benefit of, and shall be binding upon, Lessor, Lessee, Guarantor and their respective authorized successors and assigns as provided for herein.

SECTION 15.4 SEVERABILITY

In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 15.5 ARTICLE AND SECTION CAPTIONS

The Article and Section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

SECTION 15.6 ENTIRE AGREEMENT

This Lease may not be modified, amended or otherwise changed orally, but may only be modified, amended or otherwise changed by an agreement in writing signed by both parties. This Lease Agreement and its accompanying guaranty constitute the entire agreement between the parties and there are no oral or other agreements between the parties affecting this Lease. This Lease Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings between the parties hereto with respect to the subject matter thereof, and no such outside or prior agreements shall be used to interpret or to construe this Lease. There are no promises, covenants, representations or inducements in addition to,

or at variance with any of the terms of this Lease Agreement except the Guaranty.

SECTION 15.7 GUARANTY AGREEMENT

That certain guaranty of even date signed by Health Management Associates, Inc., a true and complete copy of which is attached hereto as Exhibit "D", is given by Guarantor to induce Lessor to execute this Lease.

SECTION 15.8 PLACE OF DELIVERY OF RENT AND NOTICES

Rent accruing hereunder, as well as all notices, shall be paid or delivered to Lessor at the address indicated below until Lessee is notified otherwise.

All notices given to Lessee hereunder shall be delivered to Lessee at the address indicated below until Lessor is notified otherwise.

All notices, to be effective, shall be in writing and shall be delivered by registered or certified mail, return receipt requested and postage prepaid or by personal delivery or courier service by which the sending party obtains a receipt confirming delivery or inability to deliver the notice to the party to whom the notice was addressed. Any notice required to be given or that may be given under this Lease shall be deemed to be given upon the date of receipt thereof, or if delivery is refused, on the date of first attempted delivery thereof.

Any party designated to receive notice may change its address to any other place in the United States of America by giving notice of such change of address to the other party.



If to Lessor:           Hernando County Board of  
County Commissioners  
County Courthouse  
20 North Main Street, Room 460  
Brooksville, Florida 34601  
Attention: Chairman

with copy to:           R. Bruce Snow, Esquire  
112 North Orange Avenue  
Brooksville, Florida 34601

If to Lessee:           Hernando HMA, Inc.  
5811 Pelican Bay Boulevard, Suite 500  
Naples, Florida 33963-2710  
Attention: William T. Schoen, Chairman  
                            and Chief Executive Officer

with copy to:           5811 Pelican Bay Boulevard, Suite 500  
Naples, Florida 33963-2710  
Attention: Timothy Parry, Vice President  
                            and General Counsel

Lessor and Lessee may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent.

SECTION 15.9 RADON GAS

The following disclosure is hereby made by Lessor to Lessee as required by Florida law:

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your County Public Health Unit.

SECTION 15.10 LESSOR'S ACCESS TO LEASED PREMISES

Lessor shall have the right to enter the Leased Premises at reasonable business hours for the purposes of inspecting the Leased

Premises, and Lessor shall also have the right to make access available at all reasonable business hours to agents and consultants (or to prospective tenants of the Leased Premises during the last twelve (12) months of the Lease Term). If Lessee fails to make necessary repairs to the Leased Premises within applicable grace periods after notice of the need therefor, Lessor shall also have the right to enter the Leased Premises for the purpose of making necessary repairs thereto. In addition, during the last year of the Lease Term the Lessee shall and does hereby authorize representatives of the Lessor access to the Leased Premises acting in the capacity of a transition team for the purpose of familiarizing themselves with the operation, organization and management of the Hospital Facilities and all furniture, fixtures and equipment utilized in the operation of the Hospital Facilities. The activities of the transition team shall be conducted in such a way so as to not interfere with the operation of the Hospital Facilities.

SECTION 15.11 SURRENDER

All alterations, additions and improvements made during the Lease Term on the Leased Premises and all additions and/or replacement of tangible personal property used in the Operations shall remain upon the Leased Premises in the absence of any agreement to the contrary, and Lessor will accept the Leased Premises and such tangible personal property in such condition as may be subsequently improved or, as to personal property, replaced by Lessee after the commencement of Lessee's Operations on the Leased Premises. Except as expressly provided in this Lease to the contrary, Lessee shall deliver and surrender to Lessor possession of the Leased Premises

and all tangible and intangible personal property other than the Excluded Asssets at the expiration of this Lease, or its earlier termination as herein provided, broom clean, and in as reasonably good condition and repair as the same shall be on the date of commencement of Lessee's Operations (or, if applicable, in such better condition and repair as the Leased Premises may have been put by Lessee during the continuance of Lessee's Operations), ordinary wear and tear excepted, together with all tangible personal property and replacement thereof, including furniture, fixtures, equipment and inventory located thereon. Any and all tangible personal property that becomes obsolete during the Lease Term may be discarded without replacement provided that such discarded tangible personal property is replaced with such other tangible personal property as is necessary for the continuation of state of the art services being provided at the Hospital Facilities.

Notwithstanding anything herein to the contrary, at the expiration or termination of this Lease, the Leased Premises shall be returned to Lessor in conformity and compliance with all applicable laws, regulations and ordinances; provided, however, if any laws, regulations or ordinances hereafter enacted shall prescribe more stringent standards for remediation than those in effect at the time remediation of an Environmental Condition was effected, Lessee shall perform all work required to bring the Leased Premises into compliance with such stricter standards at Lessee's sole cost and expense. If such additional work is required after the expiration or termination of this Lease, Lessee shall commence the work within

thirty (30) days of Lessor's notice of the need therefor, and shall complete the work with reasonable diligence thereafter.

SECTION 15.12 RELATIONSHIP OF PARTIES

Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of Rent, nor any other provision contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant. Whenever the singular number is used in this Lease, the same shall include the plural, and the neuter gender shall include the feminine and masculine genders.

SECTION 15.13 BROKER'S COMMISSIONERS

Each of the parties represents and warrants that it has dealt with no broker in the negotiation and consummation of this Lease. Each of the parties agrees to indemnify the other against all liabilities from any claims for brokers' commissions or finder's fees asserted against the indemnified party.

SECTION 15.14 INTERPRETATION AND VENUE

This Lease shall be construed and interpreted according to the laws of the State of Florida and venue for enforcement shall be in Hernando County, Florida.

SECTION 15.15 TIME OF THE ESSENCE

Time is of the essence in the performance of Lessee's obligations under this Lease.

SECTION 15.16 SOVEREIGN IMMUNITY

The parties hereto acknowledge that by virtue of Lessor signing this Lease Agreement which contains specific indemnity rights from Lessee that Lessor has not waived its right of sovereign immunity as to any tort claim that may or may not exist against Lessor by virtue of any act by or failure to act of Lessor.

SECTION 15.17 CERTIFICATION

On each and every Anniversary Date of the Lease, the Lessee shall deliver to Lessor a Certificate ratifying to Lessor the compliance (the "Certificate of Compliance") by Lessee of all of the material covenants, representations and warranties of Lessee as set forth in this Lease. The Certification of Compliance shall be delivered on or before thirty (30) days after the expiration of each anniversary date of the Lease.

The Lessee shall also provide to the Lessor, ninety (90) days after the close of each fiscal year of the Lessee, a report setting forth the status of all material covenants, representations, terms, conditions, and warranties under this Lease, which report shall contain such information as may be reasonable and necessary in order to enable Lessor to confirm Lessee's compliance with all of the material terms, conditions, covenants, representations, and warranties set forth in this Lease, including but not limited to indigent care, equipment inventory, financial reports of the Hospital Facilities, insurance coverage, and compliance with licensure and accreditation provisions.

SECTION 15.18 INDUCEMENT

The parties acknowledge and agree that Lessor would not enter into this Lease if the Rent described in this Lease were not absolutely net to Lessor or if full service acute hospital care will not be available in Hernando County or if Lessor were to incur any liability whatsoever, foreseen or unforeseen, as a result of Lessee's exercise of any of its rights under this Lease. Accordingly, anything herein to the contrary notwithstanding, Lessee expressly covenants and agrees to pay all expenses, costs, fees and charges of any nature whatsoever arising in connection with or attributable to the Leased Premises or this Lease, and, to assure Lessee's performance, Lessee's parent, Health Management Associates, has delivered its guaranty of payment and performance of Lessee's obligations simultaneously with Lessee's execution of this Lease.

SECTION 15.19 MEMORANDUM OF LEASE

The parties hereto agree that a Memorandum of Lease in the form attached hereto as Exhibit "E" shall be placed of record among the public records of Hernando County, Florida.

SECTION 15.20 FURTHER ASSURANCE

The parties hereto shall perform with all due diligence all acts, applications, authorizations, assignments, transfers, and consents as necessary or appropriate to the fulfillment of the provisions of this Lease Agreement, and will cooperate with each other and execute any and all documents required under this Lease Agreement or that are incident thereto.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be duly executed as of the day and year first above written.

Witnesses:

HERNANDO COUNTY, FLORIDA, a political subdivision of the State of Florida

By its Board of County Commissioners

Margie Jones  
Name: Margie Jones

By: Hannah M. Robinson  
Name: HANNAH M. ROBINSON, Chair

Karen Niccoli  
Name: Karen Niccoli

ATTEST: Karen Niccoli  
Clerk

HERNANDO HMA, INC., a Florida corporation

Timothy R. Henry  
Name: Timothy R. Henry

By: Earl P. Holland  
Name: Earl P. Holland  
Title: Vice-Chairman

Steph J. Mitchell  
Name: STEPH J MITCHELL

STATE OF FLORIDA  
COUNTY OF Hillsborough

The foregoing instrument was acknowledged before me this 25<sup>th</sup> day of May, 1998, by Hannah M. Robinson and Karen Niccoli as Chairman and Clerk, respectively of the Board of County Commissioners of HERNANDO COUNTY, FLORIDA, a political subdivision of the State of Florida, on behalf of the County, who is personally known to me or has produced Florida (state) driver's license no. \_\_\_\_\_ as identification.

My Commission Expires:

(AFFIX NOTARY SEAL)

Delia M. Hancock  
Notary Public (Signature)  
Delia M. Hancock  
(Printed Name)

(Title or Firm) HANCOCK  
MY COMMISSION # CC477325 EXPIRES  
OCTOBER 20, 1999  
(Serial Number) any

STATE OF FLORIDA  
COUNTY OF Hillsborough

The foregoing instrument was acknowledged before me this 28<sup>th</sup>  
day of May, 1998, by Earl P. Halland as  
Vice Chairman of HERNANDO HMA, INC., a Florida corporation, on  
behalf of the corporation, who is personally known to me or has  
produced Fl (state) driver's license no. \_\_\_\_\_  
\_\_\_\_\_ as identification.

My Commission Expires:

(AFFIX NOTARY SEAL)

Delia M. Hancock  
Notary Public (Signature)

(Printed Name)

DELIA M. HANCOCK

(Title) Notary Public

MY COMMISSION # CC477326 EXPIRES

October 20, 1999

BONDED THRU TROY FAIR INSURANCE, INC.

(Serial Number, if any)



**EXHIBIT "A"**  
**(Lease)**

**PARCEL 1 (BUSINESS SERVICE CENTER)**

LOTS 5, 6, 7, 20, 21, 22, and 23, Block 4 less and except the North 5.00 feet of Lots 5, 6, and 7, HALEMONT ADDITION SECTION NO. 1, according to the map or plat thereof as recorded in Plat Book 5, Page 10, Public Records of Hernando County, Florida.

**PARCEL 2 (ENRICHMENT CENTER)**

Lots 1 and 21, Block 10, Less the East 57 feet of Lot 1, HALEMONT ADDITION SECTION NO. 2, according to the map or plat thereof as recorded in Plat Book 5, Page 34, Public Records of Hernando County, Florida.

**PARCEL 4 (PINEBROOK REGIONAL)**

The Easterly 440 feet of the NE 1/4 of the NE 1/4 of Section 34, Township 22 South, Range 18 East excepting there from that portion used for State Road No. 50 right-of-way and less the Easterly 20 feet thereof, all lying and being in Hernando County, Florida.

**PARCEL 5 (SPRING HILL REGIONAL)**

Lot 3, SEVEN HILLS MEDICAL AND BUSINESS CENTER, according to the map or plat thereof as recorded in Plat Book 26, Pages 3 and 4, of the Public Records of Hernando County, Florida.

TOGETHER WITH easement estates appurtenant thereto as set forth in instruments recorded in O. R. Book 769, pages 553, 558 and 565, Public Records of Hernando County, Florida.

PARCEL 6 (PARKING LOT)

Lots 20 and 21 in Block 3 of HALEMONT ADDITION, SECTION NO. 2 according to the map or plat thereof as recorded in Plat Book 5 at Page 34 of the Public Records of Hernando County, Florida.

PARCEL 7 (BROOKSVILLE REGIONAL HOSPITAL)

Blocks 4, 6, 7 and Lots 1 through 6, inclusive, Block 8, HALEMONT ADDITION SECTION NO. 2 according to the map or plat thereof as recorded in Plat Book 5 at Page 34 of the Public Records of Hernando County, Florida, together with that part of Palm Avenue and Hendricks Street vacated by instrument recorded in O.R. Book 63, page 400, of the Public Records of Hernando County, Florida.

6256-010-0511245.01

EXHIBIT B

INDIGENT CARE POLICY

# RHI

REGIONAL  
HEALTHCARE  
INC.

ENTITIES:

- BROOKSVILLE REGIONAL HOSPITAL
- PINEBROOK REGIONAL MEDICAL CENTER
- SPRING HILL REGIONAL HOSPITAL

MANUAL: Patient Business Services	NUMBER 2-5
	PAGE 1 OF 6
SUBJECT: Health Care Assistance/ Charity Care	EFFECTIVE DATE: 3/4/96
	REVISED DATE: 3/18/98
	APPROVED BY: <i>Margaret A. Smith</i>

## PURPOSE

To provide guidelines for processing Health Care Assistance applications.

## POLICY

Regional Healthcare, Inc. recognizes the unfortunate burden of a long term catastrophic illness. However, every effort will be made to collect on self-pay balances.

A request for a charitable allowance will require the completion of the Application for Eligibility Determination and an explanation of the unavailability of aid from Medicaid or other financial assistance.

If a guarantor is determined to be financially indigent, he or she will receive assistance in applying for Medicaid or other financial assistance. If no source of financial assistance is available, the Patient Accounting staff will assist the guarantor in applying for the Health Care Assistance program. All Health Care Assistance allowances must be approved by the Director of Patient Business Services.

The Agency for Health Care Assistance classifies these reductions to revenue as Charity/Uncompensated Care - Other.

## PROCEDURE

### I. QUALIFICATIONS FOR CHARITY/UNCOMPENSATED CARE - OTHER

- A. A patient must have a family income for the 12 month period preceding the determination at or below 150 percent of the current Federal Poverty Guidelines or...
- B. For patients whose total family income is above the guidelines but does not exceed four times the poverty level, the amount of the hospital charges due from the patient must exceed 25 percent of the patient must exceed 25 percent of the patient's annual family income.
- C. In no case will Charity/Uncompensated Care - Other be granted for a guarantor whose family income exceeds four (4) times the Federal Poverty Guidelines.

**II. DOCUMENTATION REQUIREMENTS - AGENCY FOR HEALTH CARE ADMINISTRATION**

Documentation recognized by the Agency for Health Care Administration as appropriate shall be limited to one of the following types:

- A. Pay Stubs
- B. Forms approving or denying unemployment compensation or Workers Compensation
- C. Written verification of wage from employer on company stationary
- D. Written verification from public welfare agencies or any other governmental agency which can attest to the patient's income status for the past 12 months
- E. An UNCOMPENSATED CHARITY statement, witnessed and notarized, signed by the patient and/or responsible party. This statement is part of the Health Care Assistance Application.
- F. A Medicaid remittance voucher which reflects that the patient's Medicaid benefits for the Medicaid fiscal year have been exhausted.

**III. DOCUMENTATION REQUIREMENTS/REGIONAL HEALTHCARE, INC.**

- A. For all working members of the family, the guarantor is required to provide documentation showing gross income for a period of 12 months preceding the application. Documentation deemed acceptable by Regional Healthcare, Inc. includes:
  - 1. Pay Stubs
  - 2. A letter from the guarantor's employer on company stationary
- B. For individuals whose sole means of support is Social Security, Pension, VA, Alimony, Child Support, Public Assistance, Interest, Rents, Income from Annuities or Dividends and/or Workers Compensation, proof of income for one month preceding the application is required. Documentation deemed acceptable by Regional Healthcare, Inc. includes:
  - 1. Check stubs or copies of checks
  - 2. Bank statements showing direct deposits
  - 3. A court document showing an Alimony or Child Support judgement
- C. For individuals who are self-employed, documentation deemed acceptable by Regional Healthcare, Inc. is:
  - 1. A Profit and Loss Statement that adheres to generally accepted accounting principles for each quarter of the 12 months preceding the application, prepared

by a licensed bookkeeper or accountant.

#### IV. INITIATING THE HEALTH CARE ASSISTANCE PROCESS

- A. During financial counseling, the guarantor will be referred to the Department of Children and Family Services to apply for assistance from the Medicaid program. The guarantor will be provided a Healthcare Assistance Application and will be asked to complete and sign the application. The Financial Counselor will forward the application to the Credit and Collections Specialist/Self Pay. The Financial Counselor will then document the account using the reminder function to advise the Credit and Collections Specialist/Self Pay that a completed application has been forwarded.
- B. The Credit and Collections Specialist/Self Pay will provide, as appropriate, a Health Care Assistance application at any time during contact with the guarantor. She/he will direct the guarantor to apply for Medicaid assistance at the Department of Children and Family Services.

#### V. MEDICAID

The Credit and Collections Specialist/Medicaid will review Medicaid 650/Exhausted Benefits rejections, will adjust the balance using the appropriate Health Care Assistance adjustment (see VI.B.2 of this document). The Credit and Collections Specialist/Medicaid will advise the Credit and Collections Specialist/Self Pay so that these adjustments may be added to the Health Care Assistance log.

#### VI. CREDIT AND COLLECTIONS SPECIALIST FUNCTIONS

- A. The Credit and Collections Specialist/Self Pay will review the applications on a bi-weekly basis.
- B. If the Credit and Collections Specialist/Self Pay determines that the guarantor meets the criteria for Health Care Assistance, she/he will:
  - 1. Provide the application and all documentation to the Director of Patient Business Services for final approval.
  - 2. Adjust the account using one of the following adjustment codes:
    - a. CC-HCCB-IP for Inpatient services
    - b. CC-HCCB-OP for Outpatient services
  - 3. Log the account in the Health Care Assistance log
  - 4. Send the patient a letter of approval
- C. If the Credit and Collections Specialist/Self Pay determines that the guarantor does not meet the criteria for Health Care Assistance, she/he will mail a letter of denial to the guarantor.

## VI. FEDERAL POVERTY GUIDELINES 1998

AHCA UNCOMPENSATED CHARITY  
CARE

The Federal Register dated February 24, 1998 contained an update of the poverty guidelines to account for increases in prices during the last calendar year as measured by the Consumer Price Index. These guidelines are effective on the date published (2/24/98), unless an office administering a program using the guidelines specifies a different effective date for their particular program.

The revised poverty guidelines for the 48 contiguous states and the District of Columbia are:

<u>Family Size</u>	<u>Income (gross) Guidelines</u>	<u>150% Poverty Guidelines</u>
1	\$ 8,050	\$12,075
2	10,850	16,275
3	13,650	20,475
4	16,450	24,675
5	19,250	28,875
6	22,050	33,075
7	24,850	37,275
8	27,650	41,475

For family units with more than 8 members, add \$2,800 for each additional member.

According to the Federal Register, a family is defined as a group of two or more persons related by birth, marriage, or adoption who live together; all such related persons are considered as members of one family. An unrelated individual is a person 15 years of age or over who is not living with any relatives. The Bureau of Census defines income to include total annual cash receipts before taxes from all sources, with exceptions noted in the Federal Register.

## VII. DETERMINATION OF ELIGIBILITY (APPROVAL)

See attachment "A"

## VIII. DETERMINATION OF ELIGIBILITY (DENIAL)

See attachment "B"

**DETERMINATION OF ELIGIBILITY FOR HEALTHCARE ASSISTANCE**

Brooksville Regional Hospital     Pinebrook Regional Medical Center     Spring Hill Regional Hospital

PATIENT NAME: \_\_\_\_\_  
                                  FIRST                        MIDDLE                        LAST

THE APPLICANT IS ELIGIBLE FOR \_\_\_\_\_ % AHCA.

PATIENT ACCOUNT #/s: \_\_\_\_\_  
                                  \_\_\_\_\_  
                                  \_\_\_\_\_

AVAILABLE TO THE PATIENT ON: \_\_\_\_\_  
                                  \_\_\_\_\_  
                                  \_\_\_\_\_

TOTAL GROSS INCOME FOR LAST 12 MONTHS: \$ \_\_\_\_\_

If the household income was verified and determination was made, stipulate exactly what information was used:

\_\_\_\_\_  
\_\_\_\_\_

SIGNED: \_\_\_\_\_  
                                  (Signature of person making eligibility determination)

\_\_\_\_\_  
                                  Director of Patient Business Services

Date of application for uncompensated services: \_\_\_\_\_

Date applicant was provided with a copy of determination: \_\_\_\_\_



●●●●●  
**DETERMINATION OF ELIGIBILITY  
FOR HEALTHCARE ASSISTANCE**

Brooksville Regional Hospital    Pinebrook Regional Medical Center    Spring Hill Regional Hospital

PATIENT NAME: \_\_\_\_\_  
  FIRST    MIDDLE    LAST

***THE APPLICANT IS INELIGIBLE FOR HEALTHCARE ASSISTANCE.***

PATIENT ACCOUNT #/s: \_\_\_\_\_  
  \_\_\_\_\_  
  \_\_\_\_\_

AVAILABLE TO THE PATIENT ON: \_\_\_\_\_  
  \_\_\_\_\_  
  \_\_\_\_\_

TOTAL GROSS INCOME FOR LAST 12 MONTHS: \$ \_\_\_\_\_

REASONS FOR DENIAL: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Your application for Healthcare Assistance has been denied. You may reapply for our assistance program at any time. If you have any questions, please do not hesitate to call us at 352-799-4001.

SIGNED: \_\_\_\_\_  
  (Signature of person making eligibility determination)

\_\_\_\_\_  
Director of Patient Business Services

Date of application for uncompensated services: \_\_\_\_\_

Date applicant was provided with a copy of determination: \_\_\_\_\_

# RHI

REGIONAL  
HEALTHCARE  
INC.

ENTITIES:

- BROOKSVILLE REGIONAL HOSPITAL
- PINEBROOK REGIONAL MEDICAL CENTER
- SPRING HILL REGIONAL HOSPITAL

MANUAL: ADMISSIONS	NUMBER 4-23 PAGE 1 OF 1
SUBJECT: ACCESS TO CARE	EFFECTIVE DATE: November 1, 1997
	REVISED DATE:
	APPROVED BY: <i>[Signature]</i>

### PURPOSE

To establish guidelines for providing access to care for the routine/elective patient.

### POLICY

Medical services that have been determined to be non-emergent, non-urgent, elective or routine may be denied if the patient is unwilling to make adequate financial arrangements.

### PROCEDURE

#### I. DETERMINATION OF PRIORITY OF SERVICES

A. Only a physician can determine if the patient's condition is routine, urgent or emergent.

1. The ordering/admitting physician will be asked to determine the priority of service.
2. The financial counselor or scheduler will contact the physician for a determination of priority for all direct admissions, diagnostic testing or surgical services.
3. If the physician's determination is that the services are urgent or emergent, the patient will receive services regardless of their ability to pay. However, if the physician indicates that services are routine/elective, the patient will be expected to make financial arrangements prior to services being rendered.
4. The registrar will indicate the priority of admission as determined by the physician by using the Meditech abbreviations:  
R - Routine; U - Urgent; E - Emergent

## POLICY &amp; PROCEDURE MANUAL

PAGE 2 OF 3

**B. Services provided subsequent to Emergency Department treatment.**

1. If the patient presents to the hospital for treatment within 72 hours of being treated in the Emergency Department for a related condition and declared urgent or emergent by the attending physician, the services will be provided regardless of the patient's ability to pay.
2. Any question regarding the relation of services or the urgent or emergent nature of those services can be answered only by the referring physician.

**II. MAKING FINANCIAL ARRANGEMENTS****A. All patients who need to make financial arrangements will be referred to a financial counselor.****B. The financial counselor will review any prior accounts the patient may have to determine if there are any outstanding balances for which payment arrangements have not been made.**

1. Any accounts labeled as BD for Bad Debt should be reviewed to see if balances have been written off to BD-UNCOL (bad debt-uncollectable). These balances can be reinstated and collected. These balances should be brought to the patient's attention and combined (with the patient's permission) with the estimated charges for new services before establishing a payment agreement.
2. Any other outstanding balances for which payment agreements have not been established should also be combined with the estimated new charges.
3. Any accounts that are presently assigned to a collection agency should not be combined with other accounts as the only acceptable payment for those accounts is payment in full.

**III. ESTIMATING CHARGES**

- A. Using the charge master or prior surgical histories, the financial counselor will prepare an estimate of the charges that will be incurred by the patient. This estimate will be furnished to the patient in writing, on the "Estimate of Charges" form. The original of this form should be sent to the Business Office Secretary for retention and a copy given to the patient.

**IV. REQUESTING PAYMENT**

- A. Payment in full will be requested from the patient.
- B. In the event that the patient cannot make payment in full, a deposit will be negotiated. A minimum deposit of 50% of estimated charges will be required. Financial Counselor's will have the authority to accept a smaller deposit if they can negotiate a payment agreement that will remain within the guidelines of the established Payment Agreement Policy.
- C. In the absence of a payment agreement, but with a deposit of 50%, the patient will be informed that they must pay the balance in full within 30 days of receipt of their final bill.
- D. If the patient will not make the deposit, services may be denied in accordance with Attachment A. Attachment A delineates the required approvals for provision of services in the absence of adequate financial arrangements.

**V. ALTERNATIVE TREATMENT OR PAYMENT METHODS**

- A. The financial counselor may suggest to the patient that they try applying for assistance through the Medicaid program.
- B. If the patient feels that they will not qualify for Medicaid, treatment might be obtained through the Hernando Doctor's Clinic (for Hernando residents) or through the Hernando County Public Health Unit.

**VI. EXCEPTIONS TO POLICY**

- A. Recognizing that circumstances may exist that warrant an exception to be made to this policy, Regional Healthcare will provide a mechanism for the approval of exceptions.
  - 1. The Admissions Staff cannot authorize an exception to the policy. However, any requests for exceptions should be referred to the Supervisor of Admissions who may, in turn, refer requests to the Director of Admissions or the Director of Patient Business Services.
  - 2. The Director of Admissions should be notified of all cases of denied care in order that the denials can be monitored and the CFO and Associate Administrator can be notified, if appropriate.

**Policy Number 4-23  
Attachment A**

**Attachment A  
Authorization Matrix for Provision of Services  
For Routine/Non-Emergent Care  
Regional Healthcare, Incorporated**

<b>Cost of Services</b>	<b>Financial Counselors</b>	<b>Supervisor Admissions</b>	<b>Director of Admissions or Patient Business Services</b>	<b>Associate Administrator</b>	<b>CFO</b>
Less than \$250.00	X				
\$250.01-\$500.00	X	X			
\$500.01-\$3,000.00	X	X	X		
\$3,001-\$5,000.00	X	X	X	X	
Greater than \$5,000.00	X	X	X	X	X

EXHIBIT C

ASBESTOS



November 6, 1997

Mr. Scott Aldrich  
Regional Health Care, Inc.  
55 Ponce de Leon  
Brooksville, FL 34601  
c/o Rosa Johnson Dudley  
Environmental Management Support, Inc.

RE: Brooksville Regional Hospital  
Asbestos Abatement

Dear Mr. Aldrich:

Cross Environmental Services, Inc. (CES) is pleased to submit our proposal for the removal and disposal of asbestos containing materials located at the above referenced project location:

The scope of work for this project as discussed during the site visit is as follows:

- Remove and dispose of asbestos containing fireproofing from the third floor tower;
- Remove and dispose of asbestos containing fireproofing from the second floor tower;
- Remove and dispose of asbestos containing fireproofing from the penthouse mechanical room;
- Remove and dispose of asbestos containing fireproofing from the penthouse elevator room;
- Remove and dispose of asbestos containing fireproofing from the first floor pharmacy, adjacent hallway, two offices, mechanical and electrical rooms;
- Remove and dispose of ceiling tile and approximately 100 pipe fittings from the first floor operating rooms;
- Remove and dispose of asbestos containing pipe fittings from the third floor, second floor and pharmacy area;
- Replace abated fireproofing with Cafco Balzeshield II.

CES shall replace any abated pipe fittings with fiberglass insulation and a PVC jacket for the additional cost of \$20.00 per fitting. This cost can also be utilized as a deductive unit price for pipe fittings in the first floor operating rooms.

The electronic switch gear located in the penthouse elevator room shall be protected with plywood and air shall be ducted from the Air Conditioning supply to provide cooling during abatement activities.

The exposed asbestos containing fireproofing on the columns shall be scraped and sealed above the existing ceiling height.

EXHIBIT C

Mr. Aldrich  
November 6, 1997  
Page 2

The ceiling mounted lights shall be removed, cleaned and left on site for the owner.

The HVAC ductwork which may impede the removal of asbestos containing fireproofing shall be removed, cleaned and returned to the owner to be reinstalled by others.

The pipe insulation which is contaminated with asbestos containing fireproofing and cannot be decontaminated shall be removed and replaced for the additional cost of \$10.00 per linear foot.

The plaster ceilings in the third and second floors shall be removed to access the asbestos containing fireproofing.

The bathroom ceilings can be replaced with a fire rated greenboard which shall be installed and prepared to receive paintings by others for the additional cost of \$5,000.00.

This proposal is inclusive of project coordination and administration by Environmental Management Support, Inc. and Independent Consulting by Diversifited Management Construction.

This proposal is based upon each of the work areas listed in the scope of work being performed in the following phases:

- Third floor tower-3 phases;
- Second floor tower-3 phases;
- Penthouse mechanical room-1 phase;
- Penthouse elevator room-1 phase;
- First floor pharmacy area-6 phases;
- First floor operating rooms-2 phases.

Total cost for labor, disposal, materials, equipment, and insurance for the aforementioned scope of work shall be the sum of..... \$462,000.00.

We appreciate the opportunity to provide you with this proposal and look forward to working with you in the future.

If you should have any questions or concerns, please do not hesitate to contact me at (813) 783-1688.

Sincerely yours,

*Michael C. Graisbery*

Michael C. Graisbery  
Vice President







February 13, 1998

Mr. Scott Aldrich  
 Regional Health Care, Inc.  
 Brooksville Regional Hospital  
 55 Ponce de Leon  
 Brooksville, FL 34601

RE: Schedule of Values  
 Brooksville Regional Hospital  
 Asbestos Abatement

Dear Mr. Aldrich:

Pursuant to our conversation on Monday February 9, 1998, I have prepared the following schedule of values for the asbestos abatement and replacement items for the above referenced project location:

**-Penthouse**

- Asbestos abatement =\$24,000.00
- Installation of new fireproofing =\$5,000.00
- Sub Total = \$29,000.00

**-Operating Room**

- Demolition of non asbestos drop ceiling =\$10,000.00
- Asbestos pipe fitting abatement =\$4,000.00
- Reinstallation of pipe fittings =\$1,000.00
- Sub Total = \$15,000.00

**-Pharmacy**

- Asbestos Abatement =\$51,000.00
- Installation of new fireproofing =\$10,000.00
- Installation of new drop ceiling and existing lights =\$11,000.00
- Sub Total = \$72,000.00

**-3rd Floor**

- Asbestos abatement =\$188,060.00
- Installation of new fireproofing =\$15,840.00
- Installation of new drop ceiling and existing lights =\$37,250.00
- Installation of bathroom ceiling =\$3,350.00
- Sub Total = \$244,800.00

Mr. Aldrich  
February 13, 1998  
Page 2

**-2nd Floor**

-Asbestos Abatement = \$96,190.00  
-Installation of new fireproofing = \$8,160.00  
-Installation of new drop ceiling and existing lights = \$17,950.00  
-Installation of bathroom ceiling = \$1,650.00  
Sub Total = \$123,950.00

**Grand Total = \$484,450.00.**

The above schedule of values shall be utilized for project billing purposes. Progress payments for 100% of the work completed in the preceding month shall be submitted every thirty (30) days. Such payments shall be based upon the percentage of work completed the previous month in accordance with the respective amounts illustrated in the Schedule of values.

If you should have any questions or concerns, please do not hesitate to contact me at (813) 783-1688.

Sincerely yours,

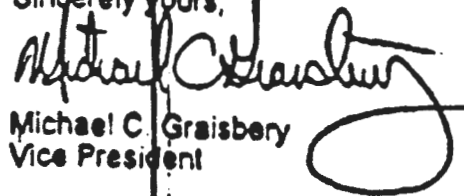
  
Michael C. Graisbery  
Vice President



EXHIBIT D

GUARANTY

For value received and in consideration of and in order to induce HERNANDO COUNTY, FLORIDA, a political subdivision of the State of Florida (the "Lessor") to enter into that certain Lease Agreement dated as of June 1, 1998, between Lessor and HERNANDO HMA, INC., a Florida corporation (the ("Lessee") (the "Lease") and for other good and valuable considerations, the undersigned (hereinafter the "Guarantor"), guarantees to the Lessor and to its successors and assigns, the prompt and full performance and observance by the Lessee of all of the covenants, terms, provisions, conditions, and agreements required to be performed by Lessee under the Lease, whether prior to, during the term of, or after the termination of the term of the Lease.

The capitalized terms used in this Guaranty shall have the same definitions as such capitalized terms have in the Lease unless the context clearly indicates a contrary intent.

Notice of all defaults is waived, and consent is given to all extensions of time that the Lessor may grant to Lessee in the performance of any of the terms of the Lease and/or to the waiving in whole or in part of any such performance, and/or to the releasing of Lessee in whole or in part from any such performance, and/or to the adjusting of any dispute in connection with the Lease; and no such defaults, extensions, waivers, releases, or adjustments, with or without the knowledge of the Guarantor, shall affect or discharge the liability of the Guarantor. The Guarantor further agrees to pay all expenses, including legal fees and disbursements paid or incurred by Lessor in enforcing this Guaranty.

This Guaranty is a continuing guaranty which shall be and remain effective during the Lease Term, and as to any surviving provisions that remain effective after the termination of the Lease. The liability of the Guarantor hereunder is direct and unconditional and may be enforced without requiring the Lessor first to resort to any other right, remedy, or security.

The liability of Guarantor under this Guaranty shall in no way be affected, modified, or diminished by reason of (a) any assignment, renewal, modification, amendment, or extension of the Lease, or (b) any modification or waiver of or change in any of the terms, covenants, and conditions of the Lease by Lessor and Lessee, or (c) any extension of time that may be granted by Lessor to Lessee, or (d) any consent, release, indulgence, or other action, inaction, or omission under or in respect of the Lease, or (e) any bankruptcy, insolvency, reorganization, liquidation, arrangement, assignment for the benefit of creditors, receivership, trusteeship, or similar proceeding affecting Lessee, or the rejection or disaffirmance of the Lease in any such proceedings, whether or not notice thereof or of any thereof is given to Guarantor.

No delay on the part of Lessor in exercising any right, power, or privilege under this Guaranty or failure to exercise the same shall operate as a waiver of or otherwise affect any such right, power, or privilege, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege.

If any provision of this Guaranty or the application of such provision to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of that provision and this Guaranty and the application of such provision to persons or circumstances other than those as to which it is invalid or enforceable shall not be affected thereby, and the remainder of such provision and this Guaranty shall otherwise remain in full force and effect.

Without regard to principles of conflicts of laws, the validity, interpretation, performance, and enforcement of this Guaranty shall be governed by and construed in accordance with the laws of the State of Florida and shall be deemed to have been made and performed in the State of Florida.

WITNESSES:

**HEALTH MANAGEMENT ASSOCIATES, INC.,**  
a Delaware corporation

Print Name: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: 5811 Pelican Bay  
Boulevard, Suite 500  
Naples, Florida  
33963-2710

Print Name: \_\_\_\_\_

Dated: \_\_\_\_\_, 1998

**"GUARANTOR"**

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1998, by \_\_\_\_\_, as \_\_\_\_\_ of Health Management Associates, Inc., a Delaware corporation, on behalf of the corporation. He/she is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
NOTARY PUBLIC  
Print Name: \_\_\_\_\_  
Serial #: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

EXHIBIT E

MEMORANDUM OF LEASE

THIS INSTRUMENT PREPARED BY  
AND RETURN TO:  
Stephen J. Mitchell, Esquire  
Annis, Mitchell, Cockey,  
Edwards & Roehn, P.A.  
Post Office Box 3433  
Tampa, Florida 33601

MEMORANDUM OF LEASE AND SHORT FORM OF LEASE

THIS IS A MEMORANDUM OF LEASE AND SHORT FORM OF LEASE by and between HERNANDO COUNTY, FLORIDA, a political subdivision of the State of Florida ("Landlord"), and HERNANDO HMA, INC., a Florida for profit corporation ("Tenant"), whereby Landlord does hereby lease the Leased Premises to Tenant upon the following terms:

Date of Lease: As of June 1, 1998.

Leased Premises: See Exhibit A attached hereto.

Commencement Date: Term of the Lease commenced on June 1, 1998.

Lease Term: Thirty (30) years.

The Lease expressly provides that the interest of Landlord in the Leased Premises shall not be subject to liens for improvements made by Tenant.

The purpose of this Memorandum of Lease is to give record notice of the Lease and of the rights created thereby, all of which are hereby confirmed. In the event of any conflict between the terms of this Memorandum of Lease and the Lease, the terms of the Lease shall control. Parties are put on notice that they should review the Lease for more detail of the terms and conditions of the Lease.

IN WITNESS WHEREOF the parties have executed this Memorandum of Lease as of the dates set forth in their respective acknowledgements.

LANDLORD:

Witnesses:

HERNANDO COUNTY, FLORIDA, a political subdivision of the State of Florida

By its Board of County Commissioners

Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: HANNAH M. ROBINSON, Chair

Name: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Clerk

Witnesses:

TENANT:

HERNANDO HMA, INC., a Florida corporation

Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Name: \_\_\_\_\_

EXHIBIT A: Description of Premises

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1998, by \_\_\_\_\_, as Chairman of the Board of County Commissioners of HERNANDO COUNTY, FLORIDA, a political subdivision of the State of Florida, He/She is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
NOTARY PUBLIC  
Name: \_\_\_\_\_  
Serial Number: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1998, by \_\_\_\_\_, as \_\_\_\_\_ of HERNANDO HMA, INC., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
NOTARY PUBLIC  
Name: \_\_\_\_\_  
Serial Number: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



EXHIBIT "A"

PARCEL 1 (BUSINESS SERVICE CENTER)

LOTS 5, 6, 7, 20, 21, 22, and 23, Block 4 less and except the North 5.00 feet of Lots 5, 6, and 7, HALEMONT ADDITION SECTION NO. 1, according to the map or plat thereof as recorded in Plat Book 5, Page 10, Public Records of Hernando County, Florida.

PARCEL 2 (ENRICHMENT CENTER)

Lots 1 and 21, Block 10, Less the East 57 feet of Lot 1, HALEMONT ADDITION SECTION NO. 2, according to the map or plat thereof as recorded in Plat Book 5, Page 34, Public Records of Hernando County, Florida.

PARCEL 4 (PINEBROOK REGIONAL)

The Easterly 440 feet of the NE 1/4 of the NE 1/4 of Section 34, Township 22 South, Range 18 East excepting there from that portion used for State Road No. 50 right-of-way and less the Easterly 20 feet thereof, all lying and being in Hernando County, Florida.

PARCEL 5 (SPRING HILL REGIONAL)

Lot 3, SEVEN HILLS MEDICAL AND BUSINESS CENTER, according to the map or plat thereof as recorded in Plat Book 26, Pages 3 and 4, of the Public Records of Hernando County, Florida.

TOGETHER WITH easement estates appurtenant thereto as set forth in instruments recorded in O. R. Book 769, pages 553, 558 and 565, Public Records of Hernando County, Florida.

PARCEL 6 (PARKING LOT)

Lots 20 and 21 in Block 3 of HALEMONT ADDITION, SECTION NO. 2 according to the map or plat thereof as recorded in Plat Book 5 at Page 34 of the Public Records of Hernando County, Florida.

PARCEL 7 (BROOKSVILLE REGIONAL HOSPITAL)

Blocks 4, 6, 7 and Lots 1 through 6, inclusive, Block 8, HALEMONT ADDITION SECTION NO. 2 according to the map or plat thereof as recorded in Plat Book 5 at Page 34 of the Public Records of Hernando County, Florida, together with that part of Palm Avenue and Hendricks Street vacated by instrument recorded in O.R. Book 63, page 400, of the Public Records of Hernando County, Florida.

R2400

THIS INSTRUMENT PREPARED BY  
AND RETURN TO:  
Stephen J. Mitchell, Esquire  
Annis, Mitchell, Cockey,  
Edwards & Roehn, P.A.  
Post Office Box 3433  
Tampa, Florida 33601

R

**\*\* OFFICIAL RECORDS \*\***  
**BK: 1196 PG: 1418**

FILE# 98-023117  
HERNANDO COUNTY, FLORIDA

RCD Jun 01 1998 01:10pm  
KAREN NICOLAI, CLERK

**MEMORANDUM OF LEASE AND SHORT FORM OF LEASE**

THIS IS A MEMORANDUM OF LEASE AND SHORT FORM OF LEASE by and between HERNANDO COUNTY, FLORIDA, a political subdivision of the State of Florida ("Landlord"), and HERNANDO HMA, INC., a Florida for profit corporation ("Tenant"), whereby Landlord does hereby lease the Leased Premises to Tenant upon the following terms:

Date of Lease: As of June 1, 1998.

Leased Premises: See Exhibit A attached hereto.

Commencement Date: Term of the Lease commenced on June 1, 1998.

Lease Term: Thirty (30) years.

The Lease expressly provides that the interest of Landlord in the Leased Premises shall not be subject to liens for improvements made by Tenant.

The purpose of this Memorandum of Lease is to give record notice of the Lease and of the rights created thereby, all of which are hereby confirmed. In the event of any conflict between the terms of this Memorandum of Lease and the Lease, the terms of the Lease shall control. Parties are put on notice that they should review the Lease for more detail of the terms and conditions of the Lease.

IN WITNESS WHEREOF the parties have executed this Memorandum of Lease as of the dates set forth in their respective acknowledgements.

LANDLORD:

Witnesses:

**HERNANDO COUNTY, FLORIDA,** a political subdivision of the State of Florida

By its Board of County Commissioners

Marga Jones  
Name: Marga Jones

By: Hannah M. Robinson  
Name: HANNAH M. ROBINSON, Chair

Kevin Lee Hutchings  
Name: Kevin Lee Hutchings

ATTEST: Karen Neel  
Clerk

Witnesses:

TENANT:

**HERNANDO HMA, INC.,** a Florida corporation

Timothy R. Parry  
Name: Timothy R. Parry

By: Earl P. Hollman  
Name: \_\_\_\_\_  
Title: Vice-Chairman

Stanley & Mitchell  
Name: Stanley & Mitchell

EXHIBIT A: Description of Premises

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of May, 1998, by Hannah M. Robinson and Karen Nicolai, as Chairman <sup>and Clerk</sup> of the Board of County Commissioners of HERNANDO COUNTY, FLORIDA, a political subdivision of the State of Florida, He/She is personally known to me or has produced a drivers license as identification.

Delia M. Hancock  
NOTARY PUBLIC  
Name: DELIA M. HANCOCK  
Serial Number: 1011 MY COMMISSION # 0047525 EXPIRES October 20, 1999  
My Commission Issued by FLORIDA STATE BOARD OF NOTARIES, INC.

STATE OF FLORIDA  
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of May, 1998, by Earl P. Holland, as Vice-Chairman of HERNANDO HMA INC., a Delaware corporation, on behalf of the corporation. He is personally known to me or has produced \_\_\_\_\_ as identification.

Delia M. Hancock  
NOTARY PUBLIC  
Name: \_\_\_\_\_  
Serial Number: DELIA M. HANCOCK MY COMMISSION # 0047525 EXPIRES October 20, 1999  
My Commission Issued by FLORIDA STATE BOARD OF NOTARIES, INC.  
BONDED THRU TROY FARM INSURANCE, INC.

PARCEL 1 (BUSINESS SERVICE CENTER)

LOTS 5, 6, 7, 20, 21, 22, and 23, Block 4 less and except the North 5.00 feet of Lots 5, 6, and 7, HALEMONT ADDITION SECTION NO. 1, according to the map or plat thereof as recorded in Plat Book 5, Page 10, Public Records of Hernando County, Florida.

PARCEL 2 (ENRICHMENT CENTER)

Lots 1 and 21, Block 10, Less the East 57 feet of Lot 1, HALEMONT ADDITION SECTION NO. 2, according to the map or plat thereof as recorded in Plat Book 5, Page 34, Public Records of Hernando County, Florida.

PARCEL 4 (PINEBROOK REGIONAL)

The Easterly 440 feet of the NE 1/4 of the NE 1/4 of Section 34, Township 22 South, Range 18 East excepting there from that portion used for State Road No. 50 right-of-way and less the Easterly 20 feet thereof, all lying and being in Hernando County, Florida.

PARCEL 5 (SPRING HILL REGIONAL)

Lot 3, SEVEN HILLS MEDICAL AND BUSINESS CENTER, according to the map or plat thereof as recorded in Plat Book 26, Pages 3 and 4, of the Public Records of Hernando County, Florida.

TOGETHER WITH easement estates appurtenant thereto as set forth in instruments recorded in O. R. Book 769, pages 553, 558 and 565, Public Records of Hernando County, Florida.

PARCEL 6 (PARKING LOT)

Lots 20 and 21 in Block 3 of HALEMONT ADDITION, SECTION NO. 2 according to the map or plat thereof as recorded in Plat Book 5 at Page 34 of the Public Records of Hernando County, Florida.

PARCEL 7 (BROOKSVILLE REGIONAL HOSPITAL)

Blocks 4, 6, 7 and Lots 1 through 6, inclusive, Block 8, HALEMONT ADDITION SECTION NO. 2 according to the map or plat thereof as recorded in Plat Book 5 at Page 34 of the Public Records of Hernando County, Florida, together with that part of Palm Avenue and Hendricks Street vacated by instrument recorded in O.R. Book 63, page 400, of the Public Records of Hernando County, Florida.

6256-010-0500382.02

R Rm 130

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (the "Amendment") is entered into as of this 2nd day of December, 2005, by and between HERNANDO COUNTY, FLORIDA, a political subdivision of the State of Florida ("Lessor") acting through its Board of County Commissioners, and HERNANDO HMA, INC., a Florida for profit corporation ("Lessee").

Doc# 2007017076  
Hernando County, Florida  
03/12/2007 2:39PM  
KAREN NICOLAI, Clerk

WITNESSETH

WHEREAS, Lessor and Lessee did enter into that certain Lease Agreement dated June 1, 1998 (the "Lease Agreement") pertaining to the lease by Lessor to Lessee of certain real property and other assets, including, but not limited to, the Brooksville Regional Hospital, the Enrichment Center, and the Parking Lot located on the land described on Schedule "A" attached hereto (the "Current Hospital Site") and the 91 licensed hospital beds utilized therein and all rights and assets associated with the Brooksville Regional Hospital located therein or pertaining thereto (the aforesaid leased assets exclusive of the 91 licensed hospital beds are hereinafter described as the "Current Hospital"); and

WHEREAS, Lessee desires to construct a new replacement Brooksville Regional Hospital to serve the people of Hernando County, Florida, and Lessor and Lessee agree that a new replacement hospital will further promote the health and welfare of the people of Hernando County, Florida (the "New Facility"); and

WHEREAS, Lessee, as an accommodation to Lessor and to the people of Hernando County, Florida, and in furtherance of its commitment to provide healthcare services to residents of Hernando County, has constructed and equipped the New Facility on the real property described on Schedule "B", attached hereto (the "New Facility Site"); and



**WHEREAS**, the New Facility has been completed on the New Facility Site, as evidenced by the issuance of a Certificate of Occupancy for the New Facility and receipt of all approvals and licenses to open, occupy and operate the New Facility from all applicable federal, state and local governments having jurisdiction over the New Facility.

**WHEREAS**, the Lessee has caused the New Facility and the New Facility Site to be donated to the Lessor; and

**WHEREAS**, by virtue of Lessor's acceptance of the donation of the New Facility and the New Facility Site by Lessee to Lessor, the Lessor hereby leases to Lessee the New Facility and the New Facility Site pursuant to the terms of the Lease Agreement as amended hereby; and

**WHEREAS**, Lessor and Lessee desire to amend certain terms and conditions of the Lease Agreement in the manner as herein provided.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth herein and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally and mutually bound, Lessee and Lessor agree as follows:

1. **Recitals**. The recitals stated above are true and correct and are incorporated into this Amendment by this reference.

2. **Definitions**. Unless otherwise noted herein, all capitalized terms shall have the same meaning as ascribed to them in the Lease Agreement.

3. **Lease Modification**. Lessor and Lessee amend the terms of the Lease Agreement as follows:

3.1 **Term**. The Lease Term is hereby extended for an additional fifteen (15) years. Lessee shall have the right to possession of the Leased Premises under the Lease

Agreement from the Commencement Date of June 1, 1998, until the extended expiration date of June 1, 2043, unless the Lease Agreement is sooner terminated pursuant to the provisions of the Lease Agreement, as amended from time to time. Upon expiration of the Lease Term as extended hereby, the Leased Premises, including the New Facility and the New Facility Site shall be returned to the Lessor.

3.2 **Leased Premises.** For all purposes under the terms of the Lease Agreement, the Brooksville Regional Hospital shall mean the New Facility and the New Facility Site, including the 91 licensed hospital beds. Composite Exhibit A to the Lease Agreement is hereby deleted in its entirety and the new **“Composite Exhibit A”** attached hereto as **Schedule “C”** is hereby incorporated into the Lease Agreement and made a part thereof. All other remaining portions of the Leased Premises as described in the Lease Agreement remain unchanged and are leased pursuant to the terms of the Lease Agreement.

3.3 **Rental Payments.**

3.3.1 The Lessee shall pay to Lessor on the due date therefore as set forth in the Lease Agreement, the sum of Three Hundred Thousand and No/100 Dollars (\$300,000.00) per annum.

3.3.2 The Lessee shall pay to Lessor on an annual basis, either as rent or by virtue of a payment to Hernando County of an amount (“Additional Payment”) equal to sum of the following:

3.3.2.1 An amount equal to that portion of the ad valorem taxes that would have been paid to Hernando County on the Leased Premises (as modified by the substitution of the New Facility Site for the Current Hospital

Site), if the Leased Premises were not owned by Hernando County but owned by a for profit entity; and

3.3.2.2 An amount equal to that portion of the ad valorem taxes that would have been paid to the Spring Hill Fire and Rescue District, the Township 22 Fire District and/or any other special taxing district that may be established pursuant to law; and

3.3.2.3 An amount equal to all special assessments levied by Hernando County through any Municipal Service Benefit Unit created by Hernando County pursuant to the provisions of Section 125.01, Florida Statutes; and

3.3.2.4 An amount equal to all ad valorem tax levied by Hernando County through any Municipal Service Taxing Unit created by Hernando County pursuant to the provisions of Section 125.01, Florida Statutes.

In no event shall the Additional Payment exceed an amount equal to a full ad valorem tax assessment on the New Facility Site as determined annually by the Hernando County Property Appraiser. In the event the Lessee and/or Lessor is required by law to pay ad valorem taxes on the Leased Premises or any portion thereof, the obligation to pay to Lessor the Additional Payment described in this Section 3.3 shall immediately terminate (and/or be adjusted, whichever is applicable), and Lessee shall be responsible for payment of the appropriate ad valorem tax.

3.4 **Capital Improvements.** The requirement under the Lease Agreement for capital expenditures and improvements as set forth in Section 12.7(d) of that certain Definitive Agreement dated as of March 12, 1998, by and among Lessee, Spring Hill Regional Hospital,

Inc., Hernando Healthcare, Inc., and Regional Healthcare, Inc., as amended, is hereby deemed satisfied and completed in full.

4. **Authorization Representations.** Both Lessor and Lessee represent and warrant to each other that they have the authority to enter into and to perform the terms of this Amendment as described herein and that each has satisfied any and all requirements to enter into this Amendment as may be required by their articles of incorporation or charter or by virtue of any and all laws and regulations that they may be governed by.

5. **Ratification.** Except as expressly modified herein, all of the other terms and conditions set forth in the Lease Agreement are hereby ratified and confirmed.

6. **Counterpart Signatures.** This Amendment may be signed in any number of counterparts each of which when executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

*[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]*

IN WITNESS WHEREOF, Lessor and Lessee have caused this Amendment to be duly executed as of the day and year first above written.

Witnesses:

**HERNANDO COUNTY, FLORIDA**, a political subdivision of the State of Florida

By its Board of County Commissioners

Alice M. Gura  
Name: Alice M. Gura

Doris N. Cupelos  
Name: DORIS N. Cupelos

By: [Signature]  
Name: Robert C. Schenck  
Title: Chairman

ATTEST: [Signature]  
Clerk

[Signature]  
Name: Jason Ruback

**HERNANDO HMA, INC.**, a Florida corporation

By: [Signature]  
Name: Thomas D. Barb  
Title: President

Darlene Indrati  
Name: Darlene Indrati

APPROVED AS TO FORM AND LEGAL SUFFICIENCY  
BY KW 11/10/05  
County Attorney's Office

STATE OF FLORIDA  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this 7 day of December, 2005, by Robert C. Schenck and Karen Nicolai as Chairman and Clerk, respectively of the Board of County Commissioners of **HERNANDO COUNTY, FLORIDA**, a political subdivision of the State of Florida, on behalf of the political subdivision. He/She is personally known to me or has produced \_\_\_\_\_ as identification.

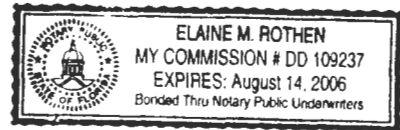
Alice M. Coura  
NOTARY PUBLIC  
Print Name: Alice M. Coura  
Serial No. \_\_\_\_\_  
My Commission expires: \_\_\_\_\_



STATE OF FLORIDA  
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me this 2nd day of December, 2005, by Thomas D. Barb as President of **HERNANDO HMA, INC.**, a Florida corporation, on behalf of the corporation. He/She is personally known to me or has produced \_\_\_\_\_ as identification.

Elaine M. Rothen  
NOTARY PUBLIC  
Print Name: ELAINE M. ROTHEN  
Serial No. \_\_\_\_\_  
My Commission expires: \_\_\_\_\_



CONSENT OF GUARANTOR

The undersigned, as Guarantor under the terms of the Lease Agreement, hereby consents and agrees to the terms and conditions set forth in this First Amendment to Lease Agreement.

**HEALTH MANAGEMENT ASSOCIATES, INC.**, a Delaware corporation

By: Timothy R. Parry  
Print Name: Timothy R. Parry  
Title: Vice President

Address: 5811 Pelican Bay Boulevard  
Suite 500  
Naples, Florida 33963-2710

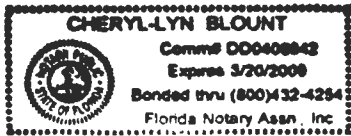
Dated: December \_\_\_\_, 2005

“GUARANTOR”

STATE OF FLORIDA  
COUNTY OF Collier

The foregoing instrument was acknowledged before me this 1<sup>st</sup> day of December, 2005, by Timothy R. Parry as Vice President of **HEALTH MANAGEMENT ASSOCIATES, INC.**, a Delaware corporation, on behalf of the corporation. He/She is personally known to me or has produced \_\_\_\_\_ as identification.

Cheryl Lyn Blount  
NOTARY PUBLIC  
Print Name: Cheryl Lyn Blount  
Serial No. 600408642  
My Commission expires: 3-20-09



**SCHEDULE "A"**  
**TO FIRST AMENDMENT TO LEASE AGREEMENT**

**LEGAL DESCRIPTION FOR LAND**

**"CURRENT HOSPITAL SITE"**

PARCEL 7 (BROOKSVILLE REGIONAL HOSPITAL)

Blocks 4, 6, 7 and Lots 1 through 6, inclusive, Block 8, HALEMONT ADDITION SECTION NO. 2 according to the map or plat thereof as recorded in Plat Book 5 at Page 34 of the Public Records of Hernando County, Florida, together with that part of Palm Avenue and Hendricks Street vacated by instrument recorded in O.R. Book 63, page 400, of the Public Records of Hernando County, Florida.

PARCEL 2 (ENRICHMENT CENTER)

Lots 1 and 21, Block 10, Less the East 57 feet of Lot 1, HALEMONT ADDITION SECTION NO. 2, according to the map or plat thereof as recorded in Plat Book 5, Page 34, Public Records of Hernando County, Florida.

PARCEL 6 (PARKING LOT)

Lots 20 and 21 in Block 3 of HALEMONT ADDITION, SECTION NO. 2 according to the map or plat thereof as recorded in Plat Book 5 at Page 34 of the Public Records of Hernando County, Florida.



**SCHEDULE "B"**  
**TO FIRST AMENDMENT TO LEASE AGREEMENT**

**"NEW FACILITY SITE"**

A parcel of land lying in and being a part of the East 1/2 of the Southwest 1/4 and the West 1/4 of the West 1/2 of the Southeast 1/4 of Section 30, Township 22 South, Range 19 East, Hernando County, Florida and being more particularly described as follows: Commence at the Northwest corner of said East 1/2; thence South 00°08'12" East, along the West boundary of said East 1/2, 49.65 feet to the Southerly right of way line of Cortez Boulevard (State Road 50); thence along said right of way line the following five (5) courses: (1) North 89°13'33" East 751.00 feet, (2) South 00°46'27" East 6.50 feet, (3) North 89°13'33" East 424.00 feet, (4) North 00°46'27" West 6.50 feet, (5) North 89°13'33" East 26.87 feet to the Point of Beginning; thence continue North 89°13'33" East, along said right of way line, 500.00 feet to the East boundary of said West 1/4; thence South 00°23'24" West, along said East boundary, 1182.79 feet; thence South 89°14'03" West 601.46 feet; thence South 87°57'30" West 612.31 feet; thence North 00°48'11" West 476.60 feet; thence North 89°14'03" East 108.12 feet; thence North 00°45'57" West 40.67 feet to the beginning of a non-tangent curve concave Southeasterly, having a radius of 124.20 feet, a delta of 79°52'22", a chord bearing of North 47°31'22" East and a chord of 159.46 feet; thence, along the arc of said curve, 173.14 feet; thence North 89°14'03" East 40.00 feet; thence North 00°45'57" West 292.34 feet to the point of curvature of a curve concave Southeasterly, having a radius of 10.00 feet, a delta of 94°59'34", a chord bearing of North 46°43'50" East and a chord of 14.74 feet; thence, along the arc of said curve, 16.58 feet to the beginning of a compound curve concave Southwesterly, having a radius of 575.00 feet, a delta of 06°44'04", a chord bearing of South 82°24'21" East and a chord of 67.55 feet; thence, along the arc of said curve, 67.59 feet to the point of tangency; thence South 79°02'19" East 374.74 feet to the point of curvature of a curve concave Southwesterly, having a radius of 225.00 feet, a delta of 06°42'50", a chord bearing of South 82°23'44" East and a chord of 26.35 feet; thence, along the arc of said curve, 26.37 feet; thence North 00°46'27" West 360.26 feet to the Point of Beginning.

SCHEDULE "C"  
TO FIRST AMENDMENT TO LEASE AGREEMENT

NEW "COMPOSITE EXHIBIT A"

PARCEL 1 (BUSINESS SERVICE CENTER)

LOTS 5, 6, 7, 20, 21, 22, and 23, Block 4 less and except the North 5.00 feet of Lots 5, 6, and 7, HALEMONT ADDITION SECTION NO. 1, according to the map or plat thereof as recorded in Plat Book 5, Page 10, Public Records of Hernando County, Florida.

PARCEL 4 (PINEBROOK REGIONAL)

The Easterly 440 feet of the NE 1/4 of the NE 1/4 of Section 34, Township 22 South, Range 18 East excepting there from that portion used for State Road No. 50 right-of-way and less the Easterly 20 feet thereof, all lying and being in Hernando County, Florida.

PARCEL 5 (SPRING HILL REGIONAL)

Lot 3, SEVEN HILLS MEDICAL AND BUSINESS CENTER, according to the map or plat thereof as recorded in Plat Book 26, Pages 3 and 4, of the Public Records of Hernando County, Florida.

TOGETHER WITH easement estates appurtenant thereto as set forth in instruments recorded in O. R. Book 769, pages 553, 558 and 565, Public Records of Hernando County, Florida.

NEW HOSPITAL SITE:

A parcel of land lying in and being a part of the East 1/2 of the Southwest 1/4 and the West 1/4 of the West 1/2 of the Southeast 1/4 of Section 30, Township 22 South, Range 19 East, Hernando County, Florida and being more particularly described as follows: Commence at the Northwest corner of said East 1/2; thence South 00°08'12" East, along the West boundary of said East 1/2, 49.65 feet to the Southerly right of way line of Cortez Boulevard (State Road 50); thence along said right of way line the following five (5) courses: (1) North 89°13'33" East 751.00 feet, (2) South 00°46'27" East 6.50 feet, (3) North 89°13'33" East 424.00 feet, (4) North 00°46'27" West 6.50 feet, (5) North 89°13'33" East 26.87 feet to the Point of Beginning; thence continue North 89°13'33" East, along said right of way line, 500.00 feet to the East boundary of said West 1/4; thence South 00°23'24" West, along said East boundary, 1182.79 feet; thence South 89°14'03" West 601.46 feet; thence South 87°57'30" West 612.31 feet; thence North 00°48'11" West 476.60 feet; thence North 89°14'03" East 108.12 feet; thence North 00°45'57" West 40.67 feet to the beginning of a non-tangent curve concave Southeasterly, having a radius of 124.20 feet, a delta of 79°52'22", a chord bearing of North 47°31'22" East and a chord of 159.46 feet; thence, along the arc of said curve, 173.14 feet; thence North 89°14'03" East 40.00 feet; thence North

00°45'57" West 292.34 feet to the point of curvature of a curve concave Southeasterly, having a radius of 10.00 feet, a delta of 94°59'34", a chord bearing of North 46°43'50" East and a chord of 14.74 feet; thence, along the arc of said curve, 16.58 feet to the beginning of a compound curve concave Southwesterly, having a radius of 575.00 feet, a delta of 06°44'04", a chord bearing of South 82°24'21" East and a chord of 67.55 feet; thence, along the arc of said curve, 67.59 feet to the point of tangency; thence South 79°02'19" East 374.74 feet to the point of curvature of a curve concave Southwesterly, having a radius of 225.00 feet, a delta of 06°42'50", a chord bearing of South 82°23'44" East and a chord of 26.35 feet; thence, along the arc of said curve, 26.37 feet; thence North 00°46'27" West 360.26 feet to the Point of Beginning.

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**SECOND AMENDMENT TO LEASE AGREEMENT**

**THIS SECOND AMENDMENT TO LEASE AGREEMENT** (the "**Second Amendment**") is entered into as of this 3<sup>rd</sup> day of February, 2006, by and between **HERNANDO COUNTY, FLORIDA**, a political subdivision of the State of Florida ("**Lessor**") acting through its Board of County Commissioners, and **HERNANDO HMA, INC.**, a Florida for profit corporation ("**Lessee**").

**WITNESSETH**

**WHEREAS**, Lessor and Lessee did enter into that certain Lease Agreement dated June 1, 1998, as amended by that certain First Amendment to Lease Agreement (the "**First Amendment**") dated December 2, 2005 (together, the Lease Agreement and First Amendment are hereinafter referred to as the "**Lease Agreement**") pertaining to the lease by Lessor to Lessee of certain real property and other assets, including, but not limited to, the Business Service Center, Pinebrook Regional, Spring Hill Regional and the New Hospital Site, all as legally described in Schedule "C" to the First Amendment as the "New Composite Exhibit A" to the Lease Agreement, which legal descriptions are attached hereto **Schedule "A"** (the "**Current Leased Facilities**"); and

**WHEREAS**, Lessor has requested and Lessee hereby agrees to release the Business Service Center property as described in **Schedule "B"** (the "**Business Service Center Property**") from the Lease Agreement; and

**WHEREAS**, Lessor and Lessee desire to amend certain terms and conditions of the Lease Agreement in the manner as herein provided.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth herein and other good and valuable considerations, the receipt and sufficiency of which are hereby

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acknowledged, and intending to be legally and mutually bound, Lessee and Lessor agree as follows:

1. **Recitals**. The recitals stated above are true and correct and are incorporated into this Second Amendment by this reference.

2. **Definitions**. Unless otherwise noted herein, all capitalized terms shall have the same meaning as ascribed to them in the Lease Agreement.

3. **Leased Premises**. The Current Leased Facilities, as described in **Schedule "A"** to this Second Amendment, that are leased pursuant to the terms of the Lease Agreement are hereby modified and the new legal descriptions for the facilities and property to be leased pursuant to the terms of the Lease Agreement are set forth in "**Composite Exhibit A**" attached to this Second Amendment as **Schedule "C"** all of which are hereby incorporated into the Lease Agreement and made a part thereof. **Schedule "C"** to this Second Amendment deletes the Business Service Center Property from the facilities to be leased by the Lessee from the Lessor pursuant to the terms of the Lease Agreement.

4. **Release**. The Lessor agrees that Lessee is fully released from the Lease Agreement, and any claims by the Lessor, solely as to any covenants, representations or warranties pertaining directly or indirectly to the Business Service Center Property and Lessee hereby assigns to Lessor any and all interest of Lessee in and to the Business Service Center Property. Lessor further agrees to accept the Business Service Center Property from the Lessee in as is, where is condition with no representations or warranties from Lessee of any kind whatsoever. All remaining portions of the Leased Premises as described in the Lease Agreement, including the property and facilities described in **Schedule "C"** to this Second

Amendment as "Composite Exhibit A", remain unchanged and are leased pursuant to the terms of the Lease Agreement.

5. **Authorization Representations.** Both Lessor and Lessee represent and warrant to each other that they have the authority to enter into and to perform the terms of this Second Amendment as described herein and that each has satisfied any and all requirements to enter into this Second Amendment as may be required by their articles of incorporation or charter or by virtue of any and all laws and regulations that they may be governed by.

6. **Ratification.** Except as expressly modified herein, all of the other terms and conditions set forth in the Lease Agreement are hereby ratified and confirmed.

7. **Counterpart Signatures.** This Second Amendment may be signed in any number of counterparts each of which when executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Second Amendment to be duly executed as of the day and year first above written.

Witnesses:

HERNANDO COUNTY, FLORIDA, a political subdivision of the State of Florida

By its Board of County Commissioners

Doris N. Cupeles  
Name: DORIS N Cupeles

Diane B. Bowden  
Name: Diane B. Bowden  
Title: Chairperson

\_\_\_\_\_  
Name: \_\_\_\_\_

ATTEST: Karen Nieda  
Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY  
BY Kw 2/6/06  
County Attorney's Office

**HERNANDO HMA, INC.**, a Florida corporation

Darlene Indarato  
Name: Darlene Indarato

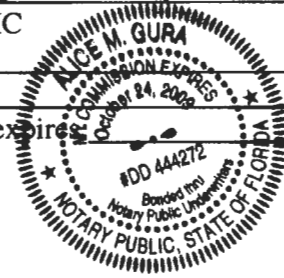
By: TBRB  
Name: Thomas Barb  
Title: Executive Director

Elizabeth Jennings  
Name: Elizabeth Jennings

STATE OF FLORIDA  
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me this 15th day of February, 2006, by Diane B. Bowden and Karen Nicolai as Chairman and Clerk, respectively of the Board of County Commissioners of **HERNANDO COUNTY, FLORIDA**, a political subdivision of the State of Florida, on behalf of the political subdivision. He/She is personally known to me or has produced \_\_\_\_\_ as identification.

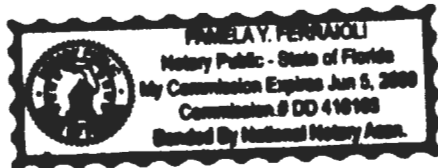
Alice M. Gura  
NOTARY PUBLIC  
Print Name: \_\_\_\_\_  
Serial No. \_\_\_\_\_  
My Commission expires \_\_\_\_\_



STATE OF FLORIDA  
COUNTY OF Hernando

The foregoing instrument was acknowledged before me this 6 day of February, 2006, by TOMBARB as Executive Director of **HERNANDO HMA, INC.**, a Florida corporation, on behalf of the corporation. He/She is personally known to me or has produced \_\_\_\_\_ as identification.

Pamela Ferraioli  
NOTARY PUBLIC  
Print Name: Pamela Ferraioli  
Serial No. DD412103  
My Commission expires: 6/5/09



**CONSENT OF GUARANTOR**

The undersigned, as Guarantor under the terms of the Lease Agreement, hereby consents and agrees to the terms and conditions set forth in this Second Amendment to Lease Agreement.

**HEALTH MANAGEMENT ASSOCIATES, INC.**, a Delaware corporation

By: *TM*  
Print Name: Thomas Barb  
Title: Executive Director

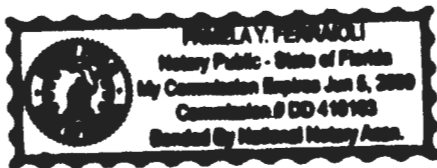
Address: 5811 Pelican Bay Boulevard  
Suite 500  
Naples, Florida 33963-2710

Dated: February 3rd, 2006

**“GUARANTOR”**

**STATE OF FLORIDA**  
**COUNTY OF** Herndon

The foregoing instrument was acknowledged before me this 6 day of February, 2006, by TOM BARB as Executive Director of **HEALTH MANAGEMENT ASSOCIATES, INC.**, a Delaware corporation, on behalf of the corporation. He/She is personally known to me or has produced \_\_\_\_\_ as identification.



*Pamela Ferraroli*  
NOTARY PUBLIC  
Print Name: Pamela Ferraroli  
Serial No. DD 418103  
My Commission expires: 6/5/09



**SCHEDULE "A"**  
**TO SECOND AMENDMENT TO LEASE AGREEMENT**

**LEGAL DESCRIPTION FOR LEASED LAND**

**"CURRENT LEASED FACILITIES"**

**PARCEL 1 (BUSINESS SERVICE CENTER)**

LOTS 5, 6, 7, 20, 21, 22, and 23, Block 4 less and except the North 5.00 feet of Lots 5, 6, and 7, HALEMONT ADDITION SECTION NO. 1, according to the map or plat thereof as recorded in Plat Book 5, Page 10, Public Records of Hernando County, Florida.

**PARCEL 4 (PINEBROOK REGIONAL)**

The Easterly 440 feet of the NE 1/4 of the NE 1/4 of Section 34, Township 22 South, Range 18 East excepting there from that portion used for State Road No. 50 right-of-way and less the Easterly 20 feet thereof, all lying and being in Hernando County, Florida.

**PARCEL 5 (SPRING HILL REGIONAL)**

Lot 3, SEVEN HILLS MEDICAL AND BUSINESS CENTER, according to the map or plat thereof as recorded in Plat Book 26, Pages 3 and 4, of the Public Records of Hernando County, Florida.

TOGETHER WITH easement estates appurtenant thereto as set forth in instruments recorded in O. R. Book 769, pages 553, 558 and 565, Public Records of Hernando County, Florida.

**NEW HOSPITAL SITE:**

A parcel of land lying in and being a part of the East 1/2 of the Southwest 1/4 and the West 1/4 of the West 1/2 of the Southeast 1/4 of Section 30, Township 22 South, Range 19 East, Hernando County, Florida and being more particularly described as follows: Commence at the Northwest corner of said East 1/2; thence South 00°08'12" East, along the West boundary of said East 1/2, 49.65 feet to the Southerly right of way line of Cortez Boulevard (State Road 50); thence along said right of way line the following five (5) courses: (1) North 89°13'33" East 751.00 feet, (2) South 00°46'27" East 6.50 feet, (3) North 89°13'33" East 424.00 feet, (4) North 00°46'27" West 6.50 feet, (5) North 89°13'33" East 26.87 feet to the Point of Beginning; thence continue North 89°13'33" East, along said right of way line, 500.00 feet to the East boundary of said West 1/4; thence South 00°23'24" West, along said East boundary, 1182.79 feet; thence South 89°14'03" West 601.46 feet; thence South 87°57'30" West 612.31 feet; thence North 00°48'11" West 476.60 feet; thence North 89°14'03" East 108.12 feet; thence North 00°45'57" West 40.67 feet to the beginning of a non-tangent curve concave

Southeasterly, having a radius of 124.20 feet, a delta of  $79^{\circ}52'22''$ , a chord bearing of North  $47^{\circ}31'22''$  East and a chord of 159.46 feet; thence, along the arc of said curve, 173.14 feet; thence North  $89^{\circ}14'03''$  East 40.00 feet; thence North  $00^{\circ}45'57''$  West 292.34 feet to the point of curvature of a curve concave Southeasterly, having a radius of 10.00 feet, a delta of  $94^{\circ}59'34''$ , a chord bearing of North  $46^{\circ}43'50''$  East and a chord of 14.74 feet; thence, along the arc of said curve, 16.58 feet to the beginning of a compound curve concave Southwesterly, having a radius of 575.00 feet, a delta of  $06^{\circ}44'04''$ , a chord bearing of South  $82^{\circ}24'21''$  East and a chord of 67.55 feet; thence, along the arc of said curve, 67.59 feet to the point of tangency; thence South  $79^{\circ}02'19''$  East 374.74 feet to the point of curvature of a curve concave Southwesterly, having a radius of 225.00 feet, a delta of  $06^{\circ}42'50''$ , a chord bearing of South  $82^{\circ}23'44''$  East and a chord of 26.35 feet; thence, along the arc of said curve, 26.37 feet; thence North  $00^{\circ}46'27''$  West 360.26 feet to the Point of Beginning.

**SCHEDULE "B"**  
**TO SECOND AMENDMENT TO LEASE AGREEMENT**

**BUSINESS SERVICE CENTER PROPERTY**

LOTS 5, 6, 7, 20, 21, 22, and 23, Block 4 less and except the North 5.00 feet of Lots 5, 6, and 7, HALEMONT ADDITION SECTION NO. 1, according to the map or plat thereof as recorded in Plat Book 5, Page 10, Public Records of Hernando County, Florida.

**SCHEDULE "C"**  
**TO SECOND AMENDMENT TO LEASE AGREEMENT**

**"COMPOSITE EXHIBIT A"**

PARCEL 4 (PINEBROOK REGIONAL)

The Easterly 440 feet of the NE 1/4 of the NE 1/4 of Section 34, Township 22 South, Range 18 East excepting there from that portion used for State Road No. 50 right-of-way and less the Easterly 20 feet thereof, all lying and being in Hernando County, Florida.

PARCEL 5 (SPRING HILL REGIONAL)

Lot 3, SEVEN HILLS MEDICAL AND BUSINESS CENTER, according to the map or plat thereof as recorded in Plat Book 26, Pages 3 and 4, of the Public Records of Hernando County, Florida.

TOGETHER WITH easement estates appurtenant thereto as set forth in instruments recorded in O. R. Book 769, pages 553, 558 and 565, Public Records of Hernando County, Florida.

CURRENT HOSPITAL SITE:

A parcel of land lying in and being a part of the East 1/2 of the Southwest 1/4 and the West 1/4 of the West 1/2 of the Southeast 1/4 of Section 30, Township 22 South, Range 19 East, Hernando County, Florida and being more particularly described as follows: Commence at the Northwest corner of said East 1/2; thence South 00°08'12" East, along the West boundary of said East 1/2, 49.65 feet to the Southerly right of way line of Cortez Boulevard (State Road 50); thence along said right of way line the following five (5) courses: (1) North 89°13'33" East 751.00 feet, (2) South 00°46'27" East 6.50 feet, (3) North 89°13'33" East 424.00 feet, (4) North 00°46'27" West 6.50 feet, (5) North 89°13'33" East 26.87 feet to the Point of Beginning; thence continue North 89°13'33" East, along said right of way line, 500.00 feet to the East boundary of said West 1/4; thence South 00°23'24" West, along said East boundary, 1182.79 feet; thence South 89°14'03" West 601.46 feet; thence South 87°57'30" West 612.31 feet; thence North 00°48'11" West 476.60 feet; thence North 89°14'03" East 108.12 feet; thence North 00°45'57" West 40.67 feet to the beginning of a non-tangent curve concave Southeasterly, having a radius of 124.20 feet, a delta of 79°52'22", a chord bearing of North 47°31'22" East and a chord of 159.46 feet; thence, along the arc of said curve, 173.14 feet; thence North 89°14'03" East 40.00 feet; thence North 00°45'57" West 292.34 feet to the point of curvature of a curve concave Southeasterly, having a radius of 10.00 feet, a delta of 94°59'34", a chord bearing of North 46°43'50" East and a chord of 14.74 feet; thence, along the arc of said curve, 16.58 feet to the beginning of a compound curve concave Southwesterly, having a radius of 575.00 feet, a delta of 06°44'04", a chord bearing of South 82°24'21" East and a chord of 67.55 feet; thence, along the arc of said curve, 67.59 feet to the point of tangency; thence South 79°02'19" East 374.74 feet

Schedule "C"

Page 9 of 10

to the point of curvature of a curve concave Southwesterly, having a radius of 225.00 feet, a delta of  $06^{\circ}42'50''$ , a chord bearing of South  $82^{\circ}23'44''$  East and a chord of 26.35 feet; thence, along the arc of said curve, 26.37 feet; thence North  $00^{\circ}46'27''$  West 360.26 feet to the Point of Beginning.

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**SECOND AMENDMENT TO LEASE AGREEMENT**

**THIS SECOND AMENDMENT TO LEASE AGREEMENT** (the "Second Amendment") entered into as of this 13<sup>th</sup> day of September, 2011, by and between HERNANDO COUNTY, FLORIDA, a political subdivision of the State of Florida ("Lessor") acting through its Board of County Commissioners and HERNANDO HMA, LLC, a Florida Limited Liability Company,<sup>1</sup> whose company address is 5811 Pelican Bay Blvd., Suite 500, Naples, FL 34108 ("Lessee").

**WITNESSETH**

**WHEREAS**, Lessor and Lessee did enter into that certain Lease Agreement dated June 1, 1998 (the "Lease Agreement") pertaining to the lease by Lessor to Lessee of certain real property and other assets, including, but not limited to, the Brooksville Regional Hospital; and

**WHEREAS**, Lessor and Lessee did enter into that certain First Amendment to Lease Agreement (the "First Amendment") dated December 2, 2005; and

**WHEREAS**, Lessor and Lessee desire to enter into this Second Amendment to Lease Agreement replacing provision "3.3 Rental Payments" in its entirety as amended and with all other terms and conditions remaining the same.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth herein and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally and mutually bound, Lessee and Lessor agree as follows:

1. **Recitals**. The recitals stated above are true and correct and are incorporated into this Second Amendment by this reference.

---

<sup>1/</sup> Formerly Hernando HMA, Inc., a Florida corporation (converted 2008) which was and is doing business as "Brooksville Regional Hospital" and "Spring Hill Regional Hospital."

2. **Definitions.** Unless otherwise noted herein, all capitalized terms shall have the same meaning as ascribed to them in the Lease Agreement.

3. **Lease Modification.** Lessor and Lessee amend the terms of the Lease Agreement and the First Amendment by replacing Section 3.3. of the First Amendment (which superseded Section 3.3. of the Lease Agreement) in its entirety with the following substituted (superseding) text:

3.3 **Rent and Additional Payment for County Services.**

3.3.1 **Rent.** Effective [retroactive to] June 1, 2011 through May 31, 2013, the Lessee shall pay to Lessor as rent on the due date therefore as set forth in the Lease Agreement, the sum of Three Million and Three Hundred Thousand (\$3,300,000.00) per annum. No later than three months before May 31, 2013, the Lessee and Lessor shall mutually renegotiate the annual rent payment. Failure to mutually arrive at such a renegotiated rent payment shall result in the rent payment, and all terms of such, reverting to that which was in place prior to this Second Amendment.

The foregoing "rent" may be subject to Florida sales tax as provided for in Chapter 212, Florida Statutes.

3.3.2 **Additional Payment for County Services.** The Lessee shall pay to Lessor on an annual basis, as an additional payment ("Additional Payment") for services provided by Hernando County [in its role as a service provider and local taxing authority], and through any Municipal Service Benefit Unit(s), Municipal Service Taxing Unit(s) or special taxing district(s) created by or under Hernando County equal to sum of the following:

3.3.2.1 An amount equal to that portion of the ad valorem taxes that would have been paid to Hernando County on the Leased Premises (as modified by

the substitution of the New Facility Site for the Current Hospital Site), if the Leased Premises were not owned by Hernando County but owned by a for profit entity; and

3.3.2.2 An amount equal to that portion of the ad valorem taxes that would have been paid to the Spring Hill Fire and Rescue District, the Township 22 Fire District and/or any other special taxing district that may be established pursuant to law; and

3.3.2.3 An amount equal to all special assessments levied by Hernando County through any Municipal Service Benefit Unit created by Hernando County pursuant to the provisions of Section 125.01, Florida Statutes; and

3.3.2.4 An amount equal to all ad valorem tax levied by Hernando County through any Municipal Service Taxing Unit created by Hernando County pursuant to the provisions of Section 125.01, Florida Statutes.

In no event shall the Additional Payment exceed an amount equal to a full ad valorem tax assessment on the New Facility Site as determined annually by the Hernando County Property Appraiser. In the event the Lessee and/or Lessor is required by law to pay ad valorem taxes on the Leased Premises or any portion thereof, the obligation to pay to Lessor the Additional Payment described in this Section 3.3 shall immediately terminate (and/or be adjusted, whichever is applicable), and Lessee shall be responsible for payment of the appropriate ad valorem tax.

The Additional Payment is not intended to constitute "rent" and is not intended to create an event subject to Florida sales tax – but rather is intended to constitute a separate payment for the provision of services, payable to the local taxing authority,



as provided for in § 212.031(1)(c), Florida Statutes (which allow parties by contractual arrangement to distinguish between payments which are intended to be taxable and payments which are intended to be nontaxable), as this section may be amended or renumbered from time to time.

4. **Authorization Representations.** Both Lessor and Lessee represent and warrant to each other that they have the authority to enter into and to perform the terms of this Second Amendment as described herein and that each has satisfied any and all requirements to enter into this Second Amendment as may be required by their articles of incorporation or charter or by virtue of any and all laws and regulations that they may be governed by.

5. **Ratification.** Except as expressly modified herein, all of the other terms and conditions set forth in the Lease Agreement and the First Amendment (to the extent amending or superseding the Lease Agreement) are hereby ratified and confirmed.

6. **Severability.** The SECTION 15.4 SEVERABILITY provision contained in the Lease Agreement shall be incorporated herein by reference and shall apply to this Second Amendment.

7. **Interpretation.** Both parties shall be deemed to have participated equally in the drafting of this Second Amendment and no provision shall be interpreted as against a drafting party. The SECTION 15.14 INTERPRETATION AND VENUE provision contained in the Lease Agreement shall be incorporated herein by reference and shall apply to this Second Amendment.

8. **Counterpart Signatures.** This Second Amendment may be signed in any number of counterparts each of which when executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Second Amendment to be duly executed as of the day and year first above written.

WITNESSED: HERNANDO HMA, LLC, a Florida Limited Liability Co.

By: Hospital Management Services, Inc., its Manager

[Signature] Jean M. Rags  
[sign and print name of witness]

By: [Signature]  
Patrick J. Maloney, CEO, 9/13/2011  
[print name, title and date]

\_\_\_\_\_  
[sign and print name of witness]

ATTEST: BOARD OF COUNTY COMMISSIONERS,  
HERNANDO COUNTY, FLORIDA (COUNTY)

[Signature] Deputy Clerk  
Karen Nicolaj, Clerk

By: [Signature] James E. Adkins, Chairman  
Date 9-13-11



APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY  
BY [Signature] 9/13/11  
County Attorney's Office

STATE OF FLORIDA  
COUNTY OF Hernando

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of September 2011, by  
Patrick Maloney as CEO of Hospital  
Management Associates, Inc., as Manager of Hernando HMA, LLC, who is personally known to me  
or who has produced \_\_\_\_\_ as identification.

Jean M. Rags  
(Signature of person taking acknowledgment)  
Jean M. Rags  
(Name typed, printed or stamped)  
Director Comm. Development  
(Title or rank)  
\_\_\_\_\_  
(Serial number, if any)



STATE OF FLORIDA  
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me this 13 day of September 2011, by  
James E. Adkins, Chairman of the Hernando County Board of County Commissioners, who is  
personally known to me or who has produced \_\_\_\_\_ as  
identification.

Jenine E. Wimer  
(Signature of person taking acknowledgment)  
\_\_\_\_\_  
(Name typed, printed or stamped)  
\_\_\_\_\_  
(Title or rank)  
\_\_\_\_\_  
(Serial number, if any)



**THIRD AMENDMENT TO LEASE AGREEMENT**

THIS THIRD AMENDMENT to the existing Hospital Lease Agreement dated June 1, 1998, ("LEASE"), is hereby made and entered into on this 24 day of Sept., 2013, by and between Hernando County, Florida ("LESSOR"), a political subdivision of the State of Florida, acting through its Board of County Commissioners, and Hernando HMA, LLC ("LESSEE").

**RECITALS**

**WHEREAS**, the original Lease was entered into on June 1, 1998; and

**WHEREAS**, the Lease was previously amended on December 2, 2005, and September 13, 2011; and

**WHEREAS**, the parties now desire to enter this Third Amendment to the Lease as follows:

**WITNESSETH**

In consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree that effective as of the 1<sup>st</sup> day of June, 2013, the Lease is hereby further amended in the following particulars:

(1) Paragraph 3.3.1 Rent is hereby deleted and replaced with the following:

"3.3.1 Rent. Effective (retroactive to) June 1, 2013 through May 31, 2014, the Lessee shall pay to Lessor as rent on the due date therefore as set forth in the Lease Agreement, the sum of Three Million and Three Hundred Thousand Dollars (\$3,300,000.00) per annum. No later than three months before May 31, 2014, the Lessee and Lessor shall mutually renegotiate the annual rent payment. Failure to mutually arrive at such a renegotiated rent payment shall result in the rent payment, and all terms of such, reverting to that which was in place prior to this Third Amendment. The foregoing rent may be subject to Florida sales tax as provided for in Chapter 212, Florida Statutes.

(2) All other terms and provision of the Lease remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Hernando County has caused this lease amendment to be executed by the Chairman of the Board of County Commissioners and its official seal to be affixed, attested by its Clerk, pursuant to proper legal authority of the Board of County Commissioners; and Hernando HMA, LLC, has caused this Third Lease Amendment to be executed by its President, pursuant to proper authorization of its Board of Directors, all as of the day and year first above written.

WITNESSED:

Tina B. Duenninger

TINA B. DUENNINGER



BOARD OF COUNTY COMMISSIONERS  
HERNANDO COUNTY

By: [Signature]

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

BY [Signature]

County Attorney's Office

WITNESSED:

Debbie Daniel  
Joe Johnson

HERNANDO HMA, LLC

By: Patrick J. Maloney

## FOURTH AMENDMENT TO LEASE AGREEMENT

THIS FOURTH AMENDMENT TO LEASE AGREEMENT (the “**Fourth Amendment**”) is made as of the 14 day of October, 2014 (the “**Effective Date**”) between the **Hernando County, Florida**, a political subdivision of the State of Florida, acting through its Board of County Commissioners (“**Lessor**”), and **Hernando HMA, LLC**, a Florida limited liability company (“**Lessee**”).

### RECITALS:

A. Lessor and Lessee entered into a Lease Agreement dated June 1, 1998 (the “**Lease Agreement**”), as amended by a First Amendment to Lease Agreement dated as of December 2, 2005 (the “**First Amendment**”), a Second Amendment to Lease Agreement dated as of September 13, 2011 (the “**Second Amendment**”), and a Third Amendment to Lease Agreement dated as of September 24, 2013 (the “**Third Amendment**”) (collectively, the “**Lease**”), pertaining to certain real property, facilities and other assets including, but not limited to, the Brooksville Regional Hospital, Brooksville Service Center, Pinebrook Medical Center and parking lot and Spring Hill Regional Hospital as more specifically set forth in the New “Composite Exhibit “A” attached to the First Amendment as Schedule “C” (the “**Leased Premises**”); and

B. Lessee desire to amend the Lease to extend the Lease Term and modify the Rent, all in accordance with the terms and conditions of this Fourth Amendment.

**IN CONSIDERATION** of the foregoing Recitals and the mutual terms and conditions set forth below, the parties mutually agree as follows:

1. **Recitals.** The foregoing Recitals are true and correct and are hereby made a part hereof for all purposes.

2. **Defined Terms.** Any capitalized terms not defined herein shall have the meanings ascribed to them in the Lease.

3. **Term (Article III).** Section 3.1 of the Lease is hereby deleted in its entirety and replaced with the following:

**SECTION 3.1 LEASE TERM**

The Lease Term that commenced on June 1, 1998 and expires on June 1, 2043, is hereby extended for an additional one (1) year (“**Extension Term**”) and shall now expire and terminate on June 1, 2044, unless sooner terminated as provided in the Lease. The Lease Term and Extension Term will be collectively referred to as the “**Term.**” Lessee agrees to pay Lessor the amount of \$1,655,963 (“**Consideration Payment**”) on or before November 1, 2014, in consideration of the above-stated extension of the Lease Term. The foregoing Consideration Payment may be subject to Florida sales tax as provided for in Chapter 212, Florida Statutes. In the event that the Consideration Payment is determined to be subject to Florida sales tax, Lessee agrees to pay the total amount of the tax. Lessor shall invoice Lessee, which shall be the total amount of any such sales tax in the normal course of Lessee’s business.

4. **Rent (Article III).** Section 3.3.1 of the Lease is hereby deleted in its entirety and replaced with the following:

3.3.1 **Rental Payment.** Effective (retroactive to) June 1, 2014 through May 31, 2043, Lessee shall pay to Lessor the sum of Three Hundred Thousand Dollars (\$300,000) per annum during the Term. This Rental Payment for all remaining Lease years shall be paid to Lessor by Lessee on each anniversary date of the Commencement Date (June 1) during the Term. Effective June 1, 2043 through May 31, 2044, Lessee shall pay to Lessor the sum of One Hundred Dollars (\$100.00) per annum. The foregoing Rental Payment may be subject to Florida sales tax as provided for in Chapter 212, Florida Statutes. In the event that the foregoing rent is determined to be subject to Florida sales tax, Lessee agrees to pay the total amount of the tax. Lessor shall invoice Lessee for the total amount of any such sales tax in the normal course of Lessee's business.

5. **Authority.** Lessor and Lessee each represent and warrant that, as of the date of this Fourth Amendment, they are each duly authorized and have the full power, right and authority to enter into this Fourth Amendment and to perform all of their respective obligations under this Fourth Amendment and the undersigned individuals executing this Fourth Amendment have the authority to execute and deliver this Fourth Amendment to the other party.



6. **Ratification.** Except as expressly modified by this Fourth Amendment, all terms, covenants, obligations and provisions of the Lease shall remain unaltered, shall continue in full force and effect, and are hereby ratified, approved and confirmed by the parties in every respect. If the terms and conditions set forth in this Fourth Amendment shall directly conflict with any provision contained in the Lease, then this Fourth Amendment shall control.

7. **Headings.** The headings contained in this Fourth Amendment are for reference purposes only and shall not modify or affect this Fourth Amendment in any manner whatsoever.

8. **Severability.** Section 15.4 of the Lease Agreement shall be incorporated herein by reference and shall apply to this Fourth Amendment.

9. **Construction.** Language of all parts of this Fourth Amendment shall be construed as a whole according to its fair meaning. The parties acknowledge and agree that this Fourth Amendment was initially prepared by counsel for Lessee solely as a convenience and that all parties and their counsel have read and have fully negotiated the language used in this Fourth Amendment. The parties acknowledge and agree that because all parties and their counsel participated in negotiations in drafting this Fourth Amendment, no rule of construction shall apply to this Fourth Amendment which construes any language, whether ambiguous, unclear or otherwise, in favor of or against any party by reason of that party's role in drafting this Fourth Amendment.

10. **Copy of Agreement Valid.** The Parties agree that executed copies and facsimile copies of this Fourth Amendment shall be valid and binding and that a signature transmitted by facsimile shall be considered an original.

11. **Entire Lease.** The Lease (as amended by this Fourth Amendment) embodies the final, entire agreement between the parties with respect to the subject matter of this Fourth Amendment, and supersedes any and all prior agreements, representations, understandings and commitments, whether oral or written relating to this subject matter, and may not be contradicted or varied by evidence of prior, contemporaneous or subsequent oral agreements or discussions of or on behalf of the parties to this Fourth Amendment.

IN WITNESS WHEREOF, the undersigned parties have caused this Fourth Amendment to be duly executed as of the Effective Date.

ATTEST:

BOARD OF COUNTY COMMISSIONERS  
HERNANDO COUNTY, FLORIDA (LESSOR)

  
\_\_\_\_\_  
Donald C. Barbee, Jr., Clerk

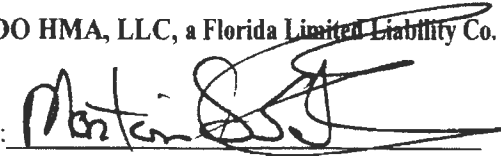
By:  10-14-14  
Wayne Dukes, Chairman Date



WITNESSED:

  
\_\_\_\_\_

HERNANDO HMA, LLC, a Florida Limited Liability Co.  
(LESSEE)

By:   
Executive Vice President

**FIFTH AMENDMENT TO  
LEASE AGREEMENT  
BETWEEN  
HERNANDO COUNTY, FLORIDA  
AND  
HERNANDO HMA, LLC.**

THIS FIFTH AMENDMENT (the "Fifth Amendment") to the Lease Agreement dated June 1, 1998 is entered into this 12<sup>th</sup> day of March, 2018 between Lessor, HERNANDO COUNTY (the "COUNTY"), and Lessee, HERNANDO HMA, LLC. ("HMA").

WITNESSETH:

WHEREAS, the COUNTY and HMA entered into a Lease Agreement dated June 1, 1998 (the "Lease Agreement"), as amended by a First Amendment to Lease Agreement dated December 2, 2005 (the "First Amendment"), a Second Amendment to Lease Agreement dated September 13, 2011 (the "Second Amendment"), a Third Amendment to Lease Agreement dated September 24, 2013 (the "Third Amendment"), and a Fourth Amendment to Lease Agreement dated October 14, 2014 (collectively, the "Lease"), in which HMA leased several parcels of real property that are located within Hernando County, Florida that are described in Schedule "C" of the First Amendment (collectively the "Leased Premises"); and,

WHEREAS, HMA has leased the Leased Premises from the COUNTY for a term that is scheduled to expire on June 1, 2044; and,

WHEREAS, included within the Leased Premises is the parcel, and the medical office building constructed thereon, located at 14540 Cortez Boulevard, Spring Hill, Florida 34609 (the "Pinebrook Medical Center"); and,

**WHEREAS**, the COUNTY has notified and requested HMA to surrender its leasehold of the Pinebrook Medical Center back to the COUNTY prior to June 1, 2044; and,

**WHEREAS**, HMA has entered into the following six active subleases for office space within the Pinebrook Medical Center:

1. In a Medical Office Space Lease dated November 15, 2016, HMA leased Suites 200 and 202 to Salvare, Inc., for a term ending on November 30, 2018 (“the Salvare Sublease”); and.
2. In a Medical Office Space Lease dated October 1, 2015, HMA leased Suite 100 to Lisa Allen-Khalil, M.D., for a term ending on September 30, 2020 (“the Allen-Khalil Sublease”); and.
3. In a Medical Office Building Lease dated July 25, 2014, HMA leased Suite 124 to Mahmoud Bourghli, M.D., for a term ending on July 31, 2018 (“the Bourghli Sublease”); and.
4. In a Medical Office Space Lease dated November 1, 2015, HMA leased Suite 120 to Rodwan M. Hiba, M.D., for a term ending on November 30, 2020 (“the Hiba Sublease”); and.
5. In a Medical Office Space Lease dated September 1, 2015, HMA leased Suite 113 to Mahmoud Nimer, M.D., P.A., for a term ending on August 31, 2020 (“the Nimer Sublease”); and,
6. In a Lease Agreement No. V673R-33, dated January 23, 2004, as thereafter amended, HMA leased Suites 103 and 105 to the United States Department of Veterans Affairs for a term ending on April 22, 2018 (“the V.A. Sublease”); and.

**WHEREAS**, the Salvare, Allen-Khalil, Bourghli, Hiba, and Nimer Subleases each contain a provision whereby the Subleases will automatically expire upon the termination of HMA's lease of the Pinebrook Medical Center from the COUNTY, however, the V.A. Sublease does not contain such a provision; and,

**WHEREAS**, the COUNTY desires to accept such early surrender of the Pinebrook Medical Center in accordance with the terms of this Fifth Amendment; and,

**WHEREAS**, the COUNTY and HMA have agreed to modify the terms of the Lease to more explicitly provide for such early surrender of the Pinebrook Medical Center.

**NOW THEREFORE**, in consideration of mutual covenants herein contained, the COUNTY and HMA agree as follows:

1. The above recitals are incorporated herein by reference.
2. Capitalized terms used and not defined in this Fifth Amendment shall have the meanings ascribed to such terms in the Lease.
3. This Fifth Amendment shall take effect upon the date executed by the last party hereto (the "Effective Date").
4. Effective as of 11:59 p.m. on October 31, 2018 (the "Surrender Date"), and subject to the agreements, representations, warranties and indemnities contained in this Fifth Amendment, HMA's lease of the Pinebrook Medical Center is terminated and the term thereby demised shall expire with the same force and effect as if the term of the Lease by the provisions thereof was fixed to expire on the Surrender Date.
5. On or before the Surrender Date, HMA will convey to the COUNTY by a quitclaim deed HMA's leasehold interest in the Pinebrook Medical Center, however acquired, together with all of HMA's right and interest (and title, if any) in and to all improvements and fixtures contained

in it, and all of the estate and rights of HMA in and to the Pinebrook Medical Center pursuant to Section 3.2.A. of the Lease Agreement.

6. Both the COUNTY and HMA represent and warrant to each other that they have the authority to enter into and to perform the terms of this Fifth Amendment and that each has satisfied any and all requirements to enter into this Fifth Amendment as may be required by their articles of incorporation or charter or by virtue of any and all laws and regulations by which they may be governed.

7. HMA further warrants to the COUNTY that:

(a) It is the legal and equitable owner of HMA's interest in the Lease with full power and authority to amend same; and,

(b) HMA's leasehold interest in the Pinebrook Medical Center is not and has not been assigned or transferred (except as to the six subleases listed in the above second Whereas clause) and is not and has not been hypothecated, pledged, mortgaged or in any other way encumbered; and,

(c) All agreements, contracts, subleases, concessions, licenses, agreements-for-use, agreements-for-occupancy, insurance policies, and maintenance and service contracts that the COUNTY has not elected in writing to continue after the Surrender Date will have been legally terminated and all charges paid in full, and that HMA knows of no cause of action against the COUNTY exists as of the Effective Date in any party to an agreement, contract, sublease, concession, license, agreement-for-use, agreement-for-occupancy, insurance policy, or maintenance or service contract, based on inducing the breach of a contract with respect to same; and,

(d) All charges for those insurance policies and maintenance and service contracts which the COUNTY has elected in writing to continue have been paid in full, except

those accrued charges which have been approved by the COUNTY and prorated to the Surrender Date; and,

(e) All rent or other payments on any sublease or other agreement for use and occupancy which the COUNTY has elected in writing to continue, have been paid in full or prorated to the Surrender Date, and the subleasees' or holders' rights under other agreements are not in default; and,

(f) All charges for utility service (gas, water, electricity, etc.) have been paid in full, except those charges approved by the COUNTY and prorated to the Surrender Date; and,

(g) There are no outstanding contracts for the supply of labor or materials as of the Surrender Date and no work has been done or is being done nor have materials been delivered in, about or to the Pinebrook Medical Center which has or have not been fully paid for, for which a mechanic's lien could be asserted or foreclosed under the lien laws of Florida; and,

(h) Neither HMA nor any of its predecessors-in-interest under the Lease has done or suffered to be done anything by which the Pinebrook Medical Center or the COUNTY's title to it are in any manner encumbered or charged; and,

(i) All taxes, charges, assessments, levies or impositions required by the Lease to be paid by HMA with regard to the Pinebrook Medical Center have been paid in full, except those charges approved by the COUNTY and prorated to the Surrender Date; and,

(j) With the exception of the V.A. Sublease, the Pinebrook Medical Center, as of the Surrender Date, shall be free of all tenants, subtenants and other occupants and all leases and subleases, and there shall be no other persons or entities claiming, or who or which may claim, any rights of possession, occupancy or use of the Pinebrook Medical Center or any portions thereof; and,

(k) With the exception of the V.A. Subleasehold, HMA shall on or before the Surrender Date deliver the Pinebrook Medical Center to the COUNTY in its current condition, as is, and notwithstanding any renovations made by the COUNTY after the Effective Date; and,

(l) Within thirty (30) days of the Effective Date, HMA shall deliver written notice to the respective subleasees that the Salvare, Allen-Khalil, Bourghli, Hiba, and Nimer Subleases will automatically terminate on the Surrender Date; and,

(m) Within thirty (30) days of the Effective Date, HMA shall deliver written notice to the United States Department of Veterans Affairs that, as of the Surrender Date, the COUNTY will be assuming the V.A. Sublease; and,

(n) HMA shall not commit, permit or suffer any such act or deed referred to in clause “(b)” above, and shall not so further sublet, or otherwise transfer any such present or future possession, use or occupancy right as of the Effective Date; and,

(o) Any breach of the foregoing warranties, for example a sublessee holding over past the Surrender Date, shall in no event nullify the automatic termination of each sublease as of the Surrender date, but instead will simply allow the COUNTY to pursue remedies including as provided in this Fifth Amendment.

8. HMA acknowledges that the COUNTY intends to renovate the existing Pinebrook Medical Center building for use as government offices. After the Effective Date and upon reasonable notice to HMA, the COUNTY and its employees, agents, contractors, and subcontractors may enter the Pinebrook Medical Center building to perform such renovation activities so long as such activities do not impair the covenant of quiet enjoyment contained in Section 15.1 of the Lease Agreement.

9. HMA acknowledges that the COUNTY is considering plans to construct a new building on the unimproved land located within the Pinebrook Medical Center leasehold. At any



reasonable time and as often as necessary after the Effective Date, the COUNTY and its employees, agents, contractors, and subcontractors may enter upon and shall have access to the Pinebrook Medical Center leasehold to do and perform all demolition, surveying, engineering, environmental studies, soil borings, and other tests and acts deemed necessary by the COUNTY to satisfy that the vacant land is suitable for the uses contemplated by the COUNTY. Any such tests and acts shall be at the COUNTY's sole cost and expense. In addition, the COUNTY and its employees, agents, contractors and subcontractors shall have all necessary rights of access, as of the Effective Date, to initiate the development of the vacant land and the construction of improvements thereon so long as such activities do not impair the covenant of quiet enjoyment contained in Section 15.1 of the Lease Agreement.

10. Effective on the Surrender Date, Exhibit "A" to the Lease Agreement, as Amended by the First Amendment and the Second Amendment, is amended to read (deleted text shown in strike-through; added text shown underlined) as follows:

~~PARCEL 4 (PINEBROOK REGIONAL)~~

~~The Easterly 440 feet of the NE 1/4 of the NE 1/4 of Section 34, Township 22 South, Range 18 East excepting there from that portion used for State Road No. 50 right-of-way and less the Easterly 20 feet thereof, all lying and being in Hernando County, Florida.~~

PARCEL 5 (SPRING HILL REGIONAL)

Lot 3, SEVEN HILLS MEDICAL AND BUSINESS CENTER, according to the map or plat thereof as recorded in Plat Book 26, Pages 3 and 4, of the Public Records of Hernando County, Florida.

TOGETHER WITH easement estates appurtenant thereto as set forth in instruments recorded in O.R. Book 769, pages 553, 558 and 565, Public Records of Hernando County, Florida.

NEW HOSPITAL SITE:

A parcel of land lying in and being a part of the East ½ of the Southwest 1/4 and the West 1/4 of the West ½ of the Southeast \_ of Section 30, Township 22 South,

Range 19 East, Hernando County, Florida and being more particularly described as follows: Commence at the Northwest corner of said East ½; thence South 00°08' 12" East, along the West boundary of said East ½, 49.65 feet to the Southerly right of way line of Cortez Boulevard (State Road 50); thence along said right of way line the following five (5) courses: (1) North 89°13'33" East 751.00 feet, (2) South 00°46'27" East 6.50 feet, (3) North 89°13'33" East 424.00 feet, (4) North 00°46'27" West 6.50 feet, (5) North 89°13'33" East 26.87 feet to the Point of Beginning; thence continue North 89° 13 '3 3" East, along said right of way line, 500. 00 feet to the East boundary of said West 1/ 4;thence South 00°23'24" West, along said East boundary, 1182.79 feet; thence South 89°14'03" West 601.46 feet; thence South 87°57'30" West 612.31 feet; thence North 00°48' 11" West 476.60 feet; thence North 89°14'03" East 108.12 feet; thence North 00°45'57" West 40.67 feet to the beginning of a non-tangent curve concave Southeasterly, having a radius of 124.20 feet, a delta of 79°52'22", a chord bearing of North 47°31 '22" East and a chord of 159.46 feet; thence, along the arc of said curve, 173.14 feet; thence North 89°14'03" East 40.00 feet; thence North 00°45'57" West 292.34 feet to the point of curvature of a curve concave Southeasterly, having a radius of 10.00 feet, a delta of 94°59'34", a chord bearing of North 46°43'50" East and a chord of 14.74 feet; thence, along the arc of said curve, 16.58 feet to the beginning of a compound curve concave Southwesterly, having a radius of 575.00 feet, a delta of 06°44'04", a chord bearing of South 82°24'21" East and a chord of 67.55 feet; thence, along the arc of said curve, 67.59 feet to the point of tangency; thence South 79°02'19" East 374.74 feet to the point of curvature of a curve concave Southwesterly, having a radius of 225.00 feet, a delta of 06°42' 50", a chord bearing of South 82°23'44" East and a chord of 26.35 feet; thence, along the arc of said curve, 26.37 feet; thence North 00°46'27" West 360.26 feet to the Point of Beginning.

11. Effective as of the Surrender Date:

(a) HMA shall release the COUNTY and its successors and assigns from all claims, obligations and liabilities of every kind and nature whatsoever, arising out of, or in connection with, the Pinebrook Medical Center. Notwithstanding the foregoing, the COUNTY shall not be released from any obligation, covenant, representation or warranty contained in the Lease, which by the terms of the Lease is specifically stated to survive the surrender of the Pinebrook Medical Center.

(b) The COUNTY shall release HMA and its successors and assigns from all claims, obligations and liabilities of every kind and nature whatsoever, arising out of, or in connection with, the Pinebrook Medical Center. Notwithstanding the foregoing, HMA shall not

be released from any obligation, covenant, representation or warranty contained in the Lease, which by the terms of the Lease is specifically stated to survive the surrender of the Pinebrook Medical Center.

(c) Notwithstanding any contrary provisions of the V.A., Salvare, Allen-Khalil, Bourghli, Hiba, or Nimer Subleases, HMA shall have no liability for any acts or omissions related to said subleases that occur or arise on or after the Surrender Date. To the extent that any such obligations or liabilities occur or arise on or after the Surrender Date, HMA hereby transfers by novation to the COUNTY, and the COUNTY hereby accepts such transfer by novation of, said obligations or liabilities.

(d) The novation contained in subpart (c) above shall not constitute a renewal or an extension of the Salvare, Allen-Khalil, Bourghli, Hiba, or Nimer Subleases. Notwithstanding any provision of this novation, the Salvare, Allen-Khalil, Bourghli, Hiba, and Nimer Subleases shall automatically terminate on the Surrender Date.

(e) To the extent allowed under Florida law and without waiver of sovereign immunity, the COUNTY shall defend, indemnify and hold harmless HMA and each of its employees and agents, and their respective successors, heirs and assigns (the "Indemnitees"), against all liabilities, demands, losses, costs, and expenses (including, without limitation, attorneys' fees) incurred by or imposed upon the Indemnitees or any one of them in connection with any claims, suits, actions, demands or judgments arising from or out of the automatic termination of the Salvare, Allen-Khalil, Bourghli, Hiba, and Nimer Subleases on the Surrender Date, except to the extent that the injuries or damage resulting in such liabilities and losses may be covered by HMA's insurance.

12. The Parties hereto agree that the obligations imposed on the COUNTY or HMA, as the case may be, in the transaction agreements are special, unique and of an extraordinary

character, and that, in the event of breach by the COUNTY or HMA, as the case may be, damages would not be an adequate remedy and therefore the COUNTY or HMA, as the case may be, shall be entitled to specific performance and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity; and the Parties hereto further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief. The remedy set forth in this Section is cumulative and shall in no way limit any other remedy available under law, in equity or pursuant hereto.

13. Both parties shall be deemed to have participated equally in the drafting of this Fifth Amendment and no provision shall be interpreted as against a drafting party.

14. The Parties, each upon the request of the other, at any time and from time to time hereafter and without further consideration, shall execute, acknowledge and deliver to the other any instruments or documents, or take such further action, as shall be reasonably requested or as may be necessary to more effectively assure the surrender of the Pinebrook Medical Center, and the full benefits intended to be created by this Fifth Amendment.

15. Except as expressly modified herein, all of the other terms and conditions set forth in the Lease Agreement, as amended by the First Amendment, Second Amendment, Third Amendment, and Fourth Amendment, are hereby ratified and confirmed.

16. Any dispute, claim or action relating to or arising under the Lease shall be brought solely in the Circuit Court in Hernando County, Florida. Venue shall be limited to Hernando County, Florida. The Lease, including this Fifth Amendment, shall be governed by Florida law. Each party hereto agrees to bear their own attorney fees and costs in the event of any dispute. To the extent permitted by law, the respective parties in this instrument agree to and do waive trial by jury in any action, proceeding, or counterclaim brought by either of the parties against the other on any matters whatsoever arising out of or in any way connected with the Lease.

17. This Fifth Amendment contains the entire agreement of the parties as it is the specific intent of the parties that this Fifth Amendment alone sets forth the terms and conditions on which the parties have mutually agreed. No oral statements, representations or prior written matter relating to the subject matter herein, but not contained herein, shall have any force or effect. No modification of this Fifth Amendment shall be valid or binding unless such modification is in writing and duly executed by both HMA and the COUNTY, or their respective successors or assigns.

18. If any term or provision of the Lease Agreement, as amended by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and this Fifth Amendment or the application thereof to any person or circumstance shall, to any extent, be declared invalid or deemed unenforceable by a court of competent jurisdiction or superseding law, the remainder of the Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of the Lease shall be valid and enforced to the fullest extent permitted by law notwithstanding the invalidity of any other term or provision hereof.

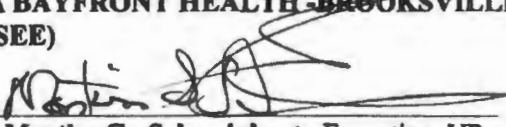
19. Other than the amendments addressed above, all other terms and provisions of the Lease remain unchanged and in full force and effect.

20. This Fifth Amendment shall be recorded in the public records of Hernando County; the COUNTY shall pay all recording costs.

IN WITNESS WHEREOF, the parties have caused this Fifth Amendment to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized officers or representatives.

**HERNANDO HMA, LLC.  
D/B/A BAYFRONT HEALTH - BROOKSVILLE  
(LESSEE)**

3-12-2018  
Date

By:   
**Martin G. Schweinhart, Executive VP of  
Administration, CHSPSC, LLC - Manager of  
Hernando HMA, LLC.**

**BOARD OF COUNTY COMMISSIONERS  
HERNANDO COUNTY, FLORIDA (LESSOR)**

3/6/2018  
Date

By:   
**Steve Champion  
Chairman, Board of County Commissioners**

**APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:**

  
\_\_\_\_\_  
**Deputy County Attorney**

Verifications

STATE OF Tennessee  
COUNTY OF Williamson

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of ~~February~~ March (mar), 2018, by Martin G. Schweinhart, as the Executive VP of Administration, CHSPSC, LLC - Manager of Hernando HMA, LLC, who is personally known to me or who has produced \_\_\_\_\_ as identification.



Mary Ann Eckman

(Signature of person taking acknowledgment)

Mary Ann Eckman

Name typed, printed or stamped)

Notary Public

(Title or rank)

N/A

(Serial number, if any)

STATE OF FLORIDA  
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of MARCH 2018, by Steve Champion, Chairman of the Hernando County Board of County Commissioners, who is personally known to me or who has produced \_\_\_\_\_ as identification.

Kristine M. Dale

(Signature of person taking acknowledgment)



**KRISTINE M. DALE**  
Commission # GC 138865  
Expires February 5, 2019  
Bounded Than Budget Notary Services

(Name typed, printed or stamped)

(Title or rank)

(Serial number, if any)