AMENDED AND RESTATED LEASE
OF HOSPITAL FACILITIES AND AGREEMENT
FOR OPERATION OF INDIAN RIVER MEMORIAL HOSPITAL

THIS AGREEMENT, dated as of this 15th day of November, 2012, made and entered into by and between the INDIAN RIVER COUNTY HOSPITAL DISTRICT, a special taxing district located in Indian River County, Florida, and created by the Legislature of the State of Florida, hereinafter called the "Lessor," and INDIAN RIVER MEMORIAL HOSPITAL, INC, a not-for-profit corporation organized and existing under the laws of the State of Florida, hereinafter called the "Lessee."

This Agreement ("Agreement") shall constitute an amendment and restatement of that certain Lease of Hospital Facilities and Agreement for Operation of Indian River Memorial Hospital, dated December 13, 1984.

The Lessor and Lessee, in consideration of the mutual covenants herein contained, and in consideration of the payments and undertakings herein mentioned, made and to be made, have respectively promised to and agreed with each other as follows:

1. **Lease by Lessor**. Under the terms and conditions hereinafter stated, and for the consideration hereinafter set out, and for and in consideration of the performance by the Lessee of the covenants contained herein to be kept and performed by the Lessee, the performance of each of which covenants is declared to be an integral part of the consideration to be furnished by the Lessee, the Lessor does hereby lease to the Lessee for and during the term of this Agreement the real property which is described on Exhibit "A" attached to this Agreement together with the Hospital Facilities of the Indian River Memorial Hospital described below. For the purposes of this Agreement, the term Hospital Facilities" means that certain real property situated in Indian River County, Florida, more particularly described on Exhibit "A", attached hereto, together with all improvements now located thereon or therein including all machinery, equipment, furniture, furnishings and fixtures, surgical instruments, supplies, inventory and all other personal property (including all books and records, including, but not limited to, books of account and patient records, relating to the Hospital Facilities) now located therein and used in the operation of the Hospital Facilities, together with any future improvements, additions and extensions thereto or replacements thereof.

Subject, nevertheless, to the following:

A. Conditions, restrictions, limitations and easements, if any there be with respect to the real property, now appearing of record; if there be any such, then the Lessee covenants that it will indemnify and save harmless the Lessor, its successors and assigns, from all loss, cost, damage and expense including reasonable attorneys' fees at trial and appellate levels and other costs of litigation, arising hereafter from any breach or violation of such conditions, restrictions, limitations or easements done or suffered or permitted to be done by the Lessee or any person or persons claiming by, through or under the Lessee;

B. Any applicable zoning laws, building restrictions or codes, statutes or ordinances now existing, or which may exist hereafter during the term of this Agreement.

2. **Transfer of Operational Responsibility.** In consideration of the covenants of the Lessee hereinafter set out and for and during the term of this Agreement; Lessor transfers to Lessee responsibility and authority for the management and operation of the Indian River Memorial Hospital, 1000 36th Street, Vero Beach, Florida 32960, subject to and in accordance with the terms and conditions of this Agreement, such hospital being situate on the real property described on Exhibit "A" attached hereto.

3. **Acceptance of Lease and Operational Responsibility by Lessee.** The Lessee, in consideration of the lease of Hospital Facilities to it and for and during the term of this Agreement, does hereby lease such property from the Lessor and does hereby accept responsibility and authority for the management and operation of the Indian River Memorial Hospital subject to and in accordance with the terms and conditions of this Agreement.

4. **Lease Term.** The term and duration of this Agreement and the operational responsibilities of the Lessee for the Indian River Memorial Hospital shall be for a period of time beginning with the "Commencement Date" as hereinafter defined, and ending at 11:59 p.m. on the 31st day of December, 2034; provided, however, that the lease term shall automatically extend for one or more additional ten (10) year periods, unless either Lessor or Lessee delivers to the other either (a) a written Notice of Lease Renegotiation (which shall be accompanied by a written list of principal issues to be re-negotiated); or (b) a written Notice of Non-Extension, either of which written notices shall be delivered no later than ten (10) years prior to the end of the then existing lease term. If either party delivers a written Notice of Lease Renegotiation, the other party shall have sixty (60) days following the delivery of such notice to develop and deliver its own written list of additional issues to be re-negotiated. The parties shall thereafter negotiate in good faith to resolve the issues listed by both parties, as well as any other issues which may arise during the negotiations, and, upon resolution of such issues, enter into a written amendment to this Agreement. The parties shall attempt in good faith to complete the renegotiation process within one (1) year following delivery of the written Notice of Lease Renegotiation. If the parties are not able to resolve the renegotiation issues and therefore fail to enter into a written amendment in accordance with this paragraph, or if either party delivers a written Notice of Non-Extension, this Agreement shall expire at the end of the then existing lease term. Each party may only deliver one Notice of Lease Renegotiation for each ten (10) year period. The term "Commencement Date" shall mean May 1, 1985 with respect to the original Lease of Hospital Facilities and Agreement for Operation of Indian River Memorial Hospital, and shall mean the first day of the first month following the approval and execution of this Agreement by Lessor and Lessee with respect to this amended and restated Agreement.

It is the intention of the parties that the lease term shall be subject to renegotiation between them if Lessee determines to finance additions or alterations to or improvements in the Hospital Facilities over a period of time exceeding the remaining lease term. Upon the expiration or earlier termination of the lease term, the property leased or otherwise transferred hereunder to Lessee, including but not limited to, all accounts receivable, whether or not reduced to judgment, and all unencumbered funds and other intangible personal property of the Lessee then held by

the Lessee, shall revert to the possession, ownership and control of the Lessor or its successor in interest; provided, however, that the property which reverts to Lessor shall not include Lessee's membership interest in Indian River Hospital Foundation, Inc. Upon reversion of the aforesaid property to Lessor, Lessor shall assume all of Lessee's then existing liabilities, except those liabilities which are not assumable as a matter of law by a governmental entity such as Lessor. With respect to such non-assumable liabilities, the parties shall cooperate to pay or otherwise resolve such liabilities in a manner consistent with the best interest of Indian River Memorial Hospital and the residents of Indian River County, Florida; provided, however, that this paragraph shall not create any additional rights in favor of any creditor of such non-assumable liabilities.

5. **Rents and Fees.** The Lessee has paid as rent such sums as are equal to an amount sufficient for the payment of all debt service requirements during the term of this Agreement for bonds from time to time issued by Lessor pursuant to that certain Master Trust Indenture, dated November 1, 1984, among the Lessor, the Lessee and SunTrust Bank, as trustee, as amended and restated ("Master Trust Indenture"), and the bond indentures ("Bond Indentures") related to specific issues of bonds in connection with the construction, addition to, renovation of or replacement of the Hospital Facilities. Lessee has also paid the costs and expenses incurred by Lessor in connection with the issuance of such bonds. The Lessor acknowledges that this payment, along with the performance of the Lessee's other obligations under this Agreement, including but not limited to Lessee's payment of all costs of improvements to the Hospital Facilities, constitutes good and valuable consideration for the Lessor's performance of its obligations under this Agreement. In addition, should the Lessor issue new bonds in connection with the construction, addition to, renovation of or replacement of the Hospital Facilities, the Lessee shall pay as additional rent such sums as are equal to an amount sufficient for the payment when due of all debt service requirements during the term of this Agreement for bonds from time to time issued by the Lessor. The Lessee shall also pay the costs and expenses incurred by Lessor in connection with the issuance of such bonds. To the extent that Lessor expends proceeds of a bond issue for projects authorized by any trust indenture or bond resolution but which are not a part of the Hospital Facilities, as defined herein, Lessor shall bear a portion of the total debt service, costs and expenses for such bond issue which portion shall bear the same ratio to the total debt service, costs and expenses for such bond issue as the funds expended on such project which is not a part of the Hospital Facilities bears to the total bond issue. During the term of this Agreement, Lessee shall further provide to Lessor, at Lessee's sole expense, office space within the Hospital Facilities and administrative and clerical assistance in order to enable the Lessor to perform its functions and fulfill its responsibilities under the Special Act which created the Lessor.

The Lessee shall have the right to prepay in whole or in part from time to time rents or fees provided for hereunder, which relate to outstanding bonds, by paying to the Lessor such amount as shall allow the Lessor to redeem some or all of such bonds. Lessor shall redeem such bonds at the direction of the Lessee and in accordance with the provisions of the applicable resolutions or indentures. Lessor's obligation to redeem bonds shall be conditioned upon receipt from Lessee of sufficient funds to permit a redemption authorized under the applicable resolutions or indentures and upon further receipt of directions for redemption from Lessee in

writing which direct Lessor to accomplish a redemption permitted under the applicable resolutions or indentures.

6. **Indigent Care.** Lessee shall provide medical care for the indigent residents of the Indian River County Hospital District and shall assume Lessor's responsibilities under (a) the Health Care Responsibility Act (Florida Statutes §§154.301 through 154.316) as amended from time to time; and (b) Chapter 87-92, Laws of Florida, all as more particularly set forth in the Indigent Care Agreement between Lessee and Lessor.

7. **Use.** Lessee shall operate the Hospital Facilities or cause the Hospital Facilities to be operated primarily as a nonprofit hospital with medically related programs for the diagnosis, treatment and care of sick and injured persons. Lessee shall operate a full service hospital providing a level and variety of major services which are at least equal to those offered by the Indian River Memorial Hospital as of the date of this Agreement. In the event that Lessee desires to discontinue a major service currently provided by the Indian River Memorial Hospital, it shall petition Lessor for permission to do so specifying in detail the basis for the proposed discontinuance, alternative sources of such service, the necessity of the availability of such service within the District, the economic impact to Lessor and Lessee of the discontinuance of such service, the anticipated affect of such discontinuance on the residents of the Indian River County Hospital District and such other matters as the Lessor may request. Lessor shall approve the discontinuance of such service if it determines that the discontinuance of such service will not have a material adverse effect on the residents of the Indian River County Hospital District either because the service is no longer needed, the service is otherwise available to residents of the District, the service can be provided by another health care provider in a more economical and efficient manner than by the Lessee or that the continuance of the service by the Lessee will impose an economic hardship on Lessee beyond that envisioned by Lessor and Lessee at the time of execution of this Agreement. Lessee shall neither use nor occupy the leased premises or permit the premises to be used or occupied contrary to any statute, rule, order, ordinance, requirement or regulation applicable thereto, nor in any manner which would violate any certificate of occupancy hereafter issued for the premises or which would cause structural damage to any building constructed thereon, nor in any manner which would cause the value of the premises or any part to diminish or which would constitute a public or private nuisance or waste nor in any manner which would constitute an event of default under any resolution or indenture governing bonds sold for the alteration, improvement, expansion or addition to the Hospital Facilities.

Lessee shall not deny emergency hospital care to any person based on ability to pay for such services and shall not make distinction in the extension of hospital care because of race, color, religion, sex, national origin, marital status, or physical or mental handicap. It is understood that the Lessee shall have the right to refuse admittance of patients because of lack of facilities or services or to protect the welfare of patients already admitted and to adopt and amend from time to time appropriate rules respecting admission of patients.

The Lessee shall fix, charge and collect reasonable rates, fees and charges for the use of the leased premises and for providing service, having due regard for adequate reserves for renewal and replacement of equipment, fixtures and buildings as well as adequate operating

surplus to provide capital for expansion of the leased premises, improving services provided and the offering of new services. The rates, fees and charges fixed by the Lessee may be adjusted from time to time. Anything to the contrary herein notwithstanding, for the period of time during which there are any bonds outstanding under the Master Trust Indenture, and any Bond Indenture, the proceeds of which were expended on the Hospital Facilities, Lessee shall set its rates, fees and charges so as to be in full compliance with the covenants as to revenues in such Master Trust Indenture and any Bond Indenture.

Lessee shall operate the hospital or cause it to be operated in such a manner that the operator exercises its best efforts to achieve and maintain accreditation by the Joint Commission on Accreditation of Hospitals or its successor and licensure by any governmental entity having jurisdiction.

8. **Covenants and Representations of Lessor.**

a. Lessor covenants that it has approved, and does hereby approve, the articles of incorporation of Lessee.

b. Lessor represents that it has the lawful authority, power, capacity and ability to enter into this Agreement and to become bound by the terms of this Agreement; the Lessor further represents that the person or persons executing this Agreement for or on behalf of Lessor are fully and unconditionally authorized and empowered to enter into this Agreement for and on behalf of the Lessor. In the event that any person or persons or governmental agency or authority shall at any time commence or maintain any action or proceeding to terminate, void, rescind, modify, or amend this Agreement, or any of the rights and duties of the parties hereto upon the claimed basis of any lack on the part of the Lessor of the jurisdiction, capacity, ability, power, or authority to enter into or perform this Agreement, the Lessor shall appear for and defend the Lessee against any and all such claims and shall save and hold the Lessee harmless from and against any and all loss, cost, damage, expense, attorneys' fees and other injury resulting to Lessee as the proximate result of any such action, proceedings, or any decision, order, writ, or judgment made therein based upon any such lack of jurisdiction, capacity, ability, power or authority on the part of the Lessor.

c. Lessor covenants with Lessee that during the term of this Agreement and in consideration of the Lessee's agreement herein to assume a portion of Lessor's debt obligations, the Lessor shall not engage in any activity competitive with the activities engaged in by Lessee under this Agreement and which shall have a material adverse effect upon the Lessee's business, assets, liabilities, financial condition, results of operations or business prospects.

d. Lessor covenants with Lessee that it shall cooperate with Lessee and execute such documents as are necessary or appropriate in order to secure such approvals from governmental agencies and others as are necessary to allow the Lessee full enjoyment of the rights and benefits under this Agreement.

e. So long as the 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 Hospital Facilities during the term hereof subject to all of the terms and provisions hereof.

9. **Covenants and Representations by the Lessee.**

a. The Lessee is empowered to provide Hospital Facilities under the laws of the State of Florida, and is duly incorporated and in good standing under the laws of the State of Florida as a not-for-profit corporation, is not in violation of any provisions of its charter or articles of incorporation or its bylaws; and has power to enter into this Agreement and to perform the obligations it has agreed to perform hereunder.

b. The Lessee is a Florida not-for-profit corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is exempt from federal income taxation pursuant to Section 501(a) of such Code.

c. By proper corporate action of its board of directors, the Lessee has duly authorized the execution and delivery of this Agreement.

d. During the term of this Agreement, Lessor and Lessee shall continue to comply with all obligations imposed upon these parties pursuant to the federal Hill-Burton Act, 42 USCA 291 et seq.

e. The Lessee covenants that the Lessor and its agents and attorneys shall have the right at all reasonable times to enter upon, and examine and inspect the Hospital Facilities. If it shall appear to the Lessor that any such inspection discloses that the Lessee may have violated any of its covenants and agreements under the provisions of this Agreement respecting the operation, maintenance, or repair of the Hospital Facilities, the Lessee shall cause an inspection of the Hospital Facilities to made by an independent consultant agreeable to the Lessor. The Lessee shall file with the Lessor for each such inspection a report of the consultant setting forth: (1) findings as to whether the Hospital Facilities have been maintained in good repair, working order and condition; and (2) recommendations as to the proper maintenance and repair of the Hospital Facilities during the remainder of the lease term. If any such report of the consultant shall set forth that the Hospital Facilities have not been maintained in good repair, working order and condition, the Lessee shall restore the Hospital Facilities promptly to good repair, working order and condition with all expedition practicable.

f. The Lessee covenants that so long as this Agreement is in effect:

i. The Lessee shall install or maintain proper books of record and account in which full and correct entries shall be made in accordance with generally accepted accounting principles of all business and affairs of the Lessee under this Agreement. The Lessee shall furnish to the Lessor the following financial statements, financial data and certificates:

a. As soon as practicable and in any event within one hundred fifty (150) days after the end of each fiscal year of the Lessee, financial statements covering the operation of Lessee under this Agreement for such fiscal year and containing statements of income and of fund balance for such fiscal year, and a balance sheet of the Lessee as of the close

of such fiscal year, each accompanied by statements in comparative form for the preceding fiscal year and a certificate or opinion in the standard form approved by the American Institute of Certified Public Accountants signed by an independent certified public accountant. The Lessee's Audited Financial Statements shall be presented by the external auditor to the Lessee's Board of Directors and the Lessor's Board of Trustees.

b. With reasonable promptness such other financial data requested by Lessor as may be demonstrated to be necessary to protect the interest of the Lessor.

c. Prior to the adoption by Lessee of its annual operating and capital budgets, copies thereof shall be provided to Lessor for review and comment, as part of a regularly scheduled meeting of Lessor's board of trustees. Lessee shall give due consideration to the comments of Lessor and the public. Nothing herein shall qualify Lessor's right of control under the Indigent Care Agreement of the program for the rendering of medical health services to indigent residents of the Indian River County Hospital District and the payment therefor by Lessor. Budgetary issues which do not fall within those defined in the Indigent Care Agreement shall be within the sole discretion of Lessee subject, however, to the terms and conditions of this Agreement.

ii. Lessee shall provide the following information at Lessor's regular meetings: (a) monthly: an update on Hospital matters by Lessee's Chief Executive Officer, or other designee reasonably acceptable to Lessor; (b) quarterly: an update on the Hospital's operating results by Lessee's Chief Financial Officer, or other designee reasonably acceptable to Lessor; and (c) annually: an update on patient care within Indian River Memorial Hospital and, to the extent known by Lessee, within Indian River County and the State of Florida, by Lessee's Chief Executive Officer, or other designee reasonably acceptable to Lessor.

iii. Lessee shall operate the Hospital Facilities in a manner consistent with Lessor's public purpose which includes preservation of the public health and operation of the Hospital Facilities for the public good and for the use of the public of the Indian River County Hospital District. In the event a bona fide issue is raised by the Lessor regarding Lessee's operation of the Hospital Facilities in accordance with the public purposes for which the hospital was established, the Lessor, its agents, attorneys and accountants shall have access to and the right to inspect, examine and make copies of any books and records, accounts or other data reasonably related to the issue or issues raised other than personal or confidential records protected by law.

iv. None of the Lessee's revenues, income or profits, whether realized or unrealized, will be distributed to any of its members, or inure to the benefit of any private person, association or corporation, other than for the lawful purposes of the Lessee; provided, however, the Lessee may pay to any person, association or corporation the value of any service or product performed for or supplied to the Lessee by such person, association or corporation. The Lessee shall conduct its business and activities in such manner that will at all times maintain and preserve its existence as a not-for-profit corporation with authority to do business in the state and will take no action or suffer any action to be taken by others which will alter, change or

destroy its status as a charitable corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

v. Lessee shall provide or cause to be provided to Lessor a strict accounting of those monies received by or through Lessor, the source of which are tax revenues generated by or through Lessor. Lessee shall use ad valorem tax revenues only for indigent care and such other purposes permitted by the laws of the State of Florida and in accordance with any terms, conditions or restrictions imposed upon such monies by Lessor or the appropriate governmental entity which is the source of such funds.

vi. Lessee shall assume all obligations of Lessor arising under the Master Trust Indenture, any Bond Indenture and all agreements of Lessor relating to all bonds issued pursuant thereto, including but not limited to Reimbursement Agreements, and/or Remarketing Agreements (each as defined in the Master Trust Indenture and the Bond Indentures), all of said indentures and agreements pertaining to bonds issued for the purpose of generating funds for the improvement, expansion or alteration of the Hospital Facilities. Lessee shall further perform all covenants of Lessor contained in such indentures and agreements, which it is capable of performing including, without limiting the generality of the foregoing, the rate covenants set forth in the Master Trust Indenture and the Bond Indentures. Lessee's obligations hereunder shall exist during such period of time as there remain bonds outstanding under the Master Trust Indenture and Bond Indentures, or moneys owed under any Reimbursement Agreement, Remarketing Agreement, or other agreement pertaining to revenue bonds issued for the purpose of generating funds for the improvement, expansion or alteration of the Hospital Facilities. Lessee shall assume such obligations of Lessor by written agreement, the "Assumption Agreement". Any default in the Assumption Agreement by the Lessee shall constitute a default under this Agreement. Lessee shall promptly deliver to Lessor any material notices or communications received by Lessee from, or on behalf of, any bond trustee, letter of credit issuer, bond insurer or other party to the Master Trust Indenture, any bond indenture, or any agreement relating thereto, which notice or communication relates to the performance of Lessee or Lessor, or any other party, of its obligations under such indenture or agreement.

vii. To the extent that any subsidiary of Lessee (a) performs any action with respect to the real property described on Exhibit A attached hereto, which action is otherwise performable by Lessee hereunder; or (b) exercises any operational responsibility with respect to Indian River Memorial Hospital, which responsibility is otherwise exercisable by Lessee hereunder, Lessee shall cause such subsidiary to comply with the terms of this Agreement with respect to such action or responsibility. Any violation of such terms by the subsidiary shall constitute a violation of this Agreement by Lessee. For the purposes of this paragraph, the term "subsidiary" shall mean any entity which (a) is created by or at the instigation of Lessee, for the purpose of performing any action or exercising any responsibility, as described in the first sentence of this paragraph; (b) is owned more than fifty percent (50%) by Lessee, or one or more of its subsidiaries; or (c) in the case of a not-for-profit entity, has Lessee as its sole or primary member. Without limitation, as of the date of this Agreement, Indian River Health Services Corporation and Health Systems of Indian River, Inc. shall be included within the term "subsidiary," and Indian River Hospital Foundation, Inc. shall not be included within the term "subsidiary."

viii. Lessor shall be entitled to appoint one or more trustees or other persons to the following committees of Lessee's board of directors, all as set forth more fully in Lessee's by-laws: Nominating Committee, Finance Committee, Patient Care Committee, Investment Committee, Governance Committee and Chief Executive Officer Search Committee. Further, Lessee will create a Strategic Planning Committee to which Lessor may appoint one Trustee. Any violation by Lessee of Lessor's rights under Lessee's bylaws shall be deemed to be a violation by Lessee of this Lease. If the meetings of any such committee are permitted by the terms of this Agreement to be held in private (i.e., not open to the public), the following procedure shall apply with respect to confidential matters which are disclosed to Lessor's appointee(s) in connection with the membership of such appointee(s) on the committee: if the appointee(s) believes that such matter should be disclosed in public to Lessor's board of trustees, the appointee(s) shall first discuss the need for such disclosure with Lessee's president and chief executive officer, and if requested by such president and chief executive officer, with the chairman of Lessee's board of directors. If the matter is not resolved to the satisfaction of such appointee(s), such appointee(s) may then disclose the matter in public to Lessor's board of trustees, giving due regard to the sensitive nature of such matter.

10. **Joint Meetings**. Joint meetings of the Board of Trustees of Lessor and the Board of Directors of Lessee shall be held, as necessary, two (2) times per fiscal year (October 1 to September 30), the dates of which are to be mutually agreed upon by Lessor and Lessee. Such joint meeting may be called by either the Lessor or the Lessee. Additional joint meetings may be scheduled at any time at the request of the chairperson of either board. The first joint meeting shall be chaired by the chairperson of Lessor's board of trustees, and the second joint meeting shall be chaired by the chairperson of Lessee's board of directors, with such alternating process to continue for each meeting held thereafter. The purpose of such joint meetings shall be to exchange information and to discuss issues and ideas related to the operation of the Hospital Facilities. It is anticipated that Lessee shall present its long-range strategic plan at the Spring meeting and its operating and capital budget results for the current year, and its operating and capital budgets for the following year, at the meeting held in approximately August.

11. **Public Records and Open Meetings**. (a) When engaged in the management and operation of Indian River Memorial Hospital, Lessee, and each of its subsidiaries as defined in paragraph 9(f)(vii) above, shall comply with the Government in the Sunshine Law, §286.011 Fla. Stat., and the Public Records Act, Chapter 119 Fla. Stat., as each is amended from time to time, to the same extent that Lessor would be required to comply with such laws if Lessor was engaged in the management and operation of Indian River Memorial Hospital; and (b) notwithstanding the above, the Public Records Act and the Government in the Sunshine Law as they now exist, and as they may be amended from time to time, shall govern the meetings and maintenance of records of the Patient Care, Compliance, Audit and Strategic Planning Committees of Lessee and the review of the activities and action upon the recommendations of those committees by the Board of Directors of Lessee.

12. **Taxes, Other Governmental Charges and Utility Charges**. The Lessor and the Lessee acknowledge: (a) that under present law neither the income, profits nor properties of the Lessor nor of the Lessee are subject to either federal, state or local taxation, and (b) that this fact,

among others, induces each of the parties to enter into this Agreement. However, if there shall occur any changes in the taxability of the Lessee, the Lessee shall pay, as the same respectively become due, (i) all ad valorem taxation by the State or by any political subdivision or special district thereof and all other taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Hospital Facilities or any personal property installed or brought by the Lessee on the Hospital Facilities (including, without limiting the generality of the foregoing, any taxes levied on or with respect to the income or profits of the Lessee and any other taxes levied upon or with respect to the Hospital Facilities which, if not paid, will become a lien on the Hospital Facilities, including any ad valorem taxes assessed upon the Lessee's interest in the Hospital Facilities), (ii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Hospital Facilities, and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Hospital Facilities; provided, that with respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the lease term.

The Lessee may, at its own expense and in its own name in good faith, contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless by such action the title of the Lessor to any part of the Hospital Facilities shall be materially endangered or the Hospital Facilities or any part thereof shall become subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid forthwith by the Lessee.

13. **Employees and Contracts.**

a. Lessee shall be responsible for all employees employed in the operation of the Hospital Facilities. Lessee shall be liable for any existing employee benefit and welfare plans and shall hold Lessor harmless from any liability or obligation with respect thereto. Lessee shall have the right to make whatever changes it may deem desirable with respect to its personnel, staff, employment practices, policies and benefit plans and which are consistent with sound management practices.

b. Lessee shall be responsible for the retirement plan now in effect for Lessee's employees. Lessee shall be responsible for the administration of the plan according to its terms and as it may be amended from time to time.

c. Lessee shall assume responsibility for all contracts not fully performed, leases, debts, liabilities and other obligations of Lessor arising from the operation of the Hospital Facilities and outstanding as of May 1, 1985, except for: (1) Special Limited Tax Bonds issued by the Lessor and other bonds of Lessor issued for purposes other than improvement, expansion or alteration of the Hospital Facilities; (2) liabilities, arising from or in connection with claims, suits, judgments and settlements, based on tort or breach of contract occurring prior to May 1, 1985 or claims to which the Lessor has alternate sources of recovery available to it provided that Lessee shall cooperate with Lessor in defending, settling or otherwise disposing thereof; (3) any

liability incurred by Lessor, past, present or future, with respect to retroactive assessments by the Florida Patients' Compensation Fund applicable to periods during which Lessor participated in such fund prior to October 1, 1986.

d. Membership on Lessee's medical staff shall be subject to the medical staff bylaws of Lessee.

14. **Maintenance and Repair of Building and Grounds**. Lessee shall maintain, at its sole expense, all buildings, medical and surgical equipment, communication systems, all equipment and fixtures in the Hospital Facilities, including but not limited to, heating, ventilating, air conditioning, electrical and plumbing systems, and all other improvements, including parking areas, exterior lighting and signage, made to the Hospital Facilities, in good condition, working order, repair and appearance. Lessee shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary equipment constituting apart of the Hospital Facilities. In any instance where the Lessee, in its sole discretion, determines that any items of such equipment have become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary, the Lessee may remove such items of equipment from the Hospital Facilities and sell, trade-in, exchange or otherwise dispose of them (as a whole or in part), provided that the Lessee substitutes and installs in the Hospital Facilities (subject to the provisions of the next sentence of this paragraph) other equipment having comparable utility (but not necessarily having the same function) in the operation of the Hospital Facilities and provided further that such removal and substitution shall not impair the operating viability of the Hospital Facilities. The Lessee shall not be required to install other equipment and substitute for any equipment removed pursuant to the preceding sentence if, in the reasonable opinion of the Lessee, such substitution is not necessary to preserve the operating viability of the Hospital Facilities. Lessee shall maintain the grounds of the Hospital Facilities in a good, clean and safe condition, presenting a neat appearance. The premises shall be kept free of accumulation of trash and debris, the grass and landscaped areas shall be kept cut and trimmed at all times and all rubbish and garbage shall be disposed of in a clean and sanitary manner.

15. **Reconstruction**. In the event of partial or total destruction of the Hospital Facilities at any time and by whatever cause, including demolition by the Lessee, whether or not covered by insurance, the Lessee agrees and covenants to rebuild or restore such improvements in accordance with the original plans and specifications for construction thereof with allowance for any alterations required by governmental authorities having jurisdiction thereof, with allowance for any design changes deemed necessary or desirable by Lessee upon the condition that the completed improvements shall have at least the same functional capabilities as the improvements being replaced or restored, and subject to any changes approved by the Lessor, as often as such destruction, damage or demolition may occur. Lessee agrees to commence rebuilding or restoring within one hundred eighty (180) days after such loss, and agrees to prosecute such rebuilding or restoring thereafter with such dispatch as maybe necessary to complete it within twenty-four (24) months after the occurrence of such damage, destruction or demolition as the case may be. If the rebuilding is delayed from starting or interrupted by an act of God or a public enemy or casualty or strike or governmental regulation, or if due to the magnitude and scope of the work it is impracticable to complete it within such time period, the

delay shall not be deemed a delay or interruption that constitutes the Lessee in default. In the event that the Master Trust Indenture or any Bond Indenture thereunder provides the Lessor or the Lessee with discretion as to whether to apply insurance proceeds either to repair, rebuild or restore the Hospital Facilities or to reduce outstanding bonds, and if there are any bonds issued pursuant to such Indentures which are outstanding at the time, Lessor shall concur with Lessee's election with respect to the application of such insurance proceeds.

16. **Alterations and Improvements.** The Lessee shall have the right at its own expense to make any improvements, additions to or alterations in the Hospital Facilities provided that neither the value thereof nor its utility for the purpose intended is thereby impaired and provided further that such alterations and improvements shall be deemed a part of the Hospital Facilities and subject to the provisions of this Agreement; and provided further, however, that any structural improvements, additions or alterations to any buildings leased hereunder, the cost of which exceeds $500,000.00, shall be constructed only with the prior approval of Lessor. Nothing herein shall be deemed to qualify Lessee's obligation under paragraph 7 hereof with regard to the level and variety of medically related services which it offers. Lessee shall have the primary responsibility for the cost of improvements, additions and alterations to the Hospital Facilities. Lessee may defray the cost of such improvements, alterations or additions by its own funds, by assuming the obligations of Lessor as issuer under a Master Trust Indenture or Bond Indenture pertaining to bonds, the proceeds of which are to be used to improve, alter or provide additions to the Hospital Facilities, by issuing additional bonds or parity indebtedness as defined in the Master Trust Indenture and Bond Indentures, or through any other form of financing permitted by law and permitted under any indenture to which Lessee is subject at the time of such financing, provided, however, that Lessee shall not be entitled to encumber its leasehold interest in the Hospital Facilities without the prior written consent of the Lessor.

17. **Insurance and Indemnity.**

a. Lessee covenants that it shall keep the Hospital Facilities insured at all times and carry such other insurance with respect to the operation and maintenance of the Hospital Facilities of such type and in such amounts as are normally carried by hospitals of similar type and size in the State of Florida, provided that the same shall meet the following minimum requirements:

i. Fire and extended coverage including, but not limited to, insurance against loss or damage from lightning, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles, smoke, malicious mischief and vandalism, or equivalent coverage obtainable through federal or state programs as may be approved for issuance in the State of Florida, at all times and in an amount equal to ninety percent (90%) of the full insurable replacement value of the property insured, as is determined in an appraisal, paid for by the Lessee and a copy of which shall be furnished to the Lessor, by a qualified appraiser selected by the Lessee. The appraisal required hereunder shall be performed every five (5) years commencing in the year 2004. For the years during which an appraisal is not performed, Lessee shall internally record the replacement value of additions to and deletions from the Hospital Facilities and provide to Lessor a copy of such record and evidence that the insurance required by this sub-paragraph is in full force and effect.

ii. Insurance coverage of boilers, pressure vessels and auxiliary piping with a limit of not less than Five Million Dollars ($5,000,000.00);

iii. Comprehensive general liability insurance, with limits of not less than Ten Million Dollars ($10,000,000.00) annual aggregate for bodily injury and property damage;

iv. Business automobile liability insurance including property damage with limits of not less than Ten Million Dollars ($10,000,000.00) annual aggregate;

v. Workmen's compensation and employer's liability coverage as required by the laws of the State of Florida;

vi. Business interruption insurance covering the loss of anticipated gross revenues by reason of the total or partial suspension of or interruption in, the operation of the Hospital Facilities, with such exceptions as are customarily imposed upon insureds, in an amount equal to the sum of (a) maximum total principal and interest requirements under any Trust Indenture for which the Lessee has assumed responsibility relating to the Hospital Facilities, plus (b) the amount required to pay salaries of key personnel of the Lessee during any twelve month period as determined by its governing board;

vii. Malpractice insurance protecting the Lessor and the Lessee against liability for death, injury, loss or damage occurring during an examination, diagnosis, treatment or care of any patient of the Hospital Facilities and any other health care facilities owned or operated by the Lessee in the minimum amount of Ten Million Dollars ($10,000,000.00) annual aggregate;

viii. Fidelity Bonds on all officers and employees of the Lessee who have access to or have custody of gross revenues of the Lessee in amount of Five Hundred Thousand Dollars ($500,000.00).

ix. Other insurance covering losses and providing limits as are presently carried by the Lessor on the Hospital Facilities or the operation thereof to include, but not be limited to, flood and earthquake insurance, directors and officers liability insurance, medical staff committee insurance, accounts receivable insurance, electronic data processing insurance and valuable papers insurance.

Any insurance required to be carried under this paragraph may be included as part of any blanket or other policy or policies of insurance covering not only the Hospital Facilities but also other properties in which the insured has an insurable interest in the case of property and, in the case of all policies, shall include the Lessor as an additional named insured, may include additional named insureds other than the Lessor and may include deductibles or self-insured retention levels as are deemed appropriate by the Lessee's independent insurance consultant. Required limits of coverage may be provided by umbrella policies if such policies in the aggregate provide the same coverage required by this paragraph. Such insurance may provide for deductibles or co-insurance deemed reasonable by the Lessee's independent insurance consultant.

The Lessee shall file with the Lessor, not later than the 10th day of each fiscal year of the Lessee, an opinion of the Lessee's independent insurance consultant to the effect that the coverages and deductibles maintained for all of the insurance policies required by this paragraph are appropriate for hospitals of similar type and size in the State of Florida.

In the event the Lessee in good faith determines that any insurance required above is not commercially available at a reasonable cost with reasonable terms it may engage an independent insurance consultant, identifying such independent insurance consultant by name and qualifications, to verify such determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Lessee (taking into consideration the costs and practices of other hospitals of similar size and type in the State of Florida to the extent such information is available) and alternative or supplementary programs to provide protection against the liabilities covered by such insurance. The governing board of the Lessee may, upon resolution adopted in good faith and upon the recommendations of its independent insurance consultant, adopt alternative or supplemental risk management programs which such board determines to be reasonable and which shall not have a material adverse impact on the Lessee's reimbursement from third party reimbursers, including, without limitation, the right to self-insure in whole or in part as provided in subsection (b) of this paragraph to organize either solely or in connection with other hospitals, or health care institutions or organizations, captive insurance companies; to participate in programs or captive insurance companies organized by others; to establish a self-insurance trust fund; or participate in mutual or other cooperative insurance or other risk management programs with other hospitals or health care institutions or organizations; to participate in or enter into agreements with any local, state or federal governments in order to achieve such insurance to take advantage of state or federal statutes or laws now or hereafter in existence limiting liability; or to participate in other alternative risk management programs; provided, however, if the revision in insurance coverage which the Lessee proposes is required by third party payment rules or requirements of third party payers which comprise at least twenty percent (20%) of the Lessee's gross patient revenues, then the same conclusively shall be deemed to be reasonable and the Lessee shall not be required to submit the same to a consultant but shall submit evidence satisfactory to the Lessor that such amendment is required by such third-party payment rules or requirements. A copy of such recommendations by the independent insurance consultant shall be filed with the Lessor and the Lessee shall promptly deliver to the Lessor in writing a copy of each alternative risk management program that has been adopted by its governing board. Such program may be implemented on or after the thirtieth day following the delivery of a written copy thereof to the Lessor.

Notwithstanding the foregoing provisions of this section, if at any time it shall be unlawful to carry such insurance or if at any time the Lessee shall be unable to obtain such insurance to the extent above required, either as to amount of such insurance or as to the risks covered thereby or the deductible provisions thereof, it shall not constitute a default under the provisions of this Agreement if the Lessee shall carry or cause to be carried such insurance to the extent reasonably obtainable as certified by the Lessee's independent insurance consultant.

b. Notwithstanding the foregoing, the Lessee shall be entitled to provide the coverage required by paragraphs (iii), (iv), (v) and (vii) of subsection (a) of this paragraph

through qualified self-insurance, provided that the requirements hereinafter set forth in this subsection (b) are satisfied. "Qualified self-insurance" means insurance maintained through a program of self-insurance or insurance maintained with a company or association in which the Lessee has a material interest or of which the Lessee has control either singularly or with others. Prior to participation in any plan of qualified self-insurance not currently in effect, the Lessee shall deliver to the Lessor (i) a copy of the proposed plan, (ii) a written report from the independent insurance consultant to the effect that the maintenance of qualified self-insurance will not reduce Lessee's net revenues below that which would result from continuing the insurance coverage, and (iii) an evaluation of the proposed plan by the independent insurance consultant together with an opinion of the independent insurance consultant to the effect that (A) the proposed qualified self-insurance will provide the coverage required by paragraphs (iii), (iv), (v) and (vii) of subsection (a) of this paragraph; and (B) the proposed qualified self-insurance plan provides for the creation of actuarially sound reserves, provided that the independent insurance consultant's opinion as to the actuarial soundness of reserves may be based on the opinion of a registered actuary.

Each plan of qualified self-insurance shall be in written form, shall provide that upon the termination of such plan reserves will be established or insurance acquired in amounts adequate to cover any potential retained liability in respect of self-insurance, and shall be reviewed annually by an independent insurance consultant or registered actuary who shall deliver to the Lessee a report on the adequacy of the reserves established thereunder in light of claims made. If the independent insurance consultant or registered actuary determines that such reserves are inadequate in light of the claims made, he shall make recommendations as to the amount of reserves that should be established and maintained, and the Lessee shall comply with such recommendations unless it can be established to the satisfaction of the Lessor that such recommendations are unreasonable in light of the nature of the claims and the history of recovery against the Lessee for similar claims. A copy of each qualified self-insurance plan and of each annual report thereof shall be delivered to the Lessor.

c. Each insurance policy required by this paragraph: (i) shall be by such financially responsible insurer or insurers qualified to write the respective insurance in the State of Florida and of recognized standing; (ii) shall be in such forms and with such provisions (including the loss payable clause, the waiver of subrogation clause, and the designation of the named insureds) as are generally considered standard provisions for the type of insurance involved (provided that provisions superior to standard provisions shall satisfy this requirement); and (iii) shall prohibit cancellation or substantial modification by the insurer or the Lessee without at least thirty (30) days prior written notice to the Lessor. Without limiting the generality of the foregoing, all insurance policies carry pursuant to clauses (i), (ii), (iii), (vi), (vii) and (ix) of subsection (a) of this paragraph shall name the Lessor, the Lessee and, if there are any bonds issued pursuant to such Indentures which are outstanding at the time, the Trustee under the Master Trust Indenture and any Bond Indenture thereunder, as parties insured thereunder as the respective interests of each of such parties may appear and losses under clauses (i), (ii) and (ix), where such clause relates to casualty insurance, shall be made payable and shall be applied as provided in paragraph 18 hereinafter set forth. The net proceeds of insurance required by clauses (iii), (iv), (v), (vii) and (ix), where such clause provides for insurance other than casualty insurance, shall be applied towards extinguishment or satisfaction of the liability with the respect to which such insurance

proceeds are paid, and the net proceeds of insurance required by clauses (vi), (viii) and (ix) where applicable shall be applied and handled as all other receipts of the Lessee for use and application in accordance with the provisions of this Agreement. Each such policy shall provide that losses thereunder shall be adjusted with the insured by the Lessee on behalf of the insured parties except as qualified by the provisions of paragraph 18 hereof. Copies of each such policy or certificate thereof shall be provided to the Lessor.

d. Lessee shall indemnify, defend, and hold harmless Lessor, its successors and assigns, from and against any and all claims, demands, losses, liabilities, judgments and expenses of any nature whatsoever including reasonable attorneys' fees both at trial and appellate level and all costs of litigation, which may be asserted against or imposed upon Lessor or Lessor's title to or interest in the Hospital Facilities and which may arise out of or be attributable to, directly or indirectly, (a) Lessee's interest in the Hospital Facilities under this Agreement; (b) the ownership or operation by Lessee of its business on the Hospital Facilities; (c) any negligent or willful act or omission by Lessee, or any of its agents, contractors, servants, employees, licensees, customers, or invitees; or (d) injury to or death of any person (including without limitation, the public) or loss or damage to any property, including loss of use thereof, occurring on the Hospital Facilities. The indemnity by Lessee hereunder does not qualify in any way Lessor's agreement to indemnify Lessee as provided for under subparagraph 8(b) of this Agreement.

18. **Disposition of Casualty Insurance Proceeds.** Casualty insurance proceeds shall be disposed of in accordance with the provisions of the Master Trust Indenture and any Bond Indenture thereunder if there are any bonds issued pursuant to such Indentures which are outstanding at the time such proceeds are paid. In all other cases casualty insurance policies required under this Agreement shall provide that the loss, if any, shall be paid to a bank having trust powers doing business in Indian River County and selected by the Lessee (hereinafter referred to as "Trustee") as Trustee of such insurance proceeds for the benefit of the Lessor and the Lessee as their respective interest may appear. All fees and expenses of the Trustee shall be paid by the Lessee. The Trustee shall not be responsible for the collection or non-collection of any insurance monies, but only for such insurance money as shall come into its hands. Lessor shall not be responsible for the collection of any insurance money hereunder, in any event. Notwithstanding the foregoing provisions in this paragraph, Lessee shall have the right to adjust and collect any losses of One Million Dollars ($1,000,000.00) or less, and the insurance policies required hereunder shall so provide. All collection of losses in excess of One Million Dollars ($1,000,000.00) shall be made in the name of the Trustee and Lessee may conduct negotiations for adjustments of all such losses, but no final settlement of any loss in excess of One Million Dollars ($1,000,000.00) shall be made without Lessor's prior written consent, which consent shall not be unreasonably withheld or delayed.

In the event of the destruction of any of the improvements by fire, windstorm or any other casualty for which insurance shall be payable to Trustee, then Trustee shall make such funds available to Lessee for the reconstruction or repair of such damage or demolished improvements, as the case may be. The amount of work in place shall be paid out by Trustee from said account from time to time within ten (10) days from Lessee's written draw for such funds based upon the written and certified estimate of any reliable architect licensed in the State of Florida having jurisdiction of such reconstruction. The architect shall certify to the Lessor

that the amount of such estimate is being applied to the payment of the reconstruction or repair for work in place and at a reasonable cost therefor and that after payment by Trustee of the draw requested, the remaining funds held by the Trustee are sufficient to complete the work in accordance with the plans. If the remaining balance would not be sufficient to complete the work in accordance with the plans, then Lessee shall immediately deposit sufficient funds with Trustee so that the remaining balance is sufficient to complete the work in accordance with the plans. Prior to the commencement of any work or the disbursement of any funds by the Trustee, it shall be made to appear to the reasonable satisfaction of the Lessor that the total amount of money necessary to provide for the reconstruction or repair, in accordance with the plans, of the improvements damaged or demolished has been provided by Lessee for such purpose. The amount of money necessary for the reconstruction and the repair, which may be in excess of the amount received from such insurance policies, as reasonably determined by the Lessor as hereinafter set forth, shall be paid by Lessee to the Trustee prior to Lessee commencing any such work. The total amount of money necessary for such repair and reconstruction of improvements shall be evidenced by a bona fide bid of a responsible general contractor or the aggregate of the bona fide estimates of reliable subcontractors and materialmen all licensed in the State of Florida and all of which evidence must be submitted by Lessee to Lessor no later than thirty (30) days before the work itself starts. The Trustee shall not be obligated to examine or inquire into the propriety of the issuance of any architect's certificate on which Trustee may pay as aforesaid, provided only that the same shall comply to the best of the Trustee's knowledge with the requirements set forth in this Agreement, nor shall the Trustee be in any way responsible for the proper application of any funds held by Trustee after the same has been paid out pursuant to the provisions of this paragraph.

Any excess money received from insurance proceeds remaining with Trustee after the reconstruction or repair of such damaged improvements has been completed, shall be paid to Lessee if there has been no default on the part of Lessee in the performance of the covenants contained herein.

Lessee covenants and agrees with Lessor that no damage or destruction to any improvements, by fire, windstorm or any other casualty, shall be deemed to entitle Lessee to surrender possession of the Hospital Facilities, or to terminate this Agreement, or to violate any of its provisions, or to cause any rebate or reduction in the rent when due or thereafter becoming due under the terms hereof, and, if this Agreement shall be canceled for Lessee's default at any time while there remains outstanding any obligation from any insurance company to pay for the damage or any part thereof, then the claim against the insurance company shall, upon the cancellation of this Agreement, be deemed immediately to become the absolute and unconditional property of Lessor.

19. **Lessor's Performance of Lessee's Obligations.** If the Lessee shall fail to pay the costs of maintenance and repair or if Lessee shall fail to take out, maintain, and deliver, insurance policies, or if it shall fail to pay any taxes, or if it shall fail to perform any other act on its part covenanted herein to be performed by it, then the Lessor may, but shall not be obligated so to do, and upon fifteen (15) days prior written notice to the Lessee except in the case of failure to, take out or pay for insurance in which case no notice or demand is required, perform the acts omitted or failed to be performed by the Lessee. If such performance by the Lessor shall

constitute in whole, or in part, the payment of monies, such monies so paid by the Lessor, together with interest at the rate of eighteen percent (18%) per annum and reasonable attorneys' fees and costs incurred by the Lessor in and about the collection of the same, both at trial and appellate levels, shall be deemed additional rent hereunder and shall be payable to the Lessor upon demand, or, at the option of the Lessor may be added to any rent then due or thereafter becoming due under this Agreement and the Lessee covenants to pay any such sums with interest and reasonable attorneys' fees as aforesaid, and the Lessor shall have, in addition to any and all other rights and remedies herein provided, the same rights and remedies in the event of non-payment as in the case of default by the Lessee in the payment of rent.

20. **Condemnation.**

a. **Complete Taking.** If the whole of the Hospital Facilities, or such portion thereof as will make the Hospital Facilities unsuitable for the purposes of this Agreement ("complete taking"), is condemned for any public use or purpose by any legally constituted authority, then in either of such events this Agreement shall cease from the time when possession is taken by such public authority and rental shall be accounted for between the Lessor and Lessee as of the date of the surrender of possession. Such termination shall be without prejudice to the rights of the Lessor or Lessee to each recover compensation from the condemning authority for their respective loss or damage caused by such condemnation. Neither the Lessor nor the Lessee shall have any rights in or to any award made to the other by the condemning authority. Disposition of the award shall be governed by the terms of the Master Trust Indenture and the terms of any Bond Indenture if there are bonds which have been issued under such Indentures outstanding at the time the condemnation award is made.

b. **Partial Taking.** In the event of a taking less than a complete taking ("partial taking"), this Agreement shall not terminate or be affected in any way, except as hereinafter provided, and Lessor and Lessee shall each be entitled to recover compensation from the condemning authority for their respective loss or damage caused by such partial taking. Except as otherwise provided in the Master Trust Indenture and any Bond Indenture when there remains outstanding bonds issued thereunder, if the condemnation proceeds to which the Lessee is entitled shall be One Million Dollars ($1,000,000.00) or less, it shall be paid to Lessee in trust for application by Lessee to the cost of restoring, repairing, replacing or rebuilding the improvements in accordance with the provisions of this Agreement, but if in excess of One Million Dollars ($1,000,000.00) then to the Trustee designated pursuant to paragraph 18 hereof. The portion of any condemnation proceeds so paid to the Trustee shall be disbursed by the Trustee in accordance with the provisions of paragraph 18 of this Agreement.

In the event of a partial taking, Lessee, upon receipt of the condemnation proceeds as provided above shall proceed with due diligence to restore, repair, replace or rebuild the remaining part of the improvements to their former condition as provided for in this Agreement. In the event that the Master Trust Indenture or any Bond Indenture provides the Lessor or the Lessee with discretion as to whether to apply condemnation proceeds either to repair, rebuild or restore the Hospital Facilities or to reduce outstanding bonds, and if there are any bonds issued pursuant to such Indentures which are outstanding at the time, Lessor shall concur with Lessee's

election with respect to the application of such condemnation proceeds. In the event of a partial taking, this Lease shall terminate as to the portion of the Hospital Facilities so taken.

c. **Temporary Taking**. If, at any time during the term of this Lease, the whole or any part of the Hospital Facilities, or of Lessee's leasehold estate under this Agreement, or of the improvements shall be taken in condemnation proceedings or by any right of eminent domain for temporary use or occupancy ("temporary taking"), the Lessee shall continue to perform and observe all of the terms, covenants, conditions and obligations hereof upon the part of the Lessee to be performed and observed as though such taking had not occurred. Subject to any provisions in the Master Trust Indenture or Bond Indenture to the contrary where there remains outstanding bonds issued thereunder, in the event of temporary taking, Lessee shall be entitled to receive the entire amount of the condemnation proceeds made for such taking whether paid by way of damages, rent or otherwise, unless such period of temporary use or occupancy shall extend beyond the termination of this Agreement, in which case the condemnation proceeds shall be apportioned between Lessor and Lessee as of the date of termination of this Agreement. Lessee covenants that, upon the expiration of any such period of temporary use or occupancy during the term of this Agreement, Lessee shall, at Lessee's sole cost and expense, restore the improvements, as nearly as may be reasonably possible, to the condition in which the same were immediately prior to such taking. To the extent the Lessor receives any portion of the condemnation proceeds as compensation for the cost of restoration of the improvements pursuant to this paragraph, Lessor shall pay such sum to Lessee. Any portion of the condemnation proceeds received by Lessee as compensation for the cost of restoration of the improvements shall, if such period of temporary use or occupancy shall extend beyond the term of this Agreement, be paid to Lessor on the date of termination of this Agreement.

d. **Governmental Action Short of Physical Taking.** In the case of any governmental action not resulting in the taking of any portion of the Hospital Facilities, but creating a right to compensation therefor, such as, without limitation, a change of the grade of any street, this Agreement shall continue in full force and effect. Lessor shall be entitled to receive the entire amount of compensation made with respect to any such governmental action unless such governmental action results in physical damage to the Hospital Facilities, whereupon Lessee shall be entitled to the award with respect to such damage and Lessee shall proceed with reasonable diligence to conduct all restoration, repair and replacement necessary to remedy any such physical damage, and if the amount of such compensation is not sufficient, Lessee shall provide the additional funds required. Anything to the contrary herein notwithstanding, the disposition of condemnation proceeds received pursuant to this section shall be governed by any applicable provision of the Master Trust Indenture or Bond Indenture if at the time of receipt of such proceeds there remains outstanding bonds issued thereunder.

21. **Access to Records.** Lessor recognizes that Lessee is or expects to become a participant in various third party payment programs including, without limitation, Medicare, Medicaid, and Blue Cross/Blue Shield, which participation is essential to the financial viability of Lessee. Therefore, in connection with the subject matter of this Agreement, Lessor agrees to fully cooperate with Lessee and provide assistance to Lessee to the end that Lessee will be able to meet all requirements for participation and payment associated with such third party payment programs including, without limitation, the matters more specifically discussed below. In order

to assure that payments made to Lessor by or on behalf of Lessee pursuant to this Agreement are included to the extent appropriate in determining the reasonable costs incurred by Lessee as a provider of service under the Medicare Program, Lessor agrees that, if this Agreement is determined to be a contract between the provider and any of its subcontractors which is entered into after the date of enactment of Social Security Act §1861(v)(1)(i) and the value or cost of which is Ten Thousand Dollars ($10,000.00) or more over a twelve (12) month period, Lessor will perform the obligations as may be from time to time specified for subcontractors in Social Security Act §1861(v)(1)(i) (and the regulations promulgated in implementation thereof), which currently reads as follows:

"(I) In determining such reasonable cost, the Secretary may not include any costs incurred by a provider with respect to any services furnished in connection with matters for which payment may be made under this subchapter and furnished pursuant to a contract between the provider and any of its subcontractors which is entered into after December 5, 1980, and the value or cost of which is$10,000.00 or more over a twelve-month period unless the contract contains a clause to the effect that:

"(i) until the expiration of four years after the furnishing of such services pursuant to such contract, the subcontractor shall make available, upon written request by the Secretary, or upon request of the Comptroller General, or any of their duly authorized representatives, the contract, and books, documents and records of such subcontractor that are necessary to certify the nature and extent of such costs, and

"(ii) if the subcontractor carries out any of the duties of the contract through a subcontract, with a value or cost 0410,000.00 or more over a twelve-month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request by the Secretary, or upon request by the Comptroller General, or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs. The Secretary shall prescribe in regulation criteria and procedures which the Secretary shall use in obtaining access to books, documents, and records under clauses required in contracts and subcontracts under this subparagraph."

In addition, Lessor agrees to make available to Lessee such information and records as Lessee may reasonably request to facilitate Lessee's compliance with the requirements of the Medicare Conditions of Participation and the Medicaid State Plan and to facilitate Lessee's substantiation of its reasonable costs in accordance with the requirements applicable to Lessee pursuant to the Medicare and Medicaid Programs including, without limitation, the requirements contained in 42 C.F.R. Subpart D of Part 405, 42 C.F.R. Subpart C of Part 420, and 42 C.F.R. Subpart B of Part 455.

22. **Default.** The failure by either the Lessor or the Lessee to do or perform any substantial act required of such party by the terms of this Agreement, including but not limited to, compliance by Lessee with all of the obligations and covenants which it has assumed with respect to the Master Trust Indenture and any Bond Indenture, or the failure of the Lessee to

make any payment required hereunder on or before its due date, time being of the essence, shall constitute a default of the obligations of such party under this Agreement. If any proceedings in bankruptcy or insolvency be filed against the Lessee or if any writ of attachment or writ of execution be levied upon the Lessee and such proceedings or levies shall not be released or dismissed within sixty (60) days thereafter, or if the Lessee shall make an assignment for the benefit of creditors or shall voluntarily institute bankruptcy or insolvency proceedings, any such act shall constitute a default on the part of the Lessee under this Agreement.

23. **Curing of Defaults.** Except as otherwise provided in the Master Trust Indenture or as provided for in any Bond Indenture, if there are any bonds issued pursuant to such Indentures which are outstanding at such time, whenever Lessee or Lessor takes an action or fails to act and such action or failure to act constitutes a default of the obligations of such party under this Agreement, the party not in default shall give the defaulting party written notice of such default and shall grant the defaulting party a period of one hundred twenty (120) days from and after receipt of such notice within which to cure such default. If the default specified is not the failure to pay money and it is not possible to correct such default within such one hundred twenty (120) day period, then such period shall be extended from time to time as long as the defaulting party exercises and continues to exercise due diligence to remedy such default. The giving of such written notice and the granting of such period within which to cure such default shall be a condition precedent to the exercise of any other right or remedy by the party not in default.

24. **Remedies.** In the event that either party shall become in default of its obligations under this Agreement, and in the further event that such party shall fail to cure such default within the time provided therefor by the provisions of paragraph 23 of this Agreement, then upon the expiration of the period provided therein for the curing of such default, the party not then in default under this Agreement may, at the option of such party, exercise any one or more of the following remedies which are cumulative:

a. Such party may declare this Agreement to be terminated and shall thereafter have no further obligations to the other hereunder;

b. Alternatively or in addition thereto, such party may seek to compel performance by the defaulting party of the obligations of such defaulting party hereunder, including the payment of all amounts then due; and

c. Alternatively or in addition to either or both of the foregoing remedies, such party may recover from the defaulting party the amount of damage, loss, and expense, including without limitation reasonable attorneys' fees incurred in the exercise of such remedy, suffered or sustained by the party not in default as a proximate result of the default of the other party.

Any such declaration or termination, and any such action or notice of intention to compel performance or recover claimed damages, shall be deemed to constitute conclusive evidence of the existence of a controversy or disagreement between the parties within the meaning of paragraph 26 of this Agreement. The party claiming such default to exist shall exercise its rights

or remedies by serving a demand for submission to arbitration and by proceeding with arbitration as set forth in paragraph 26 of this Agreement. The exercise of such remedy or remedies through arbitration shall be deemed to constitute a condition precedent to the exercise or enforcement of such other remedies as the party not in default may have either under law or provided for herein. Any remedy provided for hereunder shall be cumulative with remedies provided under the Master Trust Indenture or any Bond Indenture if there are any bonds issued pursuant to such Indentures which are outstanding at the time such remedy is exercised.

25. **Informal Issue Resolution.** In the event that either Lessor or Lessee identifies an issue with respect to the fulfillment of either party's obligations under this Agreement which it would like to present to the other for review and resolution, it may by Board resolution refer the issue to a committee consisting of the Chairman and Vice Chairman of the board of trustees of Lessor and the Chairman and Vice Chairman of the board of directors of Lessee. A meeting of the committee shall be held as soon as practicable, considering the urgency of the issue presented, and the committee members shall employ their best efforts to discuss and resolve the issue prior to institution of any formal remedy provided for under this Agreement unless failure to initiate such remedy would cause irreparable harm.

26. **Arbitration.** Subject to any provisions in the Master Trust Indenture or any Bond Indenture if there are any bonds issued pursuant to such Indentures outstanding at the time, any controversy or disagreement which may arise between the Lessor and the Lessee regarding the rights, duties, or liabilities hereunder of either party or with respect to the interpretation or application of this Agreement including the provisions of paragraph 24 hereof shall be determined by arbitration in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association. The party desiring to institute such arbitration shall commence the same by filing written notice upon the other party. Upon the neglect or refusal of a party to submit to arbitration, the requesting party may proceed in accordance with Chapter 682 Florida Statutes (Florida Arbitration Code).

27. **Assignment.** Provided the Lessee is not then in default of any of the Lessee's obligations under this Agreement, the Lessee shall at all times during the term of this Agreement have the full right to either assign or transfer all or a portion of the Lessee's rights and interests under this Agreement or sublet all or a portion of the Hospital Facilities to any Florida not-for-profit charitable corporation which then is and remains, during the unexpired term of this Agreement, an affiliate or subsidiary of the Lessee, or to any Florida not-for-profit charitable corporation which then is and remains, during the unexpired term of this Agreement, the successor in ownership to substantially all of the assets of the Lessee and whose activities and purposes are substantially similar to the corporate activities and purposes of the Lessee. In each such instance the articles of incorporation and bylaws of such entity shall be subject to the approval of the Lessor. Except for assignments, transfers, or subleases to subsidiaries, affiliates, and successors as set forth above, the Lessee shall not, without the Lessor's prior written consent being first obtained, assign, or transfer the rights and interests of the Lessee under this Agreement or enter into any sublease of Hospital Facilities. The Lessee shall give the Lessor written notice of the Lessee's intent to make any assignment, transfer or sublease as to which the Lessor's consent is required, which notice shall identify the proposed assignee, transferee, or sub-lessee and which shall be submitted to the Lessor accompanied by a copy of the proposed

agreement of the assignment, document of transfer, or sublease. The Lessor shall not unreasonably withhold the Lessor's consent to such assignment, transfer, or sublease, and shall give such written consent, or shall give written notice of the Lessor's grounds for declining to give such consent, within thirty (30) days after the Lessor's receipt of the Lessee's written notice of intent to assign, transfer or sublet. Any such permitted assignee or transferee shall execute an acceptance and ratification of this Agreement whereby such assignee or transferee shall expressly accept, assume, and agree to carry out all of the terms and covenants in this Agreement to be kept and performed by the Lessee. The approval of a sublease shall not relieve the Lessee of an of its obligations under this Agreement nor shall any sublease be permitted to assign, transfer or further sublease Hospital Facilities without the consent of the Lessee as hereinbefore provided. Lessee's right of assignment, transfer, or sublease is further qualified by any restrictions imposed by the Master Trust Indenture and any Bond Indenture, if at the time of such proposed assignment, transfer, or sublease there are any bonds issued pursuant to such indentures which are outstanding.

28. **Lessor's Right to Receiver Upon Default of Lessee.** In addition to any other security for the performance of this Agreement, the Lessee hereby assigns to the Lessor all of the rents and profits which might otherwise accrue to the Lessee from the use, enjoyment, and operation of the Hospital Facilities, such assignment to become effective, however, only after default by the Lessee in the performance of its obligations under this Agreement. If the Lessor, upon default of the Lessee, elects to proceed to arbitration to enforce the Agreement and protect the Lessor's right hereunder, the Lessor may upon notice to the Lessee, ancillary to such proceeding, apply to any court having jurisdiction for the appointment of a receiver of the Hospital Facilities, and thereupon the court may forthwith appoint a receiver with the usual powers and duties of receivers in like cases.

29. **Non-Waiver.** The failure of Lessor to insist upon a strict performance of any of the terms, conditions and covenants herein shall not be deemed to be a waiver of any rights or remedies that Lessor may have and shall not be deemed a waiver of any breach or default in the terms, conditions and covenants herein contained except as may be expressly waiver by Lessor in writing. The maintenance of any action or proceeding to recover possession of the Hospital Facilities, or any installment or installments of rent or any other monies that may be due or become due from Lessee to Lessor, shall not preclude Lessor from thereafter instituting and maintaining subsequent actions or proceedings for the recovery of possession of the Hospital Facilities and the recovery of any other monies that may be due or become due from Lessee.

30. **Attorneys' Fees.** In the event either Lessor or Lessee shall bring any action or proceeding for damages for an alleged breach of any provision of this Agreement, to recover rents, or to enforce, protect, or establish any right or remedy of either party, the prevailing party shall be entitled to recover as a part of such action or proceedings, reasonable attorneys' fees, arbitration costs and court costs at both trial and appellate levels.

31. **Force Majeure.** Neither party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement resulting directly or indirectly from acts of God, civil or military authority, acts of public enemy, war, accidents, fires, explosions,

earthquakes, floods, failure of transportation, strikes or any similar cause beyond the reasonable control of either party.

32. **Severability**. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality or unenforceability shall in no event affect, prejudice or disturb the validity of the remainder of this Agreement, which shall be in full force and effect enforceable in accordance with its terms.

33. **Time of the Essence**. It is understood and agreed between the parties hereto that time is of the essence of this Agreement.

34. **Notices**. All notices to be given under the terms of this Agreement shall be in writing signed by the persons serving the same, and shall be sent by registered mail or certified mail, return receipt requested, and postage prepaid, to the address of the parties below specified. Lessor's address for notices shall be: Chairman of Board of Trustees, Indian River County Hospital District, 3730 Seventh Terrace, Suite 204-B, Vero Beach, Florida 32960; and the Lessee's address for notices shall be: c/o President and Chief Executive Officer, Indian River Memorial Hospital, Inc., 1000 36th Street, Vero Beach, Florida 32960.

The parties hereto, if addresses are subsequently changed, shall designate in writing the amended and subsequently specified address. Notices for the purpose of this Agreement shall be deemed to have been received when mailed as provided in this paragraph.

35. **Captions**. The titles to the paragraphs contained herein are for convenience only and do not define, limit, or construe the contents of such paragraphs and are in no way to be construed as a part of this Agreement.

36. **Governing Law**. This agreement shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws of the State of Florida, and the venue for any court proceedings shall be Indian River County, Florida.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in their behalf by their proper officers and their respective corporate seals to be affixed thereto as of the day and year first above written.

Signed, sealed and delivered in the presence of:

Print Name: TREVOR E SMITH

Print Name: Ann Marie Surano

LESSOR: INDIAN RIVER COUNTY HOSPITAL DISTRICT

By: _____

Print Name: Thomas Spackman
Print Title: Chairman

ATTEST:

By: _____

Print Name: Alma Lee Loy
Print Title: Secretary

(CORPORATE SEAL)

STATE OF FLORIDA)
:
COUNTY OF INDIAN RIVER)

I HEREBY CERTIFY that before me, a Notary Public, personally appeared Thomas Spackman as Chairman, and Alma Lee Loy as Secretary of Indian River County Hospital District, known to me to be the individuals described in and who executed the foregoing instrument as Chairman of the Board of Trustees and Secretary of the Board of Trustees, respectively, of the special taxing district named in the foregoing instrument, and they severally acknowledged to and before me that they executed said instrument on behalf of and in the name of said special taxing district, as such officers; that the seal affixed to said instrument is the corporate seal of said special taxing district and that it was affixed thereto by due and regular authority, that they are duly authorized by said special taxing district to execute said instrument and that said instrument is the free act and deed of said special taxing district.

WITNESS my hand and official seal in the state and county last aforesaid this 15th day of November, 2012.

(Affix Seal)

JENNIFER D. PESHKE
Comm# DD0910140
Expires 9/19/2013
Florida Notary Assn., Inc

Name: Jennifer D. Peshke
NOTARY PUBLIC, State of Florida

Signed, sealed and delivered in the presence of:

Print Name: VALERIE LARCOMBE

Print Name: Richard M. Vealey

LESSEE: INDIAN RIVER MEMORIAL HOSPITAL, INC.

By: Richard Weil

Print Name: RICHARD WEIL III
Print Title: Chairman.

ATTEST:

By:

Print Name: Alan Polackwich
Print Title: Secretary

(CORPORATE SEAL)

STATE OF FLORIDA)
:
COUNTY OF INDIAN RIVER)

I HEREBY CERTIFY that before me, a Notary Public, personally appeared Richard Weil, III. as Chairman, and Alan Polackwich as Secretary of Indian River Memorial Hospital, Inc., known to me to be the individuals described in and who executed the foregoing instrument as Chairman and Secretary of Indian River Memorial Hospital, Inc., respectively, of the not-for-profit corporation named in the foregoing instrument, and they severally acknowledged to and before me that they executed said instrument on behalf of and in the name of said not-for-profit corporation, as such officers; that the seal affixed to said instrument is the corporate seal of said not-for-profit corporation and that it was affixed thereto by due and regular authority, that they are duly authorized by said not-for-profit corporation to execute said instrument and that said instrument is the free act and deed of said not-for-profit corporation.

WITNESS my hand and official seal in the state and county last aforesaid this 4th day of December, 2012.

Name: Melinda J. Henne
NOTARY PUBLIC, State of Florida

(Affix Seal)

Notary Public State of Florida
Melinda J Henne
My Commission EE066488
Expires 03/26/2015

EXHIBIT "A"

AMENDED AND RESTATED LEASE OF HOSPITAL FACILITIES

AND

AGREEMENT FOR OPERATION

OF

INDIAN RIVER MEMORIAL HOSPITAL

PARCEL ONE

The West 520 feet of the Northeast one-quarter of Northwest one-quarter of Section 36, Township 32 South, Range 39 East less easements and rights-of-way of record

And

That part of the Northwest one-quarter of Northwest one-quarter of Section 36, Township 32 South, Range 39 East being more particularly described as beginning at a point 453.12 feet East of the Northwest corner of said Northwest one-quarter of Northwest one-quarter said point lying on the North line of said Section 36; thence run South 04 degrees 53' 23" West a distance of 100.76 feet; thence run South 05 degrees 37' 50" West a distance of 462.18 feet; thence run South 00 degrees 35' 41" West a distance of 231.20 feet; thence run South 32 degrees 50' 49" East a distance of 299.62 feet; thence run North 89 degrees 34' 17" East a distance of 535.90 feet; thence run South and parallel to the East line of said Northwest one-quarter of Northwest one-quarter a distance of 298 feet more or less to the South line of said Northwest one-quarter of North-west one quarter; thence run East along said South line a distance of 238 feet more or less to the Southeast corner of said Northwest one-quarter of Northwest one-quarter; thence run North along said East line of Northwest one-quarter of Northwest one-quarter to the Northeast corner of said Northwest one-quarter of Northwest one-quarter; thence run West along the North line of Northwest one-quarter of Northwest one-quarter a distance of 873.42 feet to the point of beginning. Less and except easements and rights-of-way of record. Said land lying and being in Indian River County, Florida.

Together with a non-exclusive easement in favor of Lessee, its successors in title, assigns, employees, tenants, licensees and invitees for ingress and egress over and upon the roadways now situated upon and hereinafter constructed upon the real property described as:

> The Northwest one quarter of the Northwest one quarter and the Northeast one quarter of the Northwest one quarter of Section 36, Township 32 South, Range 39 East, said land lying and being in Indian River County, Florida.

Lessor reserves to itself, its successors in title, assigns, employees, tenants, licensees and invitees a non-exclusive easement for ingress and egress over and upon the roadways now situated upon and hereinafter constructed upon the real property described as:

> The Northwest one quarter of the Northwest one quarter and the Northeast one quarter of the Northwest one quarter of Section 36, Township 32 South, Range 39 East, said land lying and being in Indian River County, Florida

PARCEL TWO
(Oncology Center)

A 50-foot strip of land containing approximately 0.33 acres, said strip being bounded and described as follows:

> Beginning at a point on the south line of the NW 1/4 of NW 1/4 of Section 36, Township 32 South, Range 39 East, and 229.62 feet west of the S.E. corner of said N.W. 1/4 of N.W. 1/4; thence run N. 89 degrees 41'59" W, a distance of 50.0 feet; thence N 00 degrees, 24'19" W, a distance of 289.95'; thence run N89 degrees of 06'17"E; a distance of 50'; thence run S 00 degrees, 24'19" E, a distance of 290.99' to the Point of beginning. Said parcel contains 0.33 acres more or less. All above said land lying and being in Indian River County, Florida, and subject to all easements and rights of way of record.

This strip of land is shown on a plan of land by Carter Associates, Inc., of Vero Beach, dated September 6, 1985, and identified as DWG. No. 10 299-B; F.B. 327; Pg. 52, and is identified thereon as "Parcel II".

PARCEL THREE
(Helistop)

A parcel of land consisting of approximately .489 acres, said parcel being bounded and described as follows:

Commencing at the Southwest corner of the NW 1/4 of the NW 1/4 of Section 36, Township 32 South, Range 39 East, run North along said Section line a distance of 661.82 feet; thence run S 87 degrees, 11'40" E, a distance of 161.17 feet to the Point of Beginning; thence run S 59 degrees 06'27" E, a distance of 123.25 feet; thence run S 86 degrees 31'46" E, a distance of 127.49 feet; thence run N 00 degrees, 44'30" W, a distance of 139.60 feet; thence run S 62 degrees, 18'07" W, a distance of 103.87 feet back to said Point of Beginning, said land lying and being in Indian River County, Florida. Subject to easements, reservations, restrictions and rights of way of record.

This parcel of land is shown on a Boundary Survey prepared by Carter Associates, Inc., of Vero Beach, Florida, dated January 28, 1987, and identified as Project No. 11553-C; F.B. 370 Pg. 61.

PARCEL FOUR
(Center for Emotional and Behavioral Health)

A parcel of land consisting of approximately 8.00 acres, said parcel being bounded and described as follows:

A parcel in the Southwest quarter of Section 25, Township 32 South, Range 39 East, more particularly described as follows:

Commencing at the Southwest corner of said Section 25, run North along the West Section line, 55.0 feet to the North right-of-way of 37th Street; thence run Easterly, parallel with the South Section line, along said right-of-way 30.0 feet to the Point of Beginning. From the Point of Beginning, run North, parallel with aforesaid West Section line 660.0 feet; thence run Easterly, parallel with aforesaid South Section line, 528.0 feet; thence run South, parallel to aforesaid West Section line 660.0 feet to the North right-of-way of 37th Street; thence run Westerly along said right-of-way, parallel to the aforesaid South Section line, 528.0 feet to the Point of Beginning.

All the above situate in Indian River County, Florida and containing 8.00 acres, more or less.

PARCEL FIVE
(82nd Avenue Property)

PARCEL A:

That portion of Tracts 7 and 8, in Section 11, Township 33 South, Range 38 East, Indian River Farms Company Subdivision according to the plat thereof, recorded in Plat Book 2, page 25, of the Public Records of St. Lucie County, Florida, now lying and being in Indian River County, Florida, described as follows:

Commence at the Southwest corner of said Tract 7, thence run North 89 degrees 23 minutes 59 seconds East, along the South line of said Tract 7 for 456.36 feet; thence run North 00 degrees 12 minutes 28 seconds West for 60.00 feet to the North right of way line of Rosedale Road (12th Street), to the point of beginning; thence continue North 00 degrees 12 minutes 28 seconds West for 813.42 feet; thence run North 89 degrees 23 minutes 59 seconds East for 2179.63 feet to the West right of way line of Ranch Road; thence run South 00 degrees 12 minutes 13 seconds East 30 feet West of and parallel to the East line of said Tract 8 along the West right of way line of said Ranch Road for 673.42 feet; thence run South 89 degrees 23 minutes 59 seconds West 200 feet North of and parallel to the South line of said Tract 8 for 217.81 feet; thence run South 00 degrees 12 minutes 13 seconds East for 140.00 feet to the North right of way line of said Rosedale Road; thence run South 89 degrees 23 minutes 59 seconds West 60 feet North of and parallel to the South lines of said Tracts 7 and 9, for 1961.77 feet to the point of beginning; said land lying and being in Indian River County, Florida.

PARCEL B:

That portion of Tract 7 in Section 11, Township 33 South, Range 38 East, Indian River Farms Company Subdivision, according to the plat thereof, recorded in Plat Book 2, page 25 of the Public Records of St. Lucie County, Florida, now lying and being in Indian River County, Florida, described as follows:

Commence at the Southwest corner of said Tract 7, thence run North 89 degrees 23 minutes 59 seconds East along the South line of said Tract 7 for 456.36 feet; thence run North 00 degrees 12 minutes 28 seconds West for 873.42 feet to the point of beginning; thence continue North 00 degrees 12 minutes 28 seconds West for 267.19 feet; thence run North 89 degrees 23 minutes 59 seconds East for 876.65 feet to the East line of said Tract 7; thence run South 00

degrees 12 minutes 19 seconds East along the East line of said Tract 7 for 267.19 feet; thence run South 89 degrees 23 minutes 59 seconds West for 876.64 feet to the point of beginning; said land lying and being in Indian River County, Florida.

PARCEL SIX
(Fitness/Wellness Trail)

A parcel of land being bounded and described as follows:

The East 340 feet of the South 800 feet and the West 473.77 feet of the East 813.77 feet of the South 310 feet of the Northeast quarter of the Northwest quarter of Section 36, Township 32 South, Range 39 East, lying and being in Indian River County, Florida.

Lessee shall use Parcel Six exclusively for the purpose of a fitness/wellness trail, and for no other purpose whatsoever.

Parcel Six shall remain a part of Exhibit "A" until such time as Lessor determines that Parcel Six should be utilized for some other purpose or function reasonably necessary to the discharge of the Lessor's responsibilities under Chapter 2003-382, Laws of the State of Florida. At such time as Lessor determines that Parcel Six should be used for such other purpose or function, Lessor shall notify Lessee of such fact in writing, and Parcel Six shall be removed from Exhibit "A," effective sixty (60) days thereafter.

PARCEL SEVEN
(Emergency Facilities Expansion)

The Northwest 1/4 of the Northwest 1/4 of Section 36, Township 32 South, Range 39 East, Indian River County, Florida; less and except all road rights-of-way of record; and less and except that part of the certain described property for "Lease of Hospital Facilities and Agreement for Operation of Indian River Memorial Hospital" being described as follows:

Beginning at a point 453.12 feet East of the Northwest corner of said Northwest 1/4 of Northwest 1/4, said point lying on the North line of said Section 36; thence run South 04°53'23" West, a distance of 100.76 feet; thence run South 05°37'50" West, a distance of 462.18 feet; thence run south 00°35'41" West, a distance of 231.20 feet; thence run South 32°50'49" East, a distance of 299.62 feet; thence run North 89°34'17" East, a distance of 529.61 feet; thence run South and parallel to the East line of said Northwest 1/4 of Northwest 1/4, a distance of 285.11 feet more or less to the South line of said Northwest 1/4 of Northwest 1/4; thence run East along said South line, a distance of 239.62 feet more or less to the Southeast corner of said Northwest 1/4 of Northwest 1/4; thence run North along said East line of Northwest 1/4 of Northwest 1/4 to the Northeast corner of said Northwest 1/4 of Northwest 1/4; thence run West along the North line of Northwest 1/4 of Northwest 1/4, a distance of 866.36 feet to the point of beginning; less and except Parcels Two and Three above, and less and except the South 260.00 feet of the West 934.00 feet of the Northwest 1/4 of the Northwest 1/4 of Section 36, Township 32 South, Range 39 East.

All lying and being in Indian River County, Florida.

Subject to all easements, reservations, restrictions and rights-of-way of record. The inclusion of Parcel Seven in Exhibit "A" is strictly conditioned upon Lessee constructing thereon parking facilities and roadways associated with an expanded emergency care department and related facilities (collectively, "Emergency Care Facilities"). If Lessee fails to initiate construction of the Emergency Care Facilities within one year from January 28, 2004, or to complete construction of the Emergency Care Facilities within three years from January 28, 2004, Parcel Seven, at the election of Lessor, shall be removed from Exhibit "A."

LESS AND EXCEPTING
PARCEL EIGHT
(Hospice House Overlap)

The West 65.00 feet of the East 340.00 feet of the South 800.00 feet, less the South 310.00 feet thereof of the Northeast 1/4 of the Northwest 1/4 of Section 36, Township 32 South, Range 39 East, Indian River County, Florida.

EXHIBIT A

REVISED JULY 19, 2004

DESCRIPTION OF PARCELS OF LAND OF LEASE AREA FOR INDIAN RIVER MEMORIAL HOSPITAL, INC.

HOSPITAL PROPERTY

THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 AND THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36, TOWNSHIP 32 SOUTH, RANGE 39 EAST, LESS AND EXCEPT THE NORTH 75.00 FEET THEREOF FOR 37TH STREET/BARBER AVENUE ROAD RIGHT-OF-WAY; LESS AND EXCEPT THE SOUTH 260.00 FEET OF THE WEST 934.00 FEET OF SAID NORTHWEST 1/4 OF THE NORTHWEST 1/4 SECTION 36; LESS AND EXCEPT THAT CERTAIN LAND INCLUDING "VNA HOSPICE HOUSE" AND BEING A PART OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36, BEING DESCRIBED AS FOLLOWS: THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36, TOWNSHIP 32 SOUTH, RANGE 39 EAST, LESS AND EXCEPT THE WEST 520.00 FEET; LESS AND EXCEPT THE EAST 275.00 FEET OF THE SOUTH 800.00 FEET; LESS AND EXCEPT THE SOUTH 310.00 FEET; AND LESS AND EXCEPT THE NORTH 75.00 FEET THEREOF.

THE ABOVE OVERALL DESCRIBED LAND TOGETHER WITH A NON-EXCLUSIVE EASEMENT IN FAVOR OF LESSEE, ITS SUCCESSORS IN TITLE, ASSIGNS, EMPLOYEES, TENANTS, LICENSEES AND INVITEES FOR INGRESS AND EGRESS OVER AND UPON THE ROADWAYS NOW SITUATED UPON AND HERINAFTER CONSTRUCTED UPON THE REAL PROPERTY DESCRIBED AS:

THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 AND THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36, TOWNSHIP 32 SOUTH, RANGE 39 EAST, SAID LAND LYING AND BEING IN INDIAN RIVER COUNTY, FLORIDA. [80± ACRES HOSPITAL CAMPUS]

LESSOR RESERVES TO ITSELF, ITS SUCCESSORS IN TITLE, ASSIGNS, EMPLOYEES, TENANTS, LICENSEES AND INVITEES A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS OVER AND UPON THE ROADWAYS NOW SITUATED UPON AND HEREINAFTER CONSTRUCTED UPON THE REAL PROPERTY DESCRIBED AS:

THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 AND THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36, TOWNSHIP 32 SOUTH, RANGE 39 EAST, SAID LAND LYING AND BEING IN INDIAN RIVER COUNTY, FLORIDA. [80± ACRES HOSPITAL CAMPUS]

FITNESS/WELLNESS TRAIL

SUBJECT TO CONDITIONS UPON THE FITNESS/WELLNESS TRAIL DESCRIBED AS FOLLOWS:

THE EAST 275.00 FEET OF THE SOUTH 800.00 FEET OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4;
AND THE SOUTH 310.00 FEET OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4, LESS AND EXCEPT THE WEST 520.00 FEET, AND LESS AND EXCEPT THE EAST 275.00 FEET THEREOF.
ALL IN SECTION 36, TOWNSHIP 32 SOUTH, RANGE 39 EAST.

SUCH CONDITIONS ARE AS FOLLOWS:

"LESSEE SHALL USE FITNESS/WELLNESS TRAIL EXCLUSIVELY FOR THE PURPOSE OF A FITNESS/WELLNESS TRAIL, AND FOR NO OTHER PURPOSE WHATSOEVER. SUCH PARCEL SHALL REMAIN A PART OF EXHIBIT "A" UNTIL SUCH TIME AS LESSOR DETERMINES THAT SUCH PARCEL SHOULD BE UTILIZED FOR SOME OTHER PURPOSE OR FUNCTION REASONABLY NECESSARY TO THE DISCHARGE OF THE LESSOR'S RESPONSIBILITIES UNDER CHAPTOR 2003-382, LAWS OF THE STATE OF FLORIDA. AT SUCH TIME AS LESSOR DETERMINES THAT SUCH PARCEL SHOULD BE USED FOR SUCH OTHER PURPOSE OR FUNCTION, LESSOR SHALL NOTIFY LESSEE OF SUCH FACT IN WRITING, AND SUCH PARCEL SHALL BE REMOVED FROM EXHIBIT "A", EFFECTIVE SIXTY (60) DAYS THEREAFTER".

EMERGENCY FACILITIES EXPANSION

AND SUBJECT TO CONDITIONS UPON THE EMERGENCY FACILITIES EXPANSION DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36, TOWNSHIP 32 SOUTH, RANGE 39 EAST, INDIAN RIVER COUNTY, FLORIDA, RUN N 89°47'00" E ALONG THE NORTH LINE OF SAID SECTION 36, A DISTANCE OF 453.12 FEET TO THE POINT OF BEGINNING. FROM SAID POINT OF BEGINNING RUN THE FOLLOWING COURSE ALONG THE WEST BOUNDARY LINE OF "LEASE OF HOSPITAL FACILITIES AND AGREEMENT FOR OPERATION OF INDIAN RIVER MEMORIAL HOSPITAL":

S 04°53'23" W, 100.76 FEET;
S 05°37'50" W, 462.18 FEET;
S 00°35'41" W, 231.20 FEET;
S 32°50'49" E, 299.62 FEET;
N 89°34'17" E, 485.90 FEET;

TO THE WEST BOUNDARY LINE OF THE "ONCOLOGY CENTER ADDITION"; THENCE RUN S 00°17'01" E ALONG WEST BOUNDARY LINE AND PARALLEL TO THE EAST LINE OF AFORESAID NORTHWEST ¼ OF THE NORTHWEST ¼, A DISTANCE OF 286.06 FEET TO THE SOUTH LINE OF AFORESAID NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN S 89°42'33" W ALONG SAID SOUTH

LINE, A DISTANCE OF 113.76 FEET TO THE EAST LINE OF THE WEST 934.00 FEET OF SAID NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN N 00°03'01"E AND PARALLEL TO THE WEST LINE OF SAID NORTHWEST 1/4 OF THE NORTHWEST 1/4, A DISTANCE OF 260.00 FEET; THENCE RUN S89°42'33" W PARALLEL AND 260.00 FEET NORMAL TO THE AFORESAID SOUTH LINE OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4, A DISTANCE OF 934.02 FEET TO THE AFORESAID WEST LINE OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4; THENCE RUN N 00°03'01" E ALONG SAID WEST LINE, A DISTANCE OF 1,069.27 FEET TO THE AFORESAID NORTHWEST CORNER OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36; THENCE RUN N 89°47'00" E ALONG AFORESAID NORTH LINE OF SECTION 36, A DISTANCE OF 453.12 FEET TO THE POINT OF BEGINNING. LESS AND EXCEPT THAT CERTAIN PARCEL OF LAND KNOWN AS "HELISTOP" WITHIN A PORTION OF SAID NORTHWEST 1/4 OF THE NORTHWEST 1/4 AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36, TOWNSHIP 32 SOUTH, RANGE 39 EAST, INDIAN RIVER COUNTY, FLORIDA, RUN N 00°03'01" E ALONG THE WEST LINE OF SAID NORTHWEST 1/4 OF THE NORTHWEST 1/4, A DISTANCE OF 677.82 FEET; THENCE RUN S 87°11'40" E, A DISTANCE OF 161.17 FEET TO THE POINT OF BEGINNING. FROM SAID POINT OF BEGINNING RUN S 59°06'27" E, A DISTANCE OF 123.26 FEET; THENCE RUN S 86°31'46" E, A DISTANCE OF 131.46 FEET TO THE WEST LINE OF THAT CERTAIN PARCEL OF LAND KNOWN AS "LEASE OF HOSPITAL FACILITIES AND AGREEMENT FOR OPERATION OF INDIAN RIVER MEMORIAL HOSPITAL"; THENCE, RUN N 00°35'41" E ALONG SAID WEST LINE, A DISTANCE OF 126.74 FEET; THENCE RUN S 87°10'45" W, A DISTANCE OF 146.52 FEET; THENCE RUN S 62°18'07" W, A DISTANCE OF 103.87 FEET TO THE POINT OF BEGINNING. LESS AND EXCEPT THE NORTH 75.00 FEET THEREOF FOR ROAD RIGHT-OF-WAY.

WITH CONDITIONS AS FOLLOWS:
"SUBJECT TO ALL EASEMENTS, RESERVATIONS, RESTRICTIONS AND RIGHTS-OF-WAY OF RECORD. THE INCLUSION OF THIS PARCEL IN EXHIBIT "A" IS STRICTLY CONDITIONED UPON LESSEE CONSTRUCTING THEREON PARKING FACILITIES AND ROADWAYS ASSOCIATED WITH AN EXPANDED EMERGENCY CARE DEPARTMENT AND RELATED FACILITIES (COLLECTIVELY, "EMERGENCY CARE FACILITIES"). IF LESSEE FAILS TO INITIATE CONSTRUCTION OF THE EMERGENCY CARE FACILITIES WITHIN ONE YEAR FROM JANUARY 28, 2004 OR TO COMPLETE CONSTRUCTION OF THE EMERGENCY CARE FACILITIES WITHIN THREE YEARS FROM JANUARY 28, 2004, THIS PARCEL, AT THE ELECTION OF LESSOR, SHALL BE REMOVED FROM EXHIBIT "A".

CENTER FOR EMOTIONAL AND BEHAVIORAL HEALTH

TOGETHER WITH THAT CERTAIN PARCEL OF LAND KNOWN AS "CENTER FOR EMOTIONAL AND BEHAVIORAL HEALTH" AND DESCRIBED AS FOLLOWS:

"A PARCEL OF LAND CONSISTING OF APPROXIMATELY 8.00 ACRES, SAID PARCEL BEING BOUNDED AND DESCRIBED AS FOLLOWS:

A PARCEL IN THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 32 SOUTH RANGE 39 EAST, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 25, RUN NORTH ALONG THE WEST SECTION LINE, 55.00 FEET TO THE NORTH RIGHT-OF-WAY OF 37TH STREET; THENCE RUN EASTERLY, PARALLEL WITH THE SOUTH SECTION LINE, ALONG SAID RIGHT-OF-WAY 30.00 FEET TO THE POINT OF BEGINNING. FROM THE POINT OF BEGINNING, RUN NORTH, PARALLEL WITH AFORESAID WEST SECTION LINE, 660.00 FEET; THENCE RUN EASTERLY, PARALLEL WITH AFORESAID SOUTH SECTION LINE, 528.00 FEET; THENCE RUN SOUTH, PARALLEL TO AFORESAID WEST SECTION LINE, 660.00 FEET TO THE NORTH RIGHT-OF-WAY OF 37TH STREET; THENCE RUN WESTERLY ALONG SAID RIGHT-OF-WAY, PARALLEL TO THE AFORESAID SOUTH SECTION LINE, 528.00 FEET TO THE POINT OF BEGINNING.

82ND AVENUE PROPERTY

AND TOGETHER WITH THAT CERTAIN PARCEL OF LAND KNOW AS "82ND AVENUE PROPERTY" AND DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF TRACTS 7 AND 8, IN SECTION 11, TOWNSHIP 33 SOUTH, RANGE 38 EAST, INDIAN RIVER FARMS COMPANY SUBDIVISION ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 2, PAGE 25, OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA, NOW LYING AND BEING IN INDIAN RIVER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SAID TRACT 7, THENCE RUN N 89°23'59" E, ALONG THE SOUTH LINE OF SAID TRACT 7 FOR 456.36 FEET; THENCE RUN N 00°12'28" W FOR 60.00 FEET TO THE NORTH RIGHT-OF-WAY LINE OF ROSEDALE ROAD (12TH STREET), TO THE POINT OF BEGINNING; THENCE CONTINUE N 00°12'28" W FOR 813.42 FEET; THENCE RUN N 89°23'59" E FOR 2,179.63 FEET TO THE WEST RIGHT-OF-WAY LINE OF RANCH ROAD; THENCE RUN S 00°12'13" E 30 FEET WEST OF AND PARALLEL TO THE EAST LINE OF SAID TRACT 8 ALONG THE WEST RIGHT-OF-WAY LINE OF SAID RANCH ROAD FOR 673.42 FEET; THENCE RUN S 89°23'59" W, 200 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF SAID TRACT 8 FOR 217.81 FEET;

THENCE RUN S 00°12'13" E FOR 140.00 FEET TO THE NORTH RIGHT-OF-WAY LINE OF SAID ROSEDALE ROAD; THENCE RUN S 89°23'59" W, 60.00 FEET NORTH OF AND PARALLEL TO THE SOUTH LINES OF SAID TRACTS 7 AND 8, FOR 1,961.76 FEET TO THE POINT OF BEGINNING; SAID LAND LYING AND BEING IN INDIAN RIVER COUNY, FLORIDA.

PARCEL B:

THAT PORTION OF TRACT 7 IN SECTION 11, TOWNSHIP 33 SOUTH, RANGE 38 EAST, INDIAN RIVER FARMS COMPANY SUBDIVISION, ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 2, PAGE 25 OF THE PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA, NOW LYING AND BEING IN INDIAN RIVER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF SAID TRACT 7, THENCE RUN N89°23'59" E ALONG THE SOUTH LINE OF SAID TRACT 7 FOR 456.36 FEET; THENCE RUN N 00°12'28" W FOR 873.42 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N 00°12'28" W FOR 267.19 FEET; THENCE RUN N 89°23'59" E FOR 876.65 FEET TO THE EAST LINE OF SAID TRACT 7; THENCE RUN S 00°12'19" E ALONG THE EAST LINE OF SAID TRACT 7 FOR 267.19 FEET; THENCE RUN S 89°23'59" W FOR 876.64 FEET TO THE POINT OF BEGINNING; SAID LAND LYING AND BEING IN INDIAN RIVER COUNTY, FLORIDA.

ALL OF THE ABOVE LYING AND BEING IN INDIAN RIVER COUNTY, FLORIDA, AND CONTAINING 94.87 ACRES, MORE OR LESS.

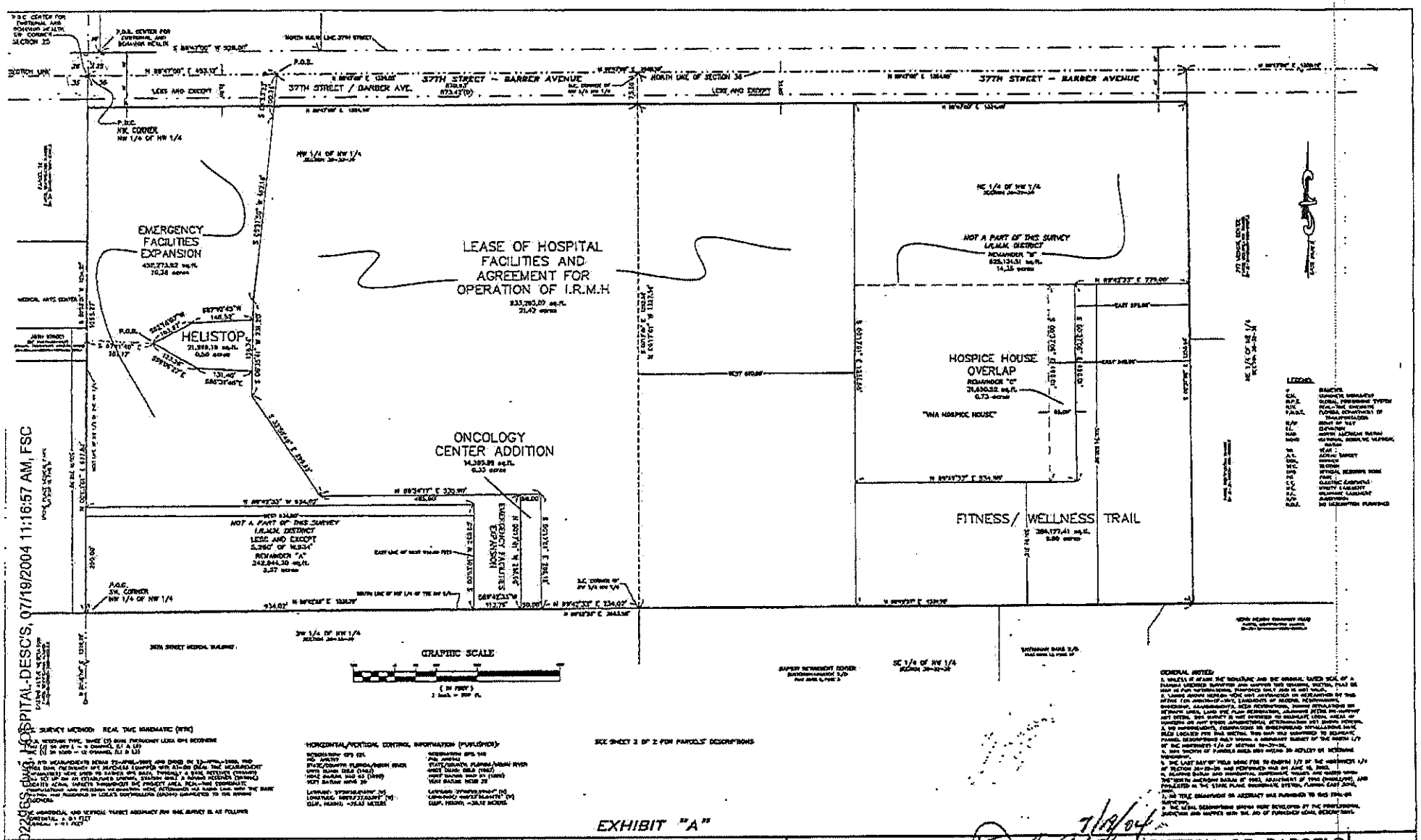

EXHIBIT "A"

7/18/04

REVISION	DATE

INDIAN RIVER MEMORIAL HOSPITAL, INC.
1000 36TH STREET
VERO BEACH, FLORIDA 32960

CARTER ASSOCIATES, INC.
CONSULTING ENGINEERS AND LAND SURVEYORS
1708 21st STREET, VERO BEACH, FL 32960
772-562-4191 (PH) 772-562-7180 (FAX)

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FRANK B. CONCHAC SIGNATURE DATE
FLORIDA P.S.M. No. 4793
CARTER ASSOCIATES, INC. L.B. 206

SKETCH OF PARCELS
FROM INDIAN RIVER MEMORIAL HOSPITAL DISTRICT
TO
INDIAN RIVER MEMORIAL HOSPITAL INC.
VERO BEACH, FLORIDA

DWG. # 16584-C4
SHEET 1 OF 2

S:\P\02-295\DWG\02-2-6S.dwg, HOSPITAL-DESC'S, 07/19/2004 11:16:57 AM, FSC

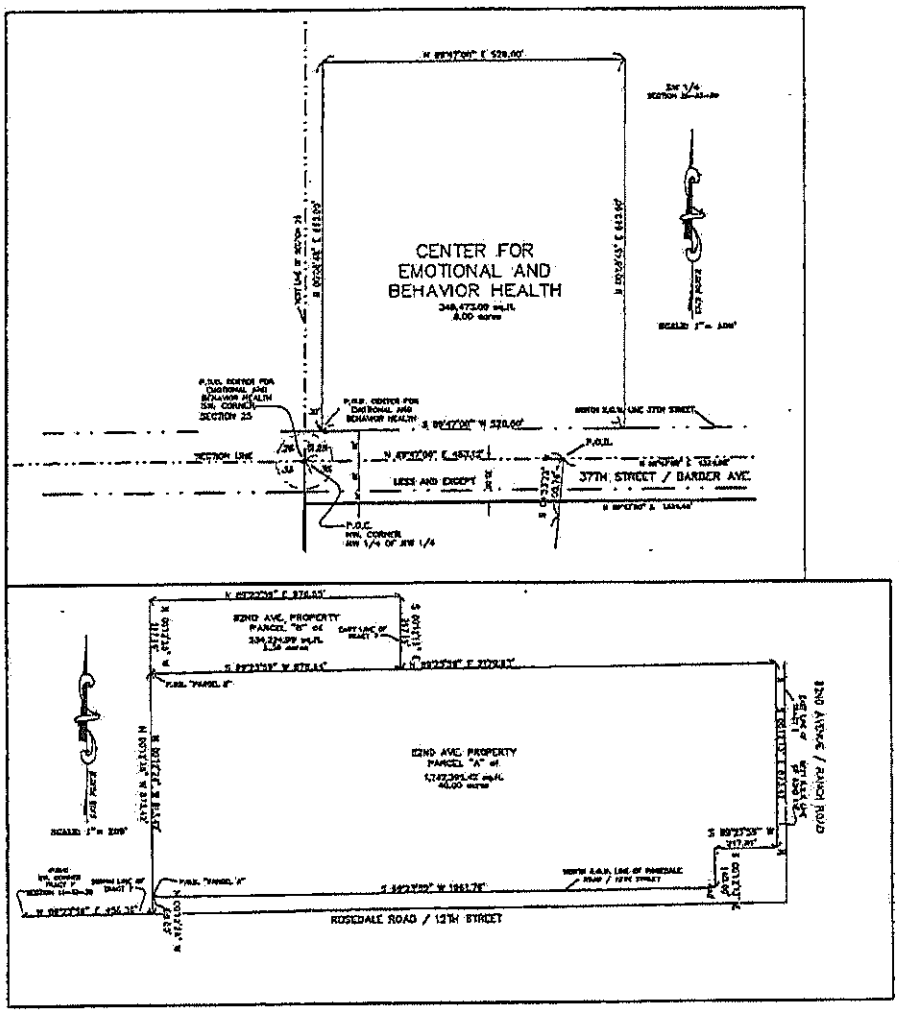

EXHIBIT "A"

NO.	REVISION	DATE
A		
A		
A		
A		
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INDIAN RIVER MEMORIAL HOSPITAL, INC.
1000 36TH STREET
VERO BEACH, FLORIDA 32960

CARTER ASSOCIATES, INC.
CONSULTING ENGINEERS AND LAND SURVEYORS
1708 21st STREET, VERO BEACH, FL 32960
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to
INDIAN RIVER MEMORIAL HOSPITAL INC.
VERO BEACH, FLORIDA

DWG. #
16584-C4
SHEET 2 OF 2

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RESOLUTION 2004-01

THIS RESOLUTION, passed and adopted this 24th day of May, 2004, by the Board of Trustees of the Indian River County Hospital District, a special taxing district organized and existing pursuant to Chapter 61-2275, Laws of Florida, as codified in Chapter 2003-382, Laws of Florida ("District"), as follows:

WHEREAS, effective May 1, 1985, District leased to Indian River Memorial Hospital, Inc., a Florida not-for-profit corporation qualified under section 501(c)(3) of the United States Internal Revenue Code ("IRMH, Inc.") all of the facilities located in Indian River County, Florida, known as the Indian River Memorial Hospital ("Hospital"), and transferred to IRMH, Inc. authority to manage and operate the Hospital, all in accordance with the terms and conditions of that certain Lease of Hospital Facilities and Agreement for Operation of Indian River Memorial Hospital, dated December 13, 1984 ("Master Lease"); and

WHEREAS, the term of the Master Lease commenced on May 1, 1985 and is scheduled to expire on December 31, 2010; and

WHEREAS, District believes that it is in the best interests of the public, and particularly the residents of Indian River County, Florida, to amend the Master Lease to extend its term until December 31, 2024, and to add additional provisions relating to control and oversight by District, all as set forth in that certain Amended and Restated Lease of Hospital Facilities and Agreement for Operation of Indian River Memorial Hospital, dated as of June 1, 2004 ("Amended and Restated Master Lease").

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF TRUSTEES OF THE INDIAN RIVER COUNTY HOSPITAL DISTRICT THAT:

1. Findings. District hereby finds that it is in the best interests of the public, and particularly the residents of Indian River County, Florida, to extend the term of the Master Lease to December 31, 2024, and to adopt additional provisions relating to the control and oversight of IRMH, Inc. and the Hospital by District, all as set forth in the Amended and Restated Master Lease. The bases of this finding are:

a. The leasing of the Hospital to a not-for-profit corporation attracts a high number of qualified individuals to serve on the board of directors of the corporation, which individuals possess diverse talents, skills and backgrounds uniquely appropriate to the particular needs of the Hospital;

b. The leasing of the Hospital to a not-for-profit corporation creates flexibility with respect to borrowing funds and other financial matters, such as the procurement of goods and services;

c. The leasing of the Hospital to a not-for-profit corporation creates flexibility with respect to alliances, ventures and other such relationships with other medical providers, including physicians;

d. IRMH, Inc. is a proper lessee and operator of the hospital, based upon its demonstrated history of maintaining a high quality of patient care;

e. IRMH, Inc. is a proper lessee and operator of the hospital, based upon its demonstrated ability to recruit and retain a high quality of directors, medical staff, skilled employees and administrative employees;

f. IRMH, Inc. is a proper lessee and operator of the hospital, based upon its demonstrated ability to collaborate with other healthcare providers throughout Indian River County, Florida;

g. IRMH, Inc. is a proper lessee and operator of the hospital, based upon its demonstrated history of assisting District in many of District's projects since 1985;

h. IRMH, Inc. is a proper lessee and operator of the hospital, based upon its demonstrated ability to operate the hospital on a financially sound basis. While District recognizes that IRMH, Inc. has experienced operating losses in recent years, District acknowledges that IRMH, Inc. consistently experienced operating profits in all or virtually all prior years;

i. The extension of the lease to December 31, 2024 will enhance District's and IRMH, Inc.'s relationship with participants in its current bond financing, which financing extends to the year 2024;

j. The extension of the lease until December 31, 2024 will enhance the ability of IRMH, Inc., independently and through Indian River Hospital Foundation, Inc., to raise philanthropic donations which are important in financing anticipated expansion of the Hospital facilities; and

k. The extension of the lease to December 31, 2024 will enhance the ability of IRMH, Inc. to enter into affiliations or partnerships with substantial, nationally recognized healthcare providers, and thereby provide expanded, first quality medical services to the residents of Indian River County, Florida.

2. Approval of Amended and Restated Master Lease. On the basis of the above findings, District hereby agrees to lease the Hospital to IRMH, Inc. in accordance with the terms and conditions set forth in the Amended and Restated Master Lease. The Chairman and Secretary of the Board of Trustees are hereby authorized to execute and deliver to IRMH, Inc. on the District's behalf, the Amended and Restated Master Lease.

3. Acknowledgment of Notice. District hereby acknowledges that it has negotiated the terms of the Amended and Restated Master Lease with IRMH, Inc., and has considered the extension and amendment of the Master Lease, and the adoption of the Amended and Restated Master Lease, at numerous public meetings, public workshops and town meetings, all of which have been publically advertised in accordance with section 286.0105 Florida Statutes.

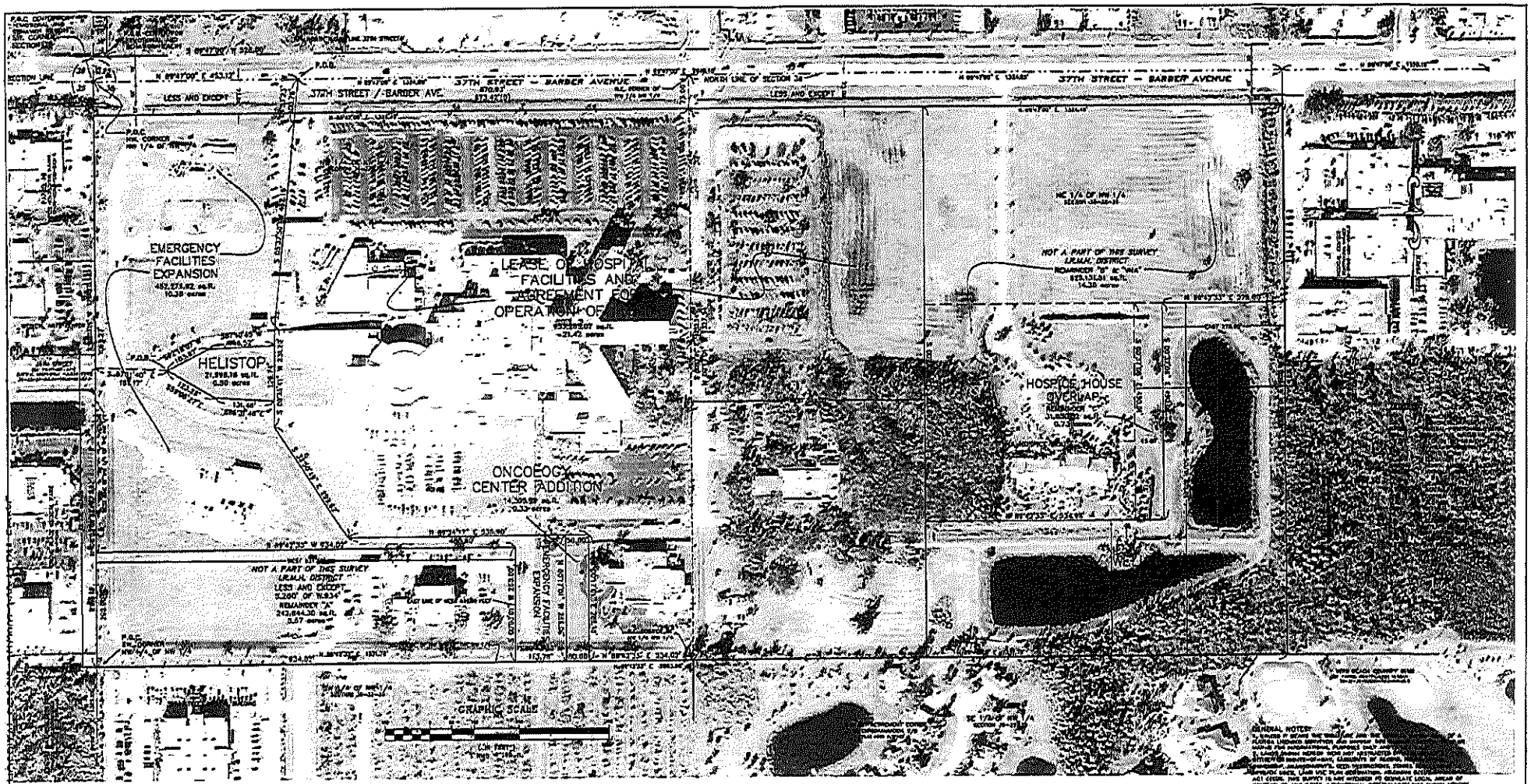
THE UNDERSIGNED, Hugh K. McCrystal, M.D., Chairman and Lalita M. Janke, Secretary, of the Board of Trustees of the Indian River County Hospital District, hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by said Board at a meeting of said Board held on the 24th day of May, 2004.

Hugh K. McCrystal, M.D.
Chairman

ATTEST:

L. Janke

Lalita M. Janke
Secretary



O.P.S. SURVEY METHOD: REAL TIME KINEMATIC (RTK)

HORIZONTAL/VERTICAL CONTROL INFORMATION (PUBLISHED):

SEE SHEET 2 OF 2 FOR PARCELS DESCRIPTIONS

BACK GROUND AERIAL DATED 2005 (END OF 2005)

GENERAL NOTES:

EXHIBIT "A"

NO.	REVISION	DATE
	ADD EMERGENCY DESC. & LBS.	7-19-04
	ADD EMERGENCY 2005	7-1-07

INDIAN RIVER MEMORIAL HOSPITAL, INC.
1000 36TH STREET
VERO BEACH, FLORIDA 32960

DATE: 7-1-04
FIELD NO.: 01-1025
CALC. NO.: 02-0343 FOR FILE
DRAWN BY: FJC
APPR. BY: SCL/FSC
DRAW. NO. 16584C4
F.B. 614, PAGE 14

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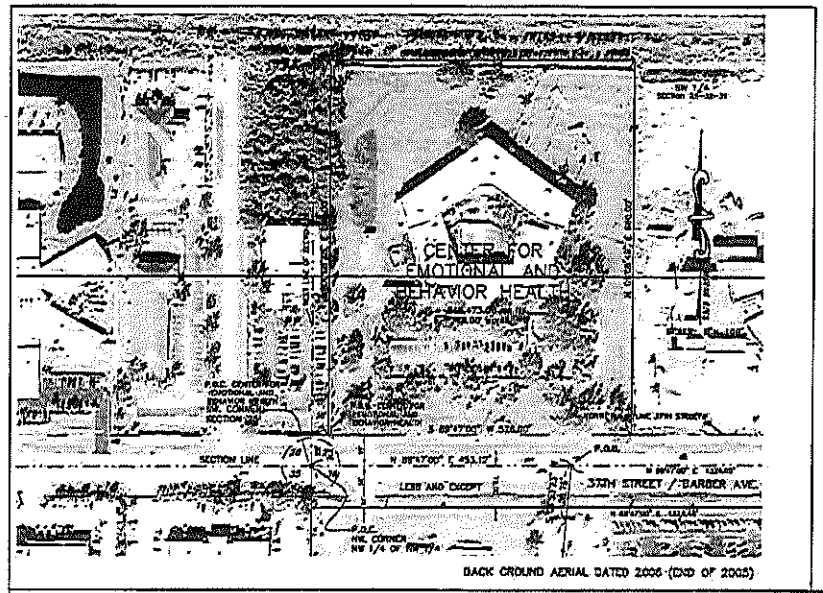
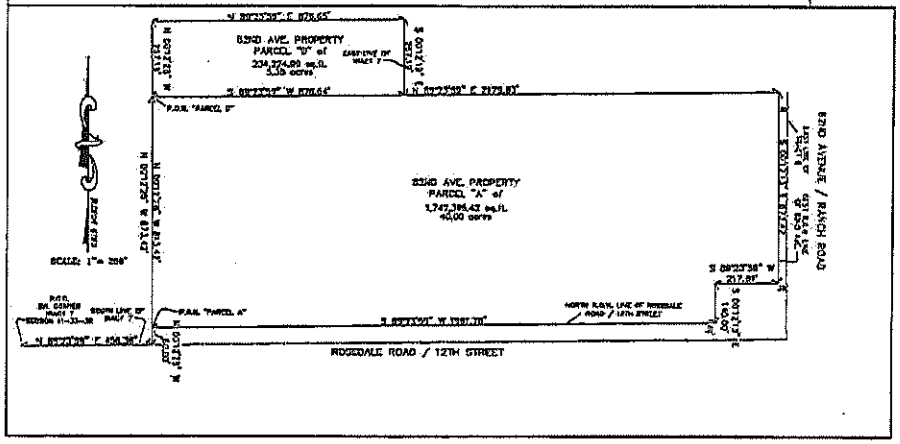
FRANK S. CUCCHIESE, SIGNATURE DATE:
FLORIDA P.S.M. No. 4765
CARTER ASSOCIATES, INC. L.B. 205

SKETCH OF PARCELS
FROM INDIAN RIVER MEMORIAL HOSPITAL DISTRICT
TO
INDIAN RIVER MEMORIAL HOSPITAL INC.
VERO BEACH, FLORIDA

DWG. # 16584-C4
SHEET 1 OF 2



BACK GROUND AERIAL DATED 2006 (END OF 2005)



LEGEND:

⊙	DIAMETER
S.M.	CONCRETE MONUMENT
G.P.S.	GLOBAL POSITIONING SYSTEM
N.M.	NEAR-LINE MONUMENT
F.D.O.T.	FLORIDA DEPARTMENT OF TRANSPORTATION
R/W	RIGHT OF WAY
EL.	ELEVATION
NAD	NORTH AMERICAN DATUM
NGVD	NATIONAL GEODETIC VERTICAL DATUM
VR	VEAR
A.T.	AERIAL TARGET
COR.	CORNER
SEC.	SECTION
OR	OFFICIAL RECORDS BOOK
PG	PAGE
E.E.	ELECTRIC EASEMENT
U.E.	UTILITY EASEMENT
D.E.	DRAINAGE EASEMENT
S/W	SUBDIVISION
N.D.F.	NO DESCRIPTION FURNISHED

EXHIBIT "A"

NO.	REVISION	DATE
A	ADD OVERLAY 2006	2-1-07
B		
C		
D		
E		

INDIAN RIVER MEMORIAL HOSPITAL, INC.
1000 36TH STREET
VERO BEACH, FLORIDA 32960

DATED 7-1-04
PROJ. NO. 01-1896
(SEE DR-8963 FOR FILE)
DRAWN BY: FSC
APPR. BY: DCL/FSC
DRAW. NO. 16584C4
F.B. 616, PAGE 14

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TO
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VERO BEACH, FLORIDA

DWG. #
16584-C4
SHEET 2 OF 2

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