Planning Board and Full Board of Directors Meetings

Thursday, October 12, 2017
1:00 p.m.
AGENDA

PLANNING AND FULL BOARD OF DIRECTORS MEETINGS

October 12, 2017 at 1:00 p.m.

Gulf Coast Medical Center – Boardroom (Medical Office Building)
13685 Doctors Way, Ft. Myers, FL 33912

1. CALL TO ORDER
   (Sanford Cohen, M.D., Board Chairman)
   The Board of Lee Memorial Health System, doing business as Lee Health, Gulf Coast Medical Center & Lee Memorial Hospital/HealthPark Medical Center and the Board of Directors of its subsidiary corporations, including but not limited to Cape Memorial Hospital, Inc. doing business as Cape Coral Hospital; Lee Memorial Home Health, Inc.; and HealthPark Care Center, Inc.

2. INVOCATION & PLEDGE OF ALLEGIANCE
   (Rev. Denise Sawyer, MDiv. BCC)

3. PUBLIC INPUT – Agenda Items: Any Public Input is limited to three minutes and a “Request to Address the Board of Directors” card must be completed and submitted to the Board Staff prior to meeting. Individuals wishing to address the Board on a Non Agenda item must notify the Board Staff of the subject matter at least three (3) days prior to the meeting.

4. RECOGNIZE 2016/2017 AUXILIARY PRESIDENTS (Accept)
   (Diane Champion, Board Liaison to Auxiliary Services)
   A. Annual Auxiliary Reports
      i. Cape Coral Hospital: Jim Ebertz, Auxiliary President
      ii. Gulf Coast Medical Center: Eileen Winter, Incoming Auxiliary President
      iii. Lee Memorial: Jim Andrews, Auxiliary President

5. PHYSICIAN LEADERSHIP COUNCIL (PLC) REPORT (Accept)
   (William Hearn, D.O., PLC Chairman)

6. PRESIDENT’S REPORT
   (Larry Antonucci, MD, President & CEO)
   PLANNING PORTION – Donna Clarke, Planning Liaison

7. COCONUT RD/US 41 PROPERTY PURCHASE (Approve)
   (Ben Spence, Chief Financial & Business Services Officer)
   (Kevin Newingham, Chief Strategy Officer)
   (Mark Ebelini, Esq., Attorney)

8. GCMC SKILLED NURSING UNIT LEASE (Approve)
   (Dave Cato, CAO Outpatient Services)

9. STRATEGIC SCORECARD UPDATE
   (Kevin Newingham, Chief Strategy Officer)
   LEE HEALTH BUSINESS – Sanford Cohen, M.D., BOARD CHAIRMAN

10. FINANCE AND FULL BOARD MEETING MINUTES OF 9/28/17 (Approve)
AGENDA (Page 2 of 2)

PLANNING AND FULL BOARD OF DIRECTORS MEETINGS
October 12, 2017 at 1:00 p.m.
Gulf Coast Medical Center – Boardroom (Medical Office Building)
13685 Doctors Way, Ft. Myers, FL 33912

11. PSN AND ACO: UPDATE AND NEXT STEPS
   (John Chomeau, Chief Population Health Officer)

12. BEHAVIORAL HEALTH STRATEGY UPDATE
    (Lisa Sgarlata, Chief Patient Care & Nursing Executive)
    (John Chomeau, Chief Population Health Officer)

13. OLD BUSINESS

14. NEW BUSINESS

15. BOARD MEETING CRITIQUE

16. BOARD OF DIRECTORS REPORTS

Date of the next Meeting:
October 26, 2017 at 1:00 p.m.
Quality, Safety & Education Board and Full Board of Directors
Gulf Coast Medical Center – Boardroom
13685 Doctors Way, Ft. Myers, FL 33912

17. ADJOURN (Sanford Cohen, M.D., Board Chairman)
BOARD OF DIRECTORS

Invocation
&
Pledge of Allegiance
Any public input pertaining to items on the Agenda is limited to three minutes and a “Request to Address the Board of Directors” card must be completed and submitted to the Board Staff prior to meeting.

Refer to Board Policy: 10:15G: Public Addressing the Board

Non-Agenda Item:
Individuals wishing to address the Board on an item NOT on the Agenda, the Board office must be notified of subject matter at least three (3) days prior to the meeting to allow staff time to prepare and to insure the matter is within the jurisdiction of the Board.

Lee Memorial Health System Board of Directors
BOARD OF DIRECTORS

RECOGNIZE 2016/2017 AUXILIARY PRESIDENTS

(Diane Champion, Board Liaison to Auxiliary Services)

A. Annual Auxiliary Reports
i. Cape Coral Hospital: Jim Ebertz, Auxiliary President
ii. Gulf Coast Medical Center: Eileen Winter, Incoming Auxiliary President
iii. Lee Memorial: Jim Andrews, Auxiliary President
Annual Report to the Lee Health Board of Directors

From: Cape Coral Hospital Auxiliary

Re: Fiscal Year 2016-17

This is my final report to the Lee Health Board of Directors. Term limit provisions of auxiliary Rules and Regulations limit presidents to two consecutive one year terms in office. It has been an interesting and exciting two years.

We are the hospital on the other side of the Caloosahatchee River. A real community spirit is evidenced by a corps of approximately 800 volunteers. This includes over 230 new adult volunteers this fiscal year. This does not include seasonal volunteers (“snowbirds”) and 180 teen summer volunteers. Thus the volunteer program encompasses over 1000 families. Through eleven months of fiscal year 2016-17 the volunteers amassed 122,625 hours of service.

We are also proud to be a part of Lee Health and its mission to be a trusted partner, empowering healthier lives through care and compassion.

The Cape Coral Hospital Auxiliary’s story, indeed any auxiliary’s story, is about supporting its hospital. Then CAO Scott Kashman came to the Auxiliary to seek support for establishing the Optimum Healing Environment at the hospital. The hospital, he said, is not just about healing but should be a leader in promoting health and wellness. He asked my predecessor and then me to think not just in terms of wheelchairs and thermometers. In the past two years the Auxiliary Board fully “bought in” and used its financial resources accordingly. The Auxiliary’s businesses, along with additional fundraising activities under the leadership of Jocelyn Pickel, Vice President – Fundraising, enabled the Auxiliary to pay or pledge $500,348 for Cape Coral Hospital or Lee Health system programs in fiscal year 2016-17.

Requests for funds are varied. Some are employee related, some patient related, some hospital related, some in support of the Optimum Healing Environment and some in support of Lee Health. The final pages of this report have a list of those requests received and acted upon in fiscal year 2016-2017. These range from the small amounts to continue swimming lessons for the VPK children in the child development center, or to continue support for the holiday season Adopt-a-Family program of the Human Resources department. Some were larger such as two new hypo/hyperthermia machines and replacement security cameras in the Family Birth Suites.

Who did we help? Funding requests that appear to be patient focused usually also benefit the staff by making their jobs less stressful or easier. Funding went to Neurological Progressive Care Unit in the form of “We Care Gift Bags” of small items to improve patient satisfaction; to
the Cardio Pulmonary Care Unit in the form of high back chairs to encourage out of bed dining and better physical therapy; to the Emergency Department in the form of Recliner Chairs for patients not needing a bed thus increasing capacity to triage and treat patients; to the Radiology Department and Peri-anesthesia unit in the form of video remote interpreting services to increase efficiency with patients whose first language is not English; and to the hospital in general in the form of the aforementioned two new hypo/hyperthermia machines and replacement security cameras, as well as standardized signage for in-patient rooms.

Staff focused funding went to the Educational Grant program; Lee Health Employee Assistance Program for hurricane relief; and to Critical Care Outreach nurses to showcase their story of success at a conference. Patient satisfaction (actually family satisfaction) was the goal of funding the NICView System for the Special Care Nursery which permits family members to see infants even when at a distance.

Carol Anderson is the new President of the Auxiliary. I am confident that she and the Board of Directors will continue to strongly support the hospital and Lee Health.

Thanks to Barbara, my wife of 50 years, for encouraging me to become a volunteer at Cape Coral Hospital, and her support during my time as a director and officer of the auxiliary.

Thanks to the managers of our businesses, Eric Huard, Tracey Anderson and Deb Donner, for their vision, enthusiasm and leadership of the volunteers who work in their shops. Thanks to Jeri Grimes, Director of Volunteer Services, for being there to listen and guide, and to Janine Barnes, Volunteer Coordinator, for her support.

I must acknowledge the support of Brenda Shrader, Auxiliary Business Assistant. Without her steady help, her institutional knowledge, enthusiasm and very hard work it would be much more difficult to successfully head this auxiliary. And a fond thank you to the officers and directors who have done all that I have asked of them. In truth I am merely the front man for a hard working staff, a vigorous Board of Directors and a dedicated volunteer group. It was a privilege to lead them.

Respectfully Submitted,

Jim Eberz

Jim Eberz, President.

September 28, 2017
## Fiscal Year 2016-17 Requests for Funds and Payments

### Payments:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>$20,000</td>
<td>Second installment on pledge to Golisano Children’s Hospital</td>
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<tr>
<td>$3,436</td>
<td>Compassionate Blanket Materials</td>
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<tr>
<td>$406</td>
<td>Hankie Project</td>
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<tr>
<td>$1,250</td>
<td>Heart Healthy trail markers</td>
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<tr>
<td>$1,200</td>
<td>VPK Swimming Lessons</td>
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<tr>
<td>$765</td>
<td>Food Service Linens with new logo</td>
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<tr>
<td>$1,000</td>
<td>Adopt a Family for the Holidays</td>
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<tr>
<td>$250</td>
<td>Assistance to a volunteer who lost home due to fire</td>
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<tr>
<td>$175</td>
<td>Budzinski Scholars Breakfast</td>
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<tr>
<td>$1,496</td>
<td>Prayer Shawl Materials</td>
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<tr>
<td>$10,828</td>
<td>ICU Nursing Station Chairs</td>
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<tr>
<td>$6,515</td>
<td>Critical Care Nurses expenses for conference attendance</td>
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<tr>
<td>$740</td>
<td>OB Cube birth supports</td>
</tr>
<tr>
<td>$4,800</td>
<td>Comfort Kits for Neurological Progressive Care Unit</td>
</tr>
<tr>
<td>$3,000</td>
<td>Proxy Service for medical library</td>
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<tr>
<td>$55,000</td>
<td>Educational Scholarship Grants</td>
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<tr>
<td>$2,938</td>
<td>Hover Matts for Surgical Services</td>
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<tr>
<td>$13,349</td>
<td>Security Cameras for Uniform Store and Gift Shop</td>
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<tr>
<td>$2,310</td>
<td>Electrical repairs in thrift store</td>
</tr>
<tr>
<td>$29,411</td>
<td>NIC View System for pediatric special care nursery</td>
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<tr>
<td>$2,105</td>
<td>New signage for thrift store</td>
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<tr>
<td>$1,440</td>
<td>Employee gift memberships to Wellness Center</td>
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<tr>
<td>$30,435</td>
<td>ED extended lounge chairs</td>
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<tr>
<td>$5,685</td>
<td>Expenses to maintain Volkswagon Service</td>
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<tr>
<td>$198,534</td>
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### Pledges:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>33,000</td>
<td>High Back Patient Chairs for 3 North</td>
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<tr>
<td>2,148</td>
<td>Mobile Video Remote Interpreting Service for Surgical Services</td>
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<tr>
<td>47,314</td>
<td>Hypo/Hyperthermia Machines</td>
</tr>
<tr>
<td>2,019</td>
<td>Mobile Video Remote Interpreting Service for Radiology Department</td>
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<tr>
<td>44,500</td>
<td>Standardized Signage for Patient Rooms</td>
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<tr>
<td>6,625</td>
<td>Security Cameras and Safe for Food Services</td>
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<td>2,629</td>
<td>OP Lab Automatic Door (shared with Lee Memorial Auxiliary)</td>
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<tr>
<td>325</td>
<td>Replacement Appliances in Wellness Center Café</td>
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<tr>
<td>486</td>
<td>Ipad Minis for LPG Hospitalist Nurse Managers (shared with other auxiliaries)</td>
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<tr>
<td>10,325</td>
<td>CCH's 40th Anniversary Ice Cream Social and souvenir mug</td>
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<td>75,325</td>
<td>Security cameras for Family Birth Suites</td>
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<td>4,939</td>
<td>Sound masking for Utilization Management</td>
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<td>787</td>
<td>Dry Erase Boards for patient rooms</td>
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<td>773</td>
<td>Coffee cart for 2-West</td>
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<td>7,698</td>
<td>Wellness Center Grab n’ Go Refrigerator</td>
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<tr>
<td>300</td>
<td>Mobile laptop carts for ED</td>
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<tr>
<td>1,264</td>
<td>Advanced venipuncture and injection arms for Clinical Learning</td>
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<tr>
<td>1,783</td>
<td>Auxiliary Fundraising Laptop</td>
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<tr>
<td>2,808</td>
<td>ED Registration Tablets</td>
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<tr>
<td>7,014</td>
<td>ED Exam Room Whiteboards</td>
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<tr>
<td>24,752</td>
<td>OR Replacement Pads</td>
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<tr>
<td>25,000</td>
<td>Lee Health Employee Assistance Fund for hurricane relief</td>
</tr>
<tr>
<td>301,816</td>
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</table>

Total: $500,348
GULF COAST MEDICAL CENTER AUXILIARY
ANNUAL REPORT TO THE LEE HEALTH BOARD OF TRUSTEES

2016-2017

At this time of year it is customary for our Auxiliary Presidents to submit their report on Auxiliary activities during the past year, and, thus, once again, I have the pleasure of informing you about the achievements of the GCMC Auxiliary. I also want to take this opportunity to thank our Auxilians, our Auxiliary Leaders, our Volunteers and our Staff for all they do for our patients, employees and visitors.

The GCMC Auxiliary is guided by hard-working, progressive Board Members and Officers. I admire every one of them. Each one brings a unique talent and perspective to our decision-making process, and their sense of humor creates an atmosphere of camaraderie whenever we get together. We are assisted by capable and enthusiastic staff members who not only enjoy their work but take pleasure in collaborating with each other, and with us, to achieve our goals. We couldn’t function without Susan Crowe, June Dwyer, Gail Marra, and Gloria Bonventre.

Three hundred eighty-four members have joined our Auxiliary this year. We continue to investigate various recruitment techniques, and we are currently developing a colorful poster and brochure to lure new members from the many attendees at our functions and sales and the customers at our Gift Shop and Uniform Store. I hope you received and enjoyed our Newsletters – kudos to June Dwyer, our design and layout expert.

Auxilians work tirelessly on numerous strategies to assure our financial stability. Because of their dedication we have funded the following new programs, projects, and equipment:

- Upgraded software that enables prospective volunteers to apply online.
- Supplies for the GCMC Arts in Healthcare program. We have now assumed all costs for this program at our hospital.
- Comfortable and safe chairs for our volunteers at both the Atrium and Metro lobby registration desks.
- New, colorful and spiffy popcorn cart and popcorn machine.
- Complete remodel of our storage space off the Metro lobby to provide better organization of materials and improve the efficiency of our staff.
- Design and plan for remodeling the Uniform Store to better serve our current customers and to meet future growing needs.
- Quality assurance equipment for ultrasound probes. We collaborated with the other two Lee Health Auxiliaries to fund this equipment system-wide.
- I-Pad Mini for use by the Lee Physician Group hospitalists at GCMC to survey and evaluate patient satisfaction, quality of care and patient safety.
• Upgrades to the Books and Magazines area in the Atrium. We sell these donated items on the honor system for a nominal price, and the inventory is gobbled up by our visitors, volunteers, and employees.

We have continued to sponsor and fund ongoing projects:

• The trolley service. This service has become even more efficient due to the signs we purchased for the parking lot to help our patients and visitors identify and remember where they have parked. We expect to augment the trolley service as hospital expansion takes place over the next few years. Trolleys will now be secured in the new parking garage when they are not in use.
• File of Life. These helpful materials are distributed to patients by Guest Services.
• “Huggie Hearts” pillows. The industrious and creative women of Fiddlesticks Cares and Craftie Ladies continue to sew these pillows for the comfort of our surgical patients.
• Craft supplies for the makers of our compassionate blankets who work though organizations such as SWFL Quilters Guild, Compassionate Blankets, and the Sea Grape Chapter of the Embroiderers Guild of America.
• Project Y.O.U.T.H. This program provides financial assistance to qualified high school students who look forward to entering health care professions. Six students are currently enrolled, and 80 students have finished the program since its creation in 1995.
• Educational Grants for GCMC staff members who want to further their education in health care. This year our Auxiliary again awarded a total of $50,000 in grants.
• The sparkling, festive holiday tree in the Metro entrance lobby.
• The Gift Shop.
• The Uniform Store.

How do we raise the money to be able to do what we do?

• Multiple vendor sales of all types of goods in the GCMC lobby and at the West Links location. Our Fund-Raising Committee, other Auxilians, and staff spend hundreds of hours recruiting and contracting with vendors, searching for new products, and assisting at the sales.
• Rent from the Chocolatte’s concession in the Atrium lobby.
• Ongoing income from baby pictures on the maternity unit.
• Honor system sale of used books and magazines.
• Popcorn sales.
• Special events such as the upcoming Creative Artists Fair - stay tuned!
• Profits from the Hearts and Hands Gift Shop and the Uniform Store.
• Membership dues and designated donations.

During the coming year we will support the ongoing projects described above, and we will welcome requests for donations towards new and innovative initiatives and equipment that will improve quality of care, patient safety and the well-being of our staff and volunteers. We
also hope to fund products and programs that will add a unique, comforting, and memorable touch to our patients’ experience at Gulf Coast Medical Center. In anticipation of increased demand in the near future, we will improve the facilities of our Gift Shop and Uniform Store. These businesses not only add to our income but provide convenient services to our hospital community and visitors.

We will persist in our outreach efforts to attract more members, and we will oversee our functions diligently, including maintaining accurate, clear and transparent financial records, continually reassessing our contracts with vendors, evaluating our various sales, and pursuing more special events.

We pledge to remain committed members of the Lee Health team of “caring people, inspiring health.”

Respectfully submitted,

Louise McDonald, President
little did we think that our notable year of significant accomplishments would end with an incredible force from Mother Nature. The build-up, the storm itself and the aftermath have taken their toll on many of us. As overwhelming as the situation was, it put into perspective what matters – the people around us who care, who do, and who need our help.

An annual report pales in comparison to what we have been through and are still going through. But it is still part of the record. The record of where the year started, where it went and where it ended. It is with this in mind, that the Lee Memorial Auxiliary presents a review of 2016-2017.

SYSTEM HIGHLIGHTS

- Started the fiscal year with a new name for a new century of caring. With a redefined mission, vision and value statement, Lee Health continues to embody Caring People, Inspiring Health. The Lee Memorial Auxiliary has been part of the System since 1950 and plans to keep building on our legacy of service, advocacy and funding.

- Appointed Larry Antonucci as new President/Chief Operating Officer, even furthering his value to Lee Health and our community. Also created dyads - shared leadership at each acute care hospital between an Acute Care Medical Officer (physician) and a Vice President of Patient Care Services (nurse). This change coincided with the retirement of key players and the shifting of other administrative roles.

- After much anticipation throughout the community, opened the newest Children’s Hospital in the country this Spring. With a dedicated Volunteer Supervisor, Golisano Children’s Hospital of Southwest Florida (GCHSWF) has drawn increased interest from individuals throughout the community who want to serve our young patients.

AUXILIARY HIGHLIGHTS

- Welcomed Teresa Frank-Fahrner as Director of Volunteer Resources and Auxiliary Development for Lee Memorial Hospital (LMH), HealthPark Medical Center (HPMC) and GCHSWF. She is also the Director of Arts in Healthcare and has a 25-year history with Lee Health including spearheading the SHARE Club and community outreach for Older Adults.

- Committed $375,000 over a five-year period for the Pediatric Mental Health Initiative for GCHSWF.

- Donated $25,000 to the United Way for the Lee Health Employee Assistance Fund to help staff as they recover from Hurricane Irma. Cape Coral Hospital Auxiliary and Gulf Coast Medical Center Auxiliary each also donated $25,000 for a total of $75,000 from the Lee Health Auxiliaries.

- Opened a third gift shop dedicated to children - Bright Ideas for Kids - at GCHSWF.

- Finalized plans for the remodeling of the Bright Ideas Gift Shop at LMH.

- Partnered with Ada’s greenleaf grill at the GCHSWF to provide convenience for patients, patients’ families and staff.
• Helped fund the relocation of ChocoLattés Coffee Bar at LMH and immediately saw a return on this investment with a substantial increase in sales after the first full month of operation.

• Committed over one half million dollars ($510,193) to fund technology, programs, projects and grants to benefit patients, their families, staff, physicians and our Southwest Florida Community. This was the largest annual financial commitment in our history, bringing our total to almost $8.72 million through the years. This included $60,000 for the Education Grant Program; we have now funded $1,020,000 for area health care education programs, grants and scholarships.

• Continued our collaboration with our sister Auxiliaries in the form of joint funding for donation requests, developing policies, and sharing information. The 2017-2018 Joint Installation of Officers was briefly delayed due to the storm.

• Presented the first Annual Holiday Pops Concert by the Charlotte Symphony Orchestra for patients, visitors, staff and the community at HPMC. Doug MacGregor, Coordinator of Arts in Healthcare, organized this special event and has scheduled the next one for December 2, 2017. Doug also coordinates the Art by the DisABLEd Program at Lee Health, producing an annual calendar and note cards featuring the talented artists.

• Hosted the West Central District Meeting for the Florida Association of Healthcare Auxiliaries/Volunteers.

• Held first off-site Holiday General Meeting for the membership at Lexington Country Club.

• Congratulated Past President Sandy Heise on being named the first-ever Florida Hospital Association Volunteer of the Year.

• Volunteered in many positions throughout Lee Health and at fundraising and special events for the Auxiliary, the Foundation and the Health System.

FUNDRAISING
With one month left in the 2017 Fiscal Year, we have had a record-breaking incoming-producing year overall. For the first 11 months, Coffee Sales were up significantly both at LMH and HPMC. The Uniform Shops saw a high volume increase due to the new System name and logo.

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<thead>
<tr>
<th>AUXILIARY SERVICES:</th>
<th>UNIFORM SHOPS NET</th>
<th>$298,196</th>
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<tbody>
<tr>
<td>Ada's greenleaf grill</td>
<td>$ 3,846</td>
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<tr>
<td>Baby Pictures</td>
<td>18,515</td>
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<tr>
<td>ChocoLattés Coffee</td>
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<td>Donations/Miscellaneous</td>
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<td>Dues</td>
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<td>Interest</td>
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<td>Popcorn</td>
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<tr>
<td>Special Events</td>
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<td>Total Revenue</td>
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<td>Expenses</td>
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<tr>
<td>AUXILIARY SERVICES NET</td>
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<td>POST OFFICES NET</td>
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<td>GIFT SHOPS NET</td>
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<td>HEALTHY CORNER NET</td>
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<td>FY 2017 NET REVENUE THROUGH AUGUST 31, 2017</td>
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<td>-----------------------------------------------------------------------------</td>
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<td>Anesthesia Trays for Crash Carts (120) - LMH</td>
<td>$9,550</td>
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<tr>
<td>Automatic Door Opener for System Lab (Shared) - System</td>
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<td>Bariatric Scale 3W MPCU - HPMC</td>
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<tr>
<td>Bariatric Scale 6W PCU - HPMC</td>
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<tr>
<td>Bright Ideas for Kids Start-Up Inventory - GCHSWF</td>
<td>35,000</td>
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<td>Children's Memorial Keepsakes and Memory Garden - GCHSWF</td>
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<tr>
<td>Compassionate Blanket Program for ICU - LMH/HPMC</td>
<td>3,000</td>
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<td>Creamatocrit Centrifuge (4) for Neonates/Other Infants - GCHSWF</td>
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<td>Desk Chairs (2) for Radiology - LMH</td>
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<td>Education Grant Program - System</td>
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<td>Fetal Ultrasound Fetal Heart Education Didactic Training - GCHSWF</td>
<td>5,091</td>
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<td>Fluke ProSim 4 with Spotlight – Home Health</td>
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<td>Glide Scope for Emergency Department - HPMC</td>
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<td>High/Low Mat Table - HPCRC</td>
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<td>HoverMatt for Radiology - LMH</td>
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<td>iPad Minis and Cases (2) for Hospitalists (Shared) – LMH/HPMC</td>
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<td>LapTop Carts (5) for Registration - LMH</td>
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<td>Light EENT (2) for Employee Health - LMH/HPMC</td>
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<td>Masimo RAD 5 (2) for Skilled Nursing Unit - LMH</td>
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<td>Masimo RAD 5v (4) for Neuro and ICU - LMH</td>
<td>2,092</td>
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<td>Masimo RAD 7 (2) for Progressive Care - LMH</td>
<td>9,822</td>
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<tr>
<td>Newborn Training Manikin for NICU - GCHSWF</td>
<td>1,986</td>
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<td>OB Clinical Nursing Skill Basic to Advanced Book/Pediatric Procedures Book, Etc.</td>
<td>719</td>
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<td>OB Conference Phone and Fax Machines (2)</td>
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<td>OB Electronic Fetal Monitoring Heart Course Packs (19)</td>
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<td>OB Labor and Delivery Stools (2)</td>
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<td>OB Newborn Training Manikin for NICU</td>
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<td>OB Oximeters/Sensors for Heart Carts (3)</td>
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<td>OB Peanut Birthing Balls (10)</td>
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<td>OB Phototherapy Stand</td>
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<td>OB Radical 7 Monitor for Unstable Babies</td>
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<td>OB Refrigerators for Breast Milk Storage (2) and Freezers for Ice Pack Storage (2)</td>
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<td>OB Security Locks</td>
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<td>Patient Recliners (4) for 4 West/(10) 3 West/(20) 6 West - HPMC</td>
<td>105,665</td>
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<td>Pediatric Mental Health Initiative $375,000 over 5 years – 1st Installment - GCHSWF</td>
<td>75,000</td>
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<td>Pediatric Mental Health Initiative Other Donations - GCHSWF</td>
<td>1,171</td>
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<td>Playground Sail Shade System for Child Care Center - LMH</td>
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<td>Playground Sail Shade System for Child Care Center - HPMC</td>
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<td>Pressure Map Bodi Trak - HPCRC</td>
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<td>Sofa for Waiting Room on 5 North – LMH</td>
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<td>TVS and Arms (40) for The Rehab Hospital - TRH</td>
<td>33,200</td>
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<td>UA Analyzers (2) for Employee Health - LMH/HPMC</td>
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<td>Ultrasound Equipment Diagnostic Tool (Shared) - System</td>
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<td>United Way Lee Health Employee Assistance Fund - System</td>
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<td>Volunteer Shirts with Lee Health Logo – LMH/HPMC</td>
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<td>Welch Allyn Portable Diagnostic Set for Outpatient Infusion - LMH</td>
<td>657</td>
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<tr>
<td><strong>TOTAL COMMITMENTS FY 2016-2017</strong></td>
<td><strong>$510,193</strong></td>
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</table>
WHY WE CAN DO WHAT WE DO

By supporting our fundraising sales, special events and Auxiliary businesses, the Lee Health staff helped make this year such an incredible success. As did the Lee Health Board and our liaison Diane Champion, Administration with Jon Cecil as our guide, our volunteers, Auxilians and friends. The expertise, advice and counsel of Ned Heck, our Senior Financial Analyst, was, as always, of great value. Plus Larry Altier, System Director of Food and Nutrition Services is ever ready with opportunities and suggestions.

A special thanks to our Auxiliary Board of Directors: Jean Perkins, Vice President of Fundraising; Karen Endersbee, Vice President of Lee Memorial Hospital; Ketki Shah, Vice President of HealthPark Medical Center; Bob Lotz, Vice President of Golisano Children’s Hospital of Southwest Florida; Sandy Heise, Vice President of Membership; Nancy Sammons, Secretary; and Dan Gillenwater, Treasurer. Also, our Members-at-Large Susan Alexander, Ron Currie, Phil Fortin, Cathy Miller, Mary Jane Rockas, and Tommie Schott. We appointed our first Chair of Business Operations - Phil Fortin - who was a strong liaison with our partners and other businesses.

It is our Auxiliary and Volunteer Resources Staff that keeps things moving. Our gratitude to Teresa Frank-Fahrner, Director, who jumped right in and provides valuable input and support; Deanna Steinberg who ably oversees all of our gift and uniform shops along with her Manager Joanne Dennis and Supervisors Aloyce Black and Karen Milano; Melanie Korenvaes and Linda Johnson, our Assistants who keep us sharp; our Volunteer Resources team of Nancy Finn, Chris Brown, Pam Shimko, Prisca Asaro, and newest member Marina Acosta-Miller, who are always there to assist.

Before closing, it is time to thank someone who has been an Auxilian champion for almost four decades. We would not have made it this far without his encouragement, guidance, participation, and cheerleading. He has always believed in volunteers and the Auxiliary, and the depths of his compassion, sincerity, and integrity and his love for Lee Health and our community is an inspiration to us all. Thank you, Jim Nathan.

This first year as your Lee Memorial Auxiliary President has been an unbelievably awesome experience. My message remains the same – I have never worked with a more dedicated, talented, caring group of individuals – period. There is no doubt that next year will bring even better things.

Thank you for allowing me to serve.

Respectively submitted to the Lee Memorial Health System Board of Directors on October 12, 2017.

Jim Andrews
President
Lee Memorial Auxiliary 2016-2017
BOARD OF DIRECTORS

PHYSICIAN LEADERSHIP COUNCIL REPORT

William Hearn, D.O, PLC Chairman

Lee Memorial Health System Board of Directors
Lee Health Telemetry Guidelines

- Telemetry has been over utilized
- Over utilization is a safety issue.
- Three part action plan:
  1. Changes to EPIC orders to standardize the usage of telemetry with better adherence to currently accepted standards.
  2. Provider education on appropriate use of telemetry.
  3. Nursing education on appropriate use of telemetry.
- This is the first guideline derived from the new Clinical Collaboration Council that has been approved by the PLC. These guidelines were sent to each MEC for discussion and action.
- Go live is scheduled for the end of October. BOD will be updated on initial results in January 2018.

ACUTE CARE MEDICAL OFFICERS

- Scott Kashman introduced the acute care medical officers (ACMO) and their role at each of the hospitals. The ACMO will work with a nurse vice president of patient care services (VPPCS) in a shared leadership model or dyad. The dyad is focused on collaboration, standardization, quality, safety, reliability and patient experience.
- Harry Alberti, MD – CCH
- Eric Appelgren, MD – HPMC
- Jonathan Velez, MD – GCMC
- Alex Daneshmand, DO – GCHSWFL
- Scott Wolf, MD – LMH

CLINICAL COLLABORATION COUNCIL (CCC)

- Communication Plan
1. Lean transformation team is completed a survey of the Medical Staff to find the most preferred method of communication for various types of relevant information on 8/15/17.
2. Consultant has been hired by the Administration to develop a long term plan. One on one interviews with Medical Staff leaders are ongoing.
3. PLC feels that it is imperative to the success of the work of the CCC to have an effective communications plan as soon as possible, since we have new process improvements currently being worked on and approved.
4. Administration (CCC) has agreed to present an initial communication plan to the MS, via the PLC, by 11/27/17.

**CMS 5 Star Task Force**

- Catheter associated urinary tract infections (CAUTI): Evidence based guideline for insertion of catheter / maintenance and removal complete in October, 2017. “Just do it” Foley pilot ongoing in all ICU’s as of August 1st.
- Central line associated blood stream infections (CLABSI): “Just do it” pilot at HPMC for standardization of indication for lines, pre-insertion checklist, and Vascular Access Team intervention for line removal every day. Collaboration with pharmacy to use alternative route for medications – not central-line. “Adopt a Unit” plan for Vascular access nurses and consider Senior leadership participation.
- C. diff infections: Education to re-introduce C. diff as a clinical diagnosis not a lab diagnosis. Identified key risk factors for C. diff infections, i.e. antibiotic stewardship; improved environmental cleaning of room and facilities; improving hand washing. Next step develop Risk based C. diff calculator/decision algorithm for accurate identification of affected patients.
- Surgical site infections (SSI): Workgroup launched August 29th. Enhanced recovery after surgery (ERAS) workgroup launched. “Just do it” standard data reporting to colorectal surgeons “pilot” ongoing at GCMC. Early review of potential cases with GCMC colorectal surgeons.

**Hurricane Irma post-mortem**

Lisa Sgarlata provided an update on response plan effectiveness for Hurricane Irma.
- The health system billeted over 8,000 employees and their family members;
- served more than 40,000 meals per day;
- housed 1,100 patients and 800 pets; 36 special needs; and
• child care was provided.
• Uninterrupted care was a primary focus. All patients continued to receive the same level of care.

**Medical Staff issues:**
• No serious safety issues occurred due to the storm.

• Communication: The Medical Staff needs to have an effective communication tool. Text messaging worked well until towers went down. ATT service was interrupted once the hospital went on generator power.

• Miscommunication: at times the employees and medical staff were not receiving the same information.

• Billeting: Physicians providing care to the patients or who are on call need to have a comfortable place to rest.

• Physicians Lounge: no food or beverages in lounge, many physicians congregate and discuss patients in this area.

• Parking: GCMC parking garage – have it monitored in advance to prevent from having others in the community parking in the garage

• Shelter – hospitals became overcrowded as more and more people were being told to evacuate their homes and had no place to go.

• A multiphase disaster plan was suggested to account for rapidly changing situations that occur during such a storm
Lee Health
Board of Directors Meeting
October 12, 2017
President’s Report

- Introduction of Bob Boswell (if available)
- Medical Staff Recognition event
- Two-sided Risk: Benefits and risks
- CMS Star rating delay
- Physician Burnout
- Physician Communication assessment
- System Leadership Council-Deaconess experience in Population Health
- Changing face of physician practice
- DC News
BOARD CHAIRMAN TO PLANNING LIAISON:

PLANNING
BOARD OF DIRECTORS
MEETING

Thursday, October 12, 2017 1:00 p.m.

PLANNING LIAISON:
Donna Clarke
BOARD OF DIRECTORS

COCONUT RD / US 41
PROPERTY PURCHASE

(Ben Spence, Chief Financial & Business Services Officer)
(Kevin Newingham, Chief Strategy Officer)
(Mark Ebelini, Esq., Attorney)

(APPROVE)
<table>
<thead>
<tr>
<th>DATE:</th>
<th>October 12, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUBJECT:</td>
<td>Coconut Road/US 41 Property Purchase (Assignment of Purchase Contracts)</td>
</tr>
<tr>
<td>REQUESTOR &amp; TITLE:</td>
<td>Chief Financial &amp; Business Services Officer, Ben Spence, &amp; Chief Strategy Officer, Kevin Newingham</td>
</tr>
</tbody>
</table>

**PREVIOUS BOARD ACTION ON THIS ITEM (IF ANY)**

(Justification and/or background for recommendations – internal groups which support the recommendation)

The Lee Memorial Health System d/b/a Lee Health ("Lee Health") Board of Directors approved a written confidential strategic plan with the understanding that legal documents to implement the strategic plan would be brought to the Board at a Public Meeting on October 12, 2017.

**SPECIFIC PROPOSED MOTIONS:**

Motion to:

(1) approve the terms attached Assignment and Assumption of Contract of Purchase and Sale of Property and Assignment and Assumption of Commercial Contract for the purchase two adjacent parcels of land located at the corner of Coconut Road and US 41 in Estero, Florida where one parcel is 28.9 acres of real property with a purchase price of nine million five hundred fifty thousand dollars and 00/100 ($9,550,000.00) and the other parcel is 14.41 acres of real property at a purchase price of Eight Million Dollars ($8,000,000) for a total acquisition of 43.31 acres of real property and a total purchase price of seventeen million five hundred fifty thousand dollars and 00/100 ($17,550,000.00)

(2) authorize the President or Chairman to execute the assignments and/or necessary legal documents after the Board approves the purchase and upon final review and approval by LMHS Legal Counsel and/or Board Counsel.

**FINANCIAL IMPLICATIONS**

- Budgeted Account: Yes
- Non-Budgeted: No

*(Annual Project Budget and Total Project Budget)*

**STAFFING & OPERATIONAL IMPLICATIONS**

None.

**PURPOSE/REASON FOR RECOMMENDATION**

Opportunity to obtain real property in a strategic location with the ability to expand new or existing health services in the future as determined by the Board

**SUMMARY**

*(Including alternatives considered, Pros and Cons)*

The purchase of the real property described above will give Lee Health the opportunity to own real property in a strategic location with the ability to utilize the real property as an investment to expand new or existing health services. The property is at a competitive price. The Board is being asked to take immediate action because of time constraints in the assignment and purchase documents.
ASSIGNMENT AND ASSUMPTION OF
CONTRACT OF PURCHASE AND SALE OF PROPERTY

Daniel F. Adams ("Assignor"), in consideration of the sum of Fifty Thousand and
NO/100 Dollars ($50,000.00), hereby grants, bargains, sells, assigns, transfers, and sets over unto
Lee Memorial Health System, a public body created by Chapter 2000-439, Laws of Florida
("Assignee"), all of Assignor's right, title, and interest as Buyer in and to that certain Contract for
Purchase and Sale of Property between Assignor and OB Florida CRE Holdings, LLC, a Florida
limited liability company, and IberiaBank, a Louisiana state bank (collectively "Seller") dated as
of September 27, 2017 (the "Contract"), for the sale and purchase of approximately 28.9 acres of
real property located in Lee County, Florida, as shown on the attached Exhibit A owned by
Seller.

Assignee hereby agrees to assume all of Assignor's obligations and liabilities under the
Contract.

This assignment includes all rights to the $50,000.00 deposit made by the Assignor under
the Contract.

Assignor hereby discloses that he is a Florida licensed real estate broker-salesperson with
Jeffcott Realty Investments, Inc., 1415 Dean Street, Post Office Box 1313, Fort Myers, Florida
33902.

Assignor hereby authorizes Seller, upon Assignee's performance of all of the terms and
conditions set forth in the Contract, to make, execute, and deliver a good and sufficient deed to
the Property, in the same manner as though Assignee, instead of Assignor, had been an original
signatory of the Contract.

Signed, sealed and delivered in the presence of:

ASSIGNOR:

Daniel F. Adams

ASSIGNEE:
Lee Memorial Health System

By: ____________________________, its ____________________________
CONTRACT FOR PURCHASE AND SALE OF PROPERTY

This Contract for Purchase and Sale of Property (the “Agreement”) between OB Florida CRE Holdings, LLC, a Florida limited liability company (as to Parcel 1 throughout) and IberiaBank, a Louisiana state bank (as to Parcel 2 throughout) (collectively, “Seller”) and Daniel F. Adams (“Buyer”), is entered into as of the Effective Date (as hereinafter defined).

STATEMENT OF FACT

Seller desires to sell, and Buyer desires to purchase, the following described real property located in Lee County, Florida, together with all improvements, if any, easements, tenements, hereditaments, privileges, appurtenances, servitude and other rights, if any, belonging thereto or inuring to the benefit of Seller (the “Property”) on the terms and conditions contained herein:

See Exhibit “A” annexed hereto

The property legally described on Exhibit “A” is intended to consist of all parcels of property shown on the maps attached hereto as Exhibit “B” and will be confirmed by Buyer during the Inspection Period.

AGREEMENT

In consideration of the sum of Ten and No/100 Dollars ($10.00), the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, it is agreed as follows:

1. Obligation to Sell and Purchase; Effective Date. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property, upon the terms and conditions contained herein. The date of execution and delivery of this Agreement by the last of Buyer and Seller shall hereinafter be referred to as the “Effective Date”.

2. Purchase Price. The purchase price for the Property shall be Nine Million Five Hundred Fifty Thousand and No/100 Dollars ($9,550,000.00) (the “Purchase Price”), which shall be payable as follows:

   (a) Within two business days of the Effective Date of this Agreement, Buyer shall pay to Shumaker, Loop & Kendrick, LLP (“Escrow Agent”) in escrow, the sum of Fifty Thousand and No/100 Dollars ($50,000.00) as an earnest money deposit (the “Initial Deposit”). Escrow Agent shall hold and disburse the Initial Deposit in accordance with this Agreement.

   (b) On or before the expiration date of the Inspection Period set forth in Section 7. below, Buyer shall pay to Escrow Agent in escrow, the sum of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00) as an additional earnest money deposit, which additional earnest money deposit shall together with the Initial Deposit be hereinafter collectively referred to as the “Deposit”. Escrow Agent shall hold and disburse the Deposit in accordance with this Agreement.

   (c) At Closing, Buyer shall: (i) receive a credit against the Purchase Price for the Deposit to be paid to Seller by Escrow Agent (as provided herein); and (ii) pay Seller, subject to prorations and closing adjustments set forth, the balance of the Purchase Price, in U.S. funds, by wire transfer or a cashier’s check.
3. **Title Insurance.** Buyer shall procure by no later than fifteen (15) days from the Effective Date, a title insurance commitment issued by a title insurance company designated by Buyer, agreeing to insure title to the Property to be vested in Buyer upon the conveyance of the Property to Buyer, in the amount of the Purchase Price, subject only to the Permitted Exceptions (as hereinafter defined). If the title insurance commitment reveals defects that render title unmarketable, Buyer shall so notify Seller within fifteen (15) days of Seller’s delivery of such title insurance commitment to Buyer, and Seller shall have a reasonable time not to exceed thirty (30) days to cure and correct the same; provided, however, Seller shall not be obligated to cure any defects other than to satisfy monetary liens arising through Seller. If Buyer fails to object to any matter set forth in the title insurance commitment within the time period set forth herein, such matter shall be deemed to be a “**Permitted Exception**.” In the event Seller fails to correct said defects within the time provided, Buyer shall have the right: (i) to terminate this Agreement and receive a return of the Deposit from Escrow Agent (less the sum of $100.00, which shall be paid by Escrow Agent to Seller as consideration for Seller’s having entered into this Agreement) in which event all obligations of the parties hereunder shall cease except for provisions which survive a termination of this Agreement; or (ii) to waive such defects and take title in its then condition with no abatement of the Purchase Price. Such alternatives shall be the exclusive remedies of Buyer. The owner’s title insurance policy to be issued pursuant to the title insurance commitment following Closing shall be paid for by Seller. Buyer shall be solely responsible for the payment of any costs for any endorsements to the owner’s title insurance policy and for any lender’s title insurance policy and related endorsements desired by Buyer. The 2005 Purchase Contract and Addendum (the “HG Coconut Contract”), held to be enforceable by that Notice of Entry of Stipulation and Order in Case styled **HG Coconut, LLC vs. Land Development Group, LLC and Coconut 41, LLC** under Collier County Circuit Case No. 07-1687-CA, recorded August 18, 2009 in Official Records Instrument No. 2009000220005 of Lee County, Florida, and by a Final Opinion and Order in the case styled: **OB Florida CRE Holdings, LLC v. HG Coconut, LLC et al.; 20th Judicial Circuit Court Case No. 14-CA-050720 and Second District Court of Appeal Case No. 2D16-2509** shall be deemed Permitted Exceptions, and therefore, Buyer may not make a title objection to the same. Buyer’s inability to make a title objection to the same shall in no way be construed as a waiver of Seller’s right, as further described in Section 14. below, to condition Seller’s performance under this Agreement to, **inter alia**, the recordation of the Termination of Transfer Prohibition as defined in Section 14. below.

4. **Survey.** Buyer shall have the right, but not the obligation, to cause to be prepared, at Buyer’s expense, a survey of the Property by a registered land surveyor or engineer. In the event that the survey reveals any material encroachments on the Property, then, Buyer shall have the right to terminate this Agreement and receive a return of the Deposit from Escrow Agent (less the sum of $100.00, which shall be paid by Escrow Agent to Seller as consideration for Seller’s having entered into this Agreement), by delivering a Termination Notice to Seller on or before the expiration of the Inspection Period (as such terms are defined in Section 7(a) hereof). Failure to timely deliver the Termination Notice within such time shall be deemed an acceptance of the Property as surveyed.

5. **Items for Review to be Furnished by Seller.** By no later than five (5) business days after the Effective Date, Seller shall deliver to Buyer any surveys, prior title policies or commitments, environmental reports, development orders, plans, reports, leases, occupancy agreements, permits, licenses or agreements relative to the Property in Seller’s possession, but specifically excluding appraisals and any attorney client privileged information. Buyer hereby acknowledges and agrees that Seller makes no warranties, guarantees or representations as to the accuracy, completeness, validity or viability of any of the foregoing items.
6. **Return of Items by Buyer.** As a material inducement for Seller’s entering into this Agreement with Buyer, if for any reason the Closing does not take place, Buyer shall, at no expense to Seller: (a) return to Seller all of the items furnished by Seller to Buyer, and (b) deliver to Seller all of the inspection materials, surveys, reports, plans, applications and agreements obtained or prepared by Buyer relative to the Property: (i) concurrently with the delivery of the Termination Notice by Buyer, where applicable; or (ii) within three (3) days after Buyer’s receipt of the notice of termination of the Agreement by Seller, where applicable.

7. **Rights of Inspection and Related Matters.** Buyer shall have until October 27, 2017 (the “Inspection Period”) to review all documents deemed appropriate by Buyer (including the documents received pursuant to Section 5) and to make any and all physical inspections of the Property which Buyer may desire to make or have made at Buyer’s expense, including, but not limited to, topographical studies, soil tests and utilities verification.

   (a) In the event that any of the documents or information so provided or received by Buyer or the results of any of such inspections, analyses or reviews made or caused to be made by Buyer are, for any reason, in Buyer’s sole discretion, unsatisfactory to Buyer, Buyer may terminate this Agreement by delivery of written notice (facsimile or confirmed electronic transmission shall be deemed acceptable delivery of such notice) to Seller prior to 5:00 p.m. (Eastern Time) on the last day of the Inspection Period (the “Termination Notice”). Upon timely delivery of the Termination Notice by Buyer, Escrow Agent shall return the Deposit to Buyer (less the sum of $100.00, which shall be paid by Escrow Agent to Seller as consideration for Seller having entered into this Agreement), and all other obligations of the parties hereto shall cease, and this Agreement shall be void and without recourse to the parties hereto, except for provisions which survive a termination of this Agreement. If the Termination Notice is not timely delivered, then this Agreement shall continue in full force and effect, and the Deposit shall be non-refundable, subject to Seller’s obligations to perform under this Agreement.

   (b) Buyer shall restore the Property to a condition substantially the same as that existing immediately prior to any tests and inspections performed by Buyer or its consultants. Buyer shall provide to Seller full and unconditional waivers of lien from Buyer’s contractors, subcontractors, vendors and materialmen providing materials or services in connection with Buyer’s inspections of the Property, and Buyer shall indemnify and hold Seller harmless with respect to damage or loss to persons or property, and any and all costs or expenses suffered or incurred by Seller, including reasonable attorneys’ fees (both at the trial and appellate level) resulting from: (i) Buyer’s or Buyer’s agents’ and/or consultants’ inspection activities, including any mechanics liens filed as a result of Buyer’s inspection activities; or (ii) Buyer failing to restore the Property as described herein. Notwithstanding anything to the contrary herein, this Section shall survive Closing or any termination of this Agreement.

   (c) At Buyer’s request during the Inspection Period, Seller hereby agrees to act in good faith to enter into a cooperation agreement with Buyer wherein Seller will agree to work with Buyer during the term of this Agreement with pre-Closing applications, approvals and plans for Buyer’s intended development of the Property post-Closing, including, but not limited to, the execution of applications and consents by Seller; provided however, the terms and conditions of such a cooperation agreement and any action taken by or requested of Seller in connection therewith shall be at no expense to Seller, shall not diminish or negatively affect the
potential development, approvals, permits or entitlements, if any, of the Property and shall be within Seller’s sole and reasonable approval.

8. **Confidential Information.** Buyer agrees that all information relating to the Property or arising from or relating to this Agreement or the negotiations thereof (the “Confidential Information”), will be held strictly confidential, and shall not be disclosed to any third parties (other than to actual or proposed consultants, contractors, lenders, governmental agencies, legal counsel and/or accountants to the extent reasonably related to Buyer’s acquisition, financing, development or use of the Property) without the prior consent of Seller unless Buyer, or an assignee, is under a legal obligation to disclose the Confidential Information.

9. **Condition of Property.** It is understood and agreed that Buyer accepts the Property “as is”, “where is” condition and “with all faults”, as of the Effective Date and as of the Closing, without any representation or warranty whatsoever as to its condition, fitness for any particular purpose, zoning, merchantability or any other warranty, express or implied. Seller specifically disclaims any warranty, guaranty or representation, oral or written, past or present, express or implied, concerning the Property. Buyer acknowledges that Buyer is acquiring the Property based solely upon Buyer’s own independent investigations and findings concerning the Property and not in reliance upon any information provided by Seller or Seller’s agents or contractors, including, but not limited to, the information provided in Section 5 above. Without limiting the generality of the foregoing, Buyer acknowledges that Seller has made no agreement to alter, repair or improve any of the Property. Buyer releases Seller from any and all claims (whether known or unknown, and whether contingent or liquidated) arising from or related to conditions (including environmental conditions) affecting the Property, whether the same are the result of negligence or otherwise. The release set forth in this Section specifically includes, without limitation, any claims under any Environmental Laws, under the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq., or with respect to any Environmental Risk. “Environmental Laws” includes, but is not limited to, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§ 9601 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 6901 et seq.), the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 11001 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Clean Water Act (33 U.S.C. §§ 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 et seq.), and the Safe Drinking Water Act (42 U.S.C. §§ 300f et seq.), as any of the same may be amended from time to time, and any state or local law dealing with environmental matters, and any regulations, orders, rules, procedures, guidelines and the like promulgated in connection therewith, regardless of whether the same are in existence on the date of this Agreement. This Section 9 shall survive Closing or any termination of this Agreement.

10. **Closing.** The closing of this transaction (the “Closing”) shall take place in person or by mail at the offices of Knott Ebelini Hart, 1625 Hendry Street, Third Floor, Fort Myers FL 33901, on or before November 20, 2017, unless delayed by virtue of time consumed in curing defects of title, in which event the Closing shall be held within ten (10) days after the curing or waiving of any such defects in title. Possession shall be given at Closing. At Closing, Buyer shall deliver to Seller the Purchase Price described in Section 2. above, and Seller shall deliver to Buyer the following items:

   (a) A Special Warranty Deed conveying the Property subject only to the Permitted Exceptions in the form attached hereto as Exhibit “10(a)”.  

SLK_SAR:#233789v8
(b) An Affidavit of No Liens in form and substance acceptable to Seller’s attorney in the form attached hereto as Exhibit “10(b)”.

(c) An Affidavit in compliance with Internal Revenue Code Section 1445 specifying that Seller is not a foreign person in the form attached hereto as Exhibit “10(c)”.

(d) A Quit Claim Assignment of Development Entitlements prepared by Seller’s attorney where Seller shall assign to Buyer all building plans, licenses, agreements with governmental agencies, development rights, bonds, credits, reserves, contracts, deposits related to the ownership or the development of the Property and permits for the Property, if any, “as-is”, without warranties, guarantees or representations as to the accuracy, completeness, validity, viability or assignability of any of the foregoing, except that Seller will warrant and represent that, to the best of Seller’s actual knowledge since Seller acquired title to the Property on May 31, 2013, Seller has not previously assigned or conveyed such rights.


(a) Seller shall pay the cost of the title search fee and the owner’s title insurance policy to be issued pursuant to the title insurance commitment and for documentary stamp tax on the deed. Buyer shall pay the cost of the survey, recording charges on the deed, and the cost for any endorsements to the owner’s title insurance policy and for any lender’s title insurance policy and related endorsements desired by Buyer.

(b) Delinquent real estate taxes, if any, shall be paid by Seller at Closing. Real estate taxes and rent for the year of Closing shall be prorated between Buyer and Seller at Closing, effective as of the date of Closing. If the Closing shall occur before the tax rate and the current assessed valuation is fixed for the then current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation giving account for the maximum discount available under applicable law, and no further tax prorations shall be conducted between the parties. This provision shall survive Closing.

12. Seller’s Warranties and Representations. Seller, to Seller’s actual knowledge, makes the following warranties and representations to Buyer which shall remain true up to and including the Closing and shall survive the Closing and the termination of this Agreement:

(a) This Agreement is binding upon and enforceable against Seller in accordance with its terms and the party executing this Agreement on behalf of Seller has the authority to do so.

(b) Seller’s title to the Property is or will be at the time of Closing duly marketable, free and clear of any liens or encumbrances save and except for the Permitted Exceptions.

(c) Since May 31, 2013, Seller has not received any written notice of any pending or threatened condemnation or similar proceeding or litigation affecting any portion of the Property, except for OB Florida CRE Holdings, LLC v. HG Coconut, LLC et al.; 20th Judicial Circuit Court Case No. 14-CA-050720 and Second District Court of Appeal Case No. 2D16-2509.
The transaction herein contemplated will not conflict with or result in a breach under any agreement or instrument by which Seller is presently bound, and will, to the best of Seller’s actual knowledge, not constitute a violation of any applicable law, rule, regulation, judgment, order or decree of any governmental entity or court to which Seller is subject.

Seller is not aware of any facts which prohibit Seller from entering into this Agreement and closing this Agreement in accordance with the terms hereof. Seller has the power and authority to enter into, deliver and perform this Agreement, to execute and deliver all documents required hereby, to convey all of its right, title and interest in and to the Property, and to otherwise take all steps necessary to the performance of the duties and obligations of Seller hereunder.

13. Buyer’s Warranties and Representations. Buyer makes the following warranties and representations to Seller:

(a) This Agreement is binding upon and enforceable against Buyer in accordance with its terms and the party executing this Agreement on behalf of Buyer has the authority to do so.

(b) The transaction herein contemplated will not conflict with or result in a breach under any agreement or instrument by which Buyer is presently bound, and will, to the best of Buyer’s actual knowledge, not constitute a violation of any applicable law, rule, regulation, judgment, order or decree of any governmental entity or court to which Buyer is subject.

(c) To the best of Buyer’s knowledge, there are no pending or threatened matters of litigation, administrative actions or arbitration, pending against Buyer that would prevent or hamper Buyer from performing its obligations under this Agreement.

(d) There has not been filed by or against Buyer a petition in bankruptcy or insolvency proceedings or for reorganization, or for the appointment of a receiver or trustee, nor has Buyer made an assignment for the benefit of creditors or filed a petition for an arrangement or entered into an arrangement with creditors or admitted in writing the inability to pay its debts as they become due.

(e) Buyer is involved regularly in the purchase and development of real property for its own commercial use and is represented by legal counsel in this transaction or has determined to proceed without legal counsel.

(f) Buyer’s warranties and representations shall be true as of the Effective Date and shall survive the Closing or a termination of this Agreement.


(a) Intentionally deleted.

(b) Intentionally deleted.

(c) Buyer hereby warrants and represents that Buyer has entered into a contract to purchase the property referred to in the above-described Final Opinion and Order as
DA2 (the “DA2 Contract”) with HG Coconut, LLC, a Florida limited liability company. During the term of this Agreement, Buyer shall regularly keep Seller advised of the status of the DA2 Contract, including, but not limited to, advising Seller in writing of any default thereunder and the specifics of any such default, when closing on the underlying purchase and sale of the DA2 property has occurred, and Buyer shall provide Seller with a copy of the executed and then the recorded deed of the DA2 property to Buyer (or Buyer’s assigns) when the same are made available to Buyer.

Within five days after Buyer (or Buyer’s assigns’) acquisition of the DA2 Property, Seller and Buyer (or Buyer’s assigns) shall executed, deliver and record the Termination of Transfer Prohibition set forth in Exhibit “C” annexed hereto in the Public Records of Lee County, Florida.

If: (a) there is an event of default under the DA2 Contract; (b) if the DA2 Contract fails to close prior to the date of Closing of this Agreement or (c) if DA2 fails to execute and deliver the Termination of Contract as heretofore provided, then Seller, at Seller’s option, shall have the right, but not the obligation to terminate this Agreement by delivering to Buyer written notice so indicating by no later than Closing, and upon such termination, Buyer shall receive a return of any and all payments made by Buyer to Escrow Agent hereunder (less the sum of $100.00, which shall be paid by Escrow Agent to Seller as consideration for Seller’s having entered into this Agreement).

15. Notices. Any notice, demand or other communication required or permitted to be given to any party hereunder shall be in writing, and shall be deemed to have been delivered when actually received, when confirmed via facsimile or electronic transmission, or, regardless of whether or not received, the third business day after deposit in the United States mail, registered or certified mail, return receipt requested, postage prepaid, addressed to the respective party at the address indicated below, or to such other address as may hereafter be indicated by written notice delivered in accordance with the terms hereof to the other parties:

Seller: OB Florida CRE Holdings, LLC, a Florida limited liability company
IberiaBank, a Louisiana state bank
Attn.: Bruce Reid
5310 East SR 64
Bradenton, FL 34208
Bruce.Reid@iberiabank.com
Facsimile: (941) 487-3067

With a copy to: Shumaker, Loop & Kendrick, LLP
Attn. Saralyn Abel Dorrill, Esq.
240 S. Pineapple Avenue
Sarasota, FL 34236
sdorrill@slk-law.com
Facsimile: (941) 366-3999

Buyer: Daniel F. Adams
2104 West First Street, Apt. 2304
Fort Myers FL 33901

With a copy to: Mark A. Ebelini, Esq.
Knott Ebelini Hart
Any party hereto may, at any time by giving five (5) days’ written notice to the other party hereto, designate any other address in substitution of the foregoing address to which such notice shall be given.

16. **Right of Assignment.** Buyer shall have the right to assign this Agreement, subject to Seller’s prior written approval, and any such approval shall not relieve Buyer of Buyer’s obligations of performance under this Agreement. Seller shall approve of an assignee provided that the assignee is a U.S. person or entity in good standing which is not a former defaulted borrower or a principal, officer, director, shareholder or relative of a former defaulted borrower of Seller, IberiaBank, its subsidiaries or affiliates, and further provided that the principals, shareholders, officers and directors of the assignee are not citizens from a country that violates banking policy.

17. **Breach.** Except as set forth below, in the event of the breach of this Agreement by Buyer, Seller may terminate this Agreement and retain the Deposit paid by Buyer to Escrow Agent hereunder (and Buyer shall deliver to Seller the balance of the Deposit not paid by Buyer as of the date of such breach) as and for liquidated damages, and all rights and obligations of the parties hereunder shall terminate, except for provisions which survive a termination of this Agreement. In the event of breach of this Agreement by Seller, at Buyer’s option to be exercised in writing to Seller and Escrow Agent within ten (10) days of Buyer’s knowledge of such breach, the Deposit shall be returned to Buyer, and this Agreement shall be deemed terminated, and obligations of the parties hereto shall cease (except those that survive such termination), or Buyer may enforce specific performance of this Agreement, which shall be Buyer’s exclusive remedies, unless specific performance rights are unavailable to Buyer, and then, only in such case, Buyer may sue Seller for damages in the event of Seller’s breach.

18. **Broker.** The parties hereto acknowledge that Jeffcott Realty Investments, Inc., a Florida corporation (the “Broker”) has acted as the Broker in this transaction and that the Buyer is a Florida licensed broker-salesman with the Broker. Seller shall be responsible for payment to the Broker of the real estate commission, in the amount of four percent (4.0%) of the gross purchase price, which shall be paid in cash at Closing but not otherwise; if Closing fails to occur, then no real estate commission shall be due and payable. Buyer and Seller agree that if any claims for brokerage commissions or fees are made by any party other than the above referenced Broker, all such claims shall be handled and paid by the party whose actions or alleged commitments form the basis of such claim; and the party whose actions or alleged commitments form the basis of such claim shall indemnify and hold harmless the other from and against any and all such claims or demands with respect to any brokerage fees or agents’ commissions or
other compensation asserted by any person, firm or corporation in connection with this Agreement or the transaction contemplated hereby. The provisions of this Section 18. shall survive Closing or any termination of this Agreement.

19. **Escrow Agent.** Buyer and Seller agree that the Deposit shall be held by Escrow Agent who shall place the Deposit in an interest bearing account within two (2) business days of Escrow Agent’s receipt of a Form W-9 prepared and executed by Buyer; and the rate of interest shall be that provided on the account by the institution in which the Deposit is deposited. If the aforesaid Form W-9 is not provided to Escrow Agent, then the Deposit shall be held in a non-interest bearing account. At Closing, Escrow Agent shall deliver the Deposit with any interest thereon to Seller as a credit against the Purchase Price pursuant to this Agreement. In the event the Closing fails to occur, Escrow Agent shall deliver the Deposit in accordance with instructions agreed to by both Buyer and Seller, or in the absence of such instructions, Escrow Agent shall either deposit such funds in the registry of a court of competent jurisdiction or hold the same until directed as to its delivery by a court, arbitrator or other entity having authority to determine the entitlement to the Deposit as between Buyer and Seller. Buyer and Seller, jointly and severally, agree to indemnify and hold harmless Escrow Agent from and against any and all costs, losses, claims, damages, liabilities and expenses, including reasonable attorneys’ fees which may be incurred by Escrow Agent in connection with its duties as Escrow Agent hereunder, which are not attributable to the willful default or gross negligence of Escrow Agent. Buyer acknowledges that Escrow Agent represents Seller and may continue to represent Seller in the event of a conflict hereunder. By their execution and delivery of this Agreement, the Buyer and Seller acknowledge and confirm that under certain circumstances deposits (including the funds subject to this Agreement) may not be insured or fully insured by the Federal Deposit Insurance Corporation (“FDIC”). Each party has made its own analysis of FDIC insurance regulations affecting, or potentially affecting, the funds subject to this Agreement and is not relying upon any advice from the Escrow Agent as to FDIC matters. The Buyer and Seller understand and agree that Escrow Agent is holding the escrow funds as agent and that the funds are not trust funds. Escrow Agent shall not be liable for any failure of the depository.

20. **Risk of Casualty and Condemnation Pending Closing.**

(a) In the event that the Property is damaged or destroyed by fire or other casualty prior to Closing, Seller shall have the option, in Seller’s sole and absolute discretion: (i) to repair such damage and destruction, at Seller’s expense (unless caused by Buyer in which case such repair shall be Buyer’s responsibility pursuant to the indemnity set forth in Section 7 above, and Buyer shall exercise due diligence to repair the same), and Seller shall have the right to extend the Closing for up to sixty (60) days to permit such repairs; or (ii) to assign the insurance proceeds, if any, to Buyer at Closing and Buyer shall be obligated to close in accordance with this Agreement without a reduction in the Purchase Price.

(b) In the event that all or material portion of the Property is taken by condemnation or right of eminent domain prior to Closing or condemnation or eminent domain proceedings are threatened or initiated which might result in the taking of all or any material portion of the Property, then, at Buyer’s option: (i) this Agreement shall terminate upon written notice to Seller and Buyer shall receive a full refund of all payments made by Buyer to Escrow Agent hereunder (less the sum of $100.00, which shall be paid by Escrow Agent to Seller as consideration for Seller’s having entered into this Agreement); or (ii) Buyer shall close in accordance with this Agreement without reduction in the Purchase Price, and all such condemnation award or rights thereto (if any) shall be assigned by Seller to Buyer at Closing.
21. **Required Statement.** Florida Statutes §404.056(8) requires the following statement to be included in this agreement: **RADON GAS:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department.

22. **PROPERTY TAX DISCLOSURE SUMMARY.** BUYER SHOULD NOT RELY ON SELLER’S CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT BUYER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER’S OFFICE FOR INFORMATION.

23. **Back-up Offers.** Buyer hereby acknowledges and agrees that, prior to the expiration of the Inspection Period, Seller may obtain back-up offers and enter into contracts or letters of intent (the **“Back-up Offer(s)”** ) provided that any of such Back-up Offers shall provide that Seller may convey the Property pursuant to the Back-up Offer only in the event Buyer fails to acquire the Property hereunder and further provided that Seller will not grant any third party purchaser access to the Property after the expiration of the Inspection Period; provided Buyer has delivered the $300,000.00 non-refundable Deposit to Escrow Agent pursuant to Section 2.(b) of this Agreement.

24. **Miscellaneous.**

(a) The prevailing (or substantially prevailing) party in any dispute arising under this Agreement shall be entitled to reimbursement from the non-prevailing party for its reasonable expenses, including attorneys’ fees, paralegals’ fees, legal assistants’ fees and costs, including those incurred on the appellate level and those incurred in connection with a determination of the amount of such fees and costs.

(b) Wherever used herein the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

(c) This Agreement supersedes and replaces any previous written or oral agreements between the parties pertaining to the Property, and any and all such agreements are hereby declared to be null and void and of no further force and effect.

(d) This Agreement contains all the terms, promises, covenants, conditions and representations made or entered into by and between the parties hereto and no modification hereof shall be valid or binding unless in writing and executed with the formalities hereof.

(e) Time is of the essence to this Agreement.

(f) This Agreement shall be construed under the laws of the state of Florida. The venue of any action or suit brought in connection herewith shall be in the County in which the Property is located.

(g) This Agreement shall not be construed more strongly against any party regardless of the party responsible for its preparation.
(h) If any term, covenant, condition or provision of this Agreement shall be held to any extent to be invalid or unenforceable under applicable law, the remaining terms shall not be affected thereby, but shall remain in full force and effect.

(i) The calculation of the number of days that have passed during any time period referenced herein shall be based on calendar days, unless otherwise specified, and any such period shall commence on the day immediately following the action or event giving rise to the commencement of the period and shall expire at 5:00 p.m. Eastern Standard Time, on the last day of the time period. Furthermore, any time period provided for herein which shall end on Saturday, Sunday or a legal holiday shall extend to 5:00 p.m. Eastern Standard Time, of the next full business day.

(j) Nothing contained in this Agreement shall constitute or be construed to be or create a partnership, joint venture or any other relationship between Seller and Buyer other than the relationship of buyer and seller of property as set forth in this Agreement.

(k) THE PARTIES HERETO DO HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVE ANY RIGHT ANY PARTY MAY HAVE TO A JURY TRIAL IN EVERY JURISDICTION IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR RESPECTIVE SUCCESSORS OR ASSIGNS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

(l) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement and a signature via facsimile or electronic transmission shall be deemed an original.

25. Offer. The execution of this Agreement by Seller constitutes an offer to sell the Property on the terms and conditions contained herein and shall be considered withdrawn unless accepted by Buyer executing a copy hereof and returning the same to Seller on or before September 28, 2017.

The parties hereto have executed this Agreement as of the Effective Date.
WITNESSES:

“Seller”

OB Florida CRE Holdings, LLC, a Florida limited liability company

By: IB SPE Management, Inc., a Delaware corporation, its sole Manager

By: Bruce C. Reid
As Its: Authorized Signer

IberiaBank

By: Bruce C. Reid
As Its: VP

WITNESSES:

"Buyer"

By: Daniel F. Adams

Dated this 27th day of September, 2017.

Dated this 87th day of September, 2017.
ACCEPTANCE BY ESCROW AGENT

The undersigned hereby agrees to accept, hold, return and disburse the Deposit in accordance with the provisions of the Agreement.

“Escrow Agent”

WITNESSES: Shumaker, Loop & Kendrick, LLP

Print Name:_________________________ Saralyn Abel Dorrill, as its partner

Print Name:_________________________

Dated this _____ day of September, 2017.
EXHIBIT “A”

Parcel 1:
A PORTION OF SECTION 9, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SECTION 9, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA; THENCE N.01°00'32"W., A DISTANCE OF 55.00 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF COCONUT ROAD, A 50.00 FOOT RIGHT-OF-WAY, AS THE SAME IS DESCRIBED IN O.R. BOOK 1738 AT PAGE 2538 OF THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE S.89°56'40"E., ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF COCONUT ROAD, A DISTANCE OF 2,093.24 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED; THENCE N.00°00'28"E., A DISTANCE OF 290.01 FEET; THENCE S.89°56'39"E., A DISTANCE OF 150.73 FEET; THENCE N.00°03'28"E., A DISTANCE OF 690.29 FEET; THENCE N.01°39'12"W. A DISTANCE OF 170.00 FEET TO THE SOUTH LINE OF THE NORTH 1/2 OF THE NORTHWEST QUARTER OF SAID SECTION 9; THENCE N.88°20'48"E, ALONG SAID SOUTH LINE, A DISTANCE OF 1,080.32 FEET TO THE SOUTHWEST CORNER OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 9; THENCE N.88°30'03"E., ALONG THE SOUTH LINE OF THE NORTH 1/2 OF SAID NORTHEAST QUARTER, A DISTANCE OF 516.62 FEET TO THE WESTERLY RIGHT OF WAY LINE OF TAMIA MI TRAIL (STATE ROAD 45) THE SAME BEING A POINT ON A CURVE TO THE RIGHT, HAVING: A RADIUS OF 11,391.16 FEET, A CENTRAL ANGLE OF 02°56'26", A CHORD BEARING OF S.01°38'01"E., AND A CHORD LENGTH OF 584.54 FEET; THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE AND THE ARC OF SAID CURVE AN ARC LENGTH OF 584.61 FEET TO THE END OF SAID CURVE; THENCE S.00°09'48"E., ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 770.12 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF SAID COCONUT ROAD; THENCE N.89°56'40"W., ALONG SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 1,071.87 FEET TO THE POINT OF BEGINNING.


AND FURTHER LESS AND EXCEPT THEREFROM that certain parcel conveyed by Warranty Deed recorded in Official Records Instrument No. 2008000173146, Public Records of Lee County, Florida.
Parcel 2:

A PARCEL OF LAND LOCATED IN A PORTION OF SECTION 9, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF TRACT “D”, COCONUT SHORES, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 65, PAGES 29 THROUGH 31, OF THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE RUN N.89°57'23"E., ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF COCONUT ROAD, HAVING A 50.00 FOOT WIDE RIGHT-OF-WAY, FOR A DISTANCE OF 1,264.72 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF U.S. 41, STATE ROAD 45, HAVING A 200.00 FOOT WIDE RIGHT-OF-WAY; THENCE RUN N.00°15’47”W., ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID U.S. 41, FOR A DISTANCE OF 659.62 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED; THENCE RUN 89°44’13”W., FOR A DISTANCE OF 220.00 FEET TO THE BEGINNING OF A TANGENTIAL CIRCULAR CURVE, CONCAVE NORTHEASTERLY; THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 30.00 FEET, THROUGH A CENTRAL ANGLE OF 90°00’00”, SUBTENDED BY A CHORD OF 42.43 FEET AT A BEARING OF N.45°15’47”W., FOR A DISTANCE OF 47.12 FEET TO THE END OF SAID CURVE; THENCE RUN N.00°15’47”W., FOR A DISTANCE OF 80.27 FEET TO THE BEGINNING OF A TANGENTIAL CIRCULAR CURVE, CONCAVE WESTERLY; THENCE RUN NORTHERLY ALONG THE ARC OF SAID CURVE TO THE LEFT, HAVING A RADIUS OF 11,141.16 FEET, THROUGH A CENTRAL ANGLE OF 00°22’25”, SUBTENDED BY A CHORD OF 72.65 FEET AT A BEARING OF N.00°27’00”W., FOR A DISTANCE OF 72.65 FEET TO THE END OF SAID CURVE; THENCE RUN N.89°21’48”E., FOR A DISTANCE OF 250.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF SAID U.S. 41, THE SAME BEING A POINT ON A CIRCULAR CURVE, CONCAVE WESTERLY, WHOSE RADIUS POINT BEARS S.89°21’48”W., A DISTANCE OF 11,391.16 FEET THEREFROM; THENCE RUN SOUTHERLY ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID U.S. 41 AND ALONG THE ARC OF SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 11,391.16 FEET, THROUGH A CENTRAL ANGLE OF 00°22’25”, SUBTENDED BY A CHORD OF 74.28 FEET AT A BEARING OF S.00°27’00”E., FOR A DISTANCE OF 74.29 FEET TO THE END OF SAID CURVE; THENCE RUN S.00°15’47”E., ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID U.S. 41, FOR A DISTANCE OF 110.27 FEET TO THE POINT OF BEGINNING.
EXHIBIT “B”

(Page 1 of 2)

GeoView Map


GeoView Map

STRAP NO. 09-47-25-E2-U1877.2039
SPECIAL WARRANTY DEED

THIS INDENTURE is made this _______ day of ______________, 2017, between OB Florida CRE Holdings, LLC, a Florida limited liability company (as to Parcel 1 identified in Exhibit “A” annexed hereto) and IberiaBank (as to Parcel 2 identified in Exhibit “A” annexed hereto) (collectively, “Grantor”), whose address is 5310 E SR 64, Bradenton, FL 34208, and Daniel F. Adams, whose address is 2104 West First Street, Apt. 2304, Fort Myers FL 33901;

WITNESSETH:

That the said Grantor, for and in consideration of the sum of Ten and No/100 Dollars ($10.00), to it in hand paid by the said Grantee, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained and sold to the said Grantee, its heirs, legal representatives, successors and assigns forever, the following described land (the “Land”), situate, lying and being in the County of Lee, State of Florida:

See Exhibit “A” annexed hereto

Property Appraiser’s Parcel ID Numbers: ________________

together with all tenements, hereditaments and appurtenances of Grantor belonging or in any wise appertaining to the Land (collectively, the “Property”), subject to the following permitted encumbrances (the “Permitted Encumbrances”):

1. Real estate taxes for the current year and subsequent years;

2. Easements, covenants, conditions, restrictions and reservations of record, reference to which shall not operate to re impose same;

3. Matters which a current survey of the Land would reveal;

4. Laws, codes, rules and regulations of any governmental authority having jurisdiction over the Property.

To have and to hold the Property in fee simple forever.

Except as set forth in the Permitted Encumbrances, the said Grantor does hereby fully warrant the title to said Property, and will defend the same against the lawful claims of all persons claiming by, through or under the Grantor, but against none other.

IN WITNESS WHEREOF, the said Grantor has caused this instrument to be executed in his/hers/its name, the day and year first above written.
Signed, sealed and delivered in the presence of: OB Florida CRE Holdings, LLC, Florida limited liability company

By: IB SPE Management, Inc., a Delaware corporation, its sole Manager

Print Name: _______________________

By: ____________________________
Name: __________________________
Its: ____________________________

Print Name: _______________________

Print Name: _______________________

Signed, sealed and delivered in the presence of: IberiaBank, a Louisiana state bank

By: ____________________________
Name: __________________________
Its: ____________________________

Print Name: _______________________

STATE OF FLORIDA
COUNTY OF

The foregoing instrument was acknowledged before me this _____ day of _______________, 2017, by ______________________, the ______________________ of IB SPE Management, Inc., a Delaware corporation, in its capacity as the sole manager of OB Florida CRE Holdings, LLC, Florida limited liability company, on behalf of the company and corporation. He (check one) ☐ is personally known to me, or ☐ has produced a valid driver’s license as identification.

Print Name: _______________________
Notary Public, State and County Aforesaid
My Commission Expires: _______________________
Commission Number: _______________________

SLK_SAR:#233789v8 19
The foregoing instrument was acknowledged before me this _____ day of ______________, 2017, by __________________, the ________________ of IberiaBank, a Louisiana state bank, on behalf of the bank. He (check one) □ is personally known to me, or □ has produced a valid driver’s license as identification.

Print Name:______________________________

Notary Public, State and County Aforesaid
My Commission Expires:_____________________
Commission Number:_______________________
Exhibit “10(b)”

AFFIDAVIT OF NO LIENS

STATE OF FLORIDA
COUNTY OF

Before me, the undersigned authority, personally appeared __________ who, being first duly sworn, deposes and says that, to the best of Affiant’s knowledge and belief:

1. Affiant is the _____________ of IberiaBank, a Louisiana state bank and the _________________ of IB SPE Management, Inc., who makes this affidavit on behalf of and with the authority of the bank and of the corporation, as managing member of OB Florida CRE Holdings, LLC, Florida limited liability company, respectively (collectively, the “Company”), which is the owner of the following described property, hereinafter referred to as “Property” located in Lee County, Florida, to-wit:

See Exhibit “A” annexed hereto

2. There are no parties in possession of the Property.

3. There are no matters pending against the Company that could give rise to a lien that would attach to the Property or cause a loss of title or impair the title between the effective date of the title insurance commitment and the recording of the interest to be insured by the title insurance company, and the Company has not and will not execute any instrument that would adversely affect the title or interest to be insured.

4. There has been no labor performed or materials furnished on or to the Property during the past ninety (90) days, or, if labor has been performed or materials furnished during such ninety (90) days, all persons performing or furnishing the same have been fully paid and there are no unpaid bills for labor or material for which valid liens could be filed.

5. No notice of commencement concerning the Property has been filed in the past ninety (90) days, nor are there any unsatisfied construction liens of record concerning such Property, nor have any notices to owner been received by the Company during the past ninety (90) days.

6. There are no outstanding, unrecorded deeds, unsatisfied liens, leases, contracts for sale, judgments, easements or rights of way for users, conveyances, mortgages or adverse interests affecting title to the Property, except for those special exceptions as listed in Schedule B, Section 2, of Chicago Title Insurance Company’s Commitment for Title Insurance No. __________.

7. There are no unpaid assessments due to any governmental agency for improvements to or for the benefit of the Property or for which the Property is responsible.

8. The representations embraced herein are made to induce Knott Ebelini Hart and Old Republic National Title Insurance Company to issue a title insurance policy insuring title to the Property.
Sworn to and subscribed before me this _____ day of ________, 2017, by __________.

Notary Public
Print Name: ______________________
My Commission Expires: ____________

Personally Known (OR) Produced Identification
Type of identification produced __________________________

SLK_SAR:#233789v8
FIRPTA AFFIDAVIT

STATE OF FLORIDA
COUNTY OF _____________

Before me, the undersigned authority, this day personally appeared __________________________ (the “Affiant”), who being by me first duly sworn, deposes and says:

1. Affiant is the _____________ of IberiaBank, a Louisiana state bank and the _____________ of IB SPE Management, Inc., a Delaware corporation, the sole Manager of OB Florida CRE Holdings, LLC, Florida limited liability company (the “Owner”), and is authorized to make this Affidavit on its behalf.

2. In accordance with Section 1445 of the Internal Revenue Code, as amended (the “Code”) and under the penalties of perjury, Affiant makes the following statements:
   (a) The United States address of Seller is:
       5310 EAST SR 64
       BRADENTON, FL 34208;
   (b) Seller is not a “foreign person,” as such term is defined in Section 1445(f) of the Code;
   (c) Seller’s tax identification number is: _____________________; and
   (d) Affiant understands that this Affidavit may be disclosed to the Internal Revenue Service.

3. The Seller is the owner of that certain real property located in Lee County, Florida (the “Property”), which is more particularly described as follows:

   See Exhibit “A” annexed hereto

4. This Affidavit is made for the purpose of inducing Daniel F. Adams to purchase the Property, and that this Affidavit is also made for the purpose of inducing Chicago Title Insurance Company to issue an Owner’s Policy, and, if applicable, to eliminate certain exceptions pursuant to Chapter 85-20, Laws of Florida (Section 627.7842, Florida Statutes).


Affiant: ______________________________
Name: ______________________________
Sworn to and subscribed before me this ___ day of _________________, 2017 by
________________________. He (check one) ☐ is personally known to me or ☐ has proved to
me on basis of satisfactory evidence to be the person who executed this instrument.

________________________
Notary Public, State and County Aforesaid
Name:_____________________
My Commission Expires:___________
My Commission Number is:_________
TERMINATION OF TRANSFER PROHIBITION

This Termination of Transfer Prohibition is made this ____ day of _________________, 2017, by _______________________________________ ("Grantor") and OB Florida CRE Holdings, LLC, a Florida limited liability company (as to Parcel 1) and IberiaBank, a Louisiana state bank (as to Parcel 2) (collectively, “Seller”).

RECITALS

A. WHEREAS, Grantor is the fee simple owner of the following described real property located in Lee County, Florida (the “Grantor Property”):

See Exhibit “A” annexed hereto

B. WHEREAS, Seller is the fee simple title to the following described real property located in Lee County, Florida (the “Seller Property”):

See Exhibit “B” annexed hereto

C. WHEREAS, the Seller Property is subject to a transfer prohibition that runs with the land as described in that certain 2005 Purchase Contract and Addendum (the “HG Coconut Contract”), held to be enforceable by that Notice of Entry of Stipulation and Order in Case styled HG Coconut, LLC vs. Land Development Group, LLC and Coconut 41, LLC under Collier County Circuit Case No. 07-1687-CA, recorded August 18, 2009 in Official Records Instrument No. 2009000220005 of Lee County, Florida, and by a Final Opinion and Order in the case styled: OB Florida CRE Holdings, LLC v. HG Coconut, LLC et al.; 20th Judicial Circuit Court Case No. 14-CA-050720 and Second District Court of Appeal Case No. 2D16-2509;

D. WHEREAS, Grantor and Seller have entered into a Contract for Purchase and Sale of Property dated September ___, 2017 wherein Grantor has contracted to acquire the Seller Property from Seller, and as material consideration for Seller’s entering into said contract, Seller wishes to have the transfer prohibition set forth in the HG Coconut Contract terminated (regardless of whether Grantor acquires the Seller Property).

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Grantor and Seller agree as follows:

The transfer prohibition set forth in the HG Coconut Contract is hereby immediately terminated; is no longer a covenant running with the Seller’s Property, and Seller, its successors and/or assigns is free to sell, transfer and convey the without said prohibition
restriction.

IN WITNESS WHEREOF, Grantor and Seller have caused this instrument to be executed by their duly authorized representatives as of the day and year first above written.

WITNESSES:      “Grantor”

____________________________________  ______________________________________

Print Name: __________________________  By: __________________________________

_______________________________  Print Name: __________________________

As Its: __________________________  Address: __________________________

_______________________________

Print Name: __________________________

STATE OF _______________________
COUNTY OF ______________________

The foregoing instrument was acknowledged before me this ___ day of ____________________, 2017, by ______________________________________, as ______________________________________, of _________________________________, on behalf of the company.

____________________________________
Notary Public
Print Name: _______________________

My Commission Expires: ______________

Personally Known ____ (OR) Produced Identification ____
Type of identification produced __________________________

SLK_SAR:#233789v8 26
Signed, sealed and delivered in the presence of: “Seller”

OB Florida CRE Holdings, LLC, Florida limited liability company

Print Name: ____________________________
By: IB SPE Management, Inc., a Delaware corporation, its sole Manager

Print Name: ____________________________
By: ___________________________________
Name: ___________________________________
Its: _____________________________________

Signed, sealed and delivered in the presence of: IberiaBank, a Louisiana state bank

Print Name: ____________________________
By: ___________________________________
Name: ___________________________________
Its: _____________________________________

STATE OF FLORIDA
COUNTY OF

The foregoing instrument was acknowledged before me this _____ day of ____________, 2017, by __________________, the _______________________ of IB SPE Management, Inc., a Delaware corporation, in its capacity as the sole manager of OB Florida CRE Holdings, LLC, Florida limited liability company, on behalf of the company and corporation. He (check one) ☐ is personally known to me, or ☐ has produced a valid driver’s license as identification.

Print Name: ____________________________
Notary Public, State and County Aforesaid
My Commission Expires: ___________________
Commission Number: _____________________

STATE OF FLORIDA
COUNTY OF

The foregoing instrument was acknowledged before me this _____ day of ____________, 2017, by __________________, the _______________________ of IberiaBank, a Louisiana state bank.
state bank, on behalf of the bank. He (check one) □ is personally known to me, or □ has produced a valid driver’s license as identification.

Print Name:______________________________
Notary Public, State and County Aforesaid
My Commission Expires:_____________________
Commission Number:______________________
EXHIBIT “B”

Parcel 1:

A PORTION OF SECTION 9, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SECTION 9, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA; THENCE N.01°00’32”W., A DISTANCE OF 55.00 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF COCONUT ROAD, A 50.00 FOOT RIGHT-OF-WAY, AS THE SAME IS DESCRIBED IN O.R. BOOK 1738 AT PAGE 2538 OF THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE S.89°56’40”E., ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF COCONUT ROAD, A DISTANCE OF 2,093.24 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED; THENCE N.00°00’28”E., A DISTANCE OF 290.01 FEET; THENCE S.89°56’39”E., A DISTANCE OF 150.73 FEET; THENCE N.00°03’21”E., A DISTANCE OF 868.82 FEET; THENCE S.88°20’48”W., A DISTANCE OF 690.29 FEET; THENCE N.01°39’12”W., A DISTANCE OF 170.00 FEET TO THE SOUTH LINE OF THE NORTH 1/2 OF THE NORTHWEST QUARTER OF SAID SECTION 9; THENCE N.88°20’48”E., ALONG SAID SOUTH LINE, A DISTANCE OF 1,080.32 FEET TO THE SOUTHWEST CORNER OF THE NORTH 1/2 OF SAID NORTHEAST QUARTER, A DISTANCE OF 516.62 FEET TO THE WESTERLY RIGHT OF WAY LINE OF TAMiami Trail (State Road 45) THE SAME BEING A POINT ON A CURVE TO THE RIGHT, HAVING: A RADIUS OF 1,391.16 FEET, A CENTRAL ANGLE OF 02°56’26”, A CHORD BEARING OF S.01°38’01”E., AND A CHORD LENGTH OF 584.54 FEET; THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE AND THE ARC OF SAID CURVE AN ARC LENGTH OF 584.61 FEET TO THE END OF SAID CURVE; THENCE S.00°00’48”E., ALONG SAID WESTERLY RIGHT OF WAY LINE, A DISTANCE OF 770.12 FEET TO THE NORTHERLY RIGHT OF WAY LINE OF SAID COCONUT ROAD; THENCE N.89°56’40”W., ALONG SAID NORTHERLY RIGHT OF WAY LINE, A DISTANCE OF 1,071.87 FEET TO THE POINT OF BEGINNING.


AND FURTHER LESS AND EXCEPT THEREFROM that certain parcel conveyed by Warranty Deed recorded in Official Records Instrument No. 2008000173146, Public Records of Lee County, Florida.
Parcel 2:

A PARCEL OF LAND LOCATED IN A PORTION OF SECTION 9, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF TRACT “D”, COCONUT SHORES, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 65, PAGES 29 THROUGH 31, OF THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE RUN N.89°57’23”E., ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF COCONUT ROAD, HAVING A 50.00 FOOT WIDE RIGHT-OF-WAY, FOR A DISTANCE OF 1,264.72 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF U.S. 41, STATE ROAD 45, HAVING A 200.00 FOOT WIDE RIGHT-OF-WAY; THENCE RUN N.00°15’47”W., ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID U.S. 41, FOR A DISTANCE OF 659.62 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED; THENCE RUN 89°44’13”W., FOR A DISTANCE OF 220.00 FEET TO THE BEGINNING OF A TANGENTIAL CIRCULAR CURVE, CONCAVE NORTHEASTERLY; THENCE RUN NORTHWESTERLY ALONG THE ARC OF SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 30.00 FEET, THROUGH A CENTRAL ANGLE OF 90°00’00”, SUBTENDED BY A CHORD OF 42.43 FEET AT A BEARING OF N.45°15’47”W., FOR A DISTANCE OF 47.12 FEET TO THE END OF SAID CURVE; THENCE RUN N.00°15’47”W., FOR A DISTANCE OF 80.27 FEET TO THE BEGINNING OF A TANGENTIAL CIRCULAR CURVE, CONCAVE WESTERLY; THENCE RUN NORTHERLY ALONG THE ARC OF SAID CURVE TO THE LEFT, HAVING A RADIUS OF 11,141.16 FEET, THROUGH A CENTRAL ANGLE OF 00°22’25”, SUBTENDED BY A CHORD OF 72.65 FEET AT A BEARING OF N.00°27’00”W., FOR A DISTANCE OF 72.65 FEET TO THE END OF SAID CURVE; THENCE RUN N.89°21’48”E., FOR A DISTANCE OF 250.00 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF SAID U.S. 41, THE SAME BEING A POINT ON A CIRCULAR CURVE, CONCAVE WESTERLY, WHOSE RADIUS POINT BEARS S.89°21’48”W., A DISTANCE OF 11,391.16 FEET THEREFROM; THENCE RUN SOUTHERLY ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID U.S. 41 AND ALONG THE ARC OF SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 11,391.16 FEET, THROUGH A CENTRAL ANGLE OF 00°22’25”, SUBTENDED BY A CHORD OF 74.28 FEET AT A BEARING OF S.00°27’00”E., FOR A DISTANCE OF 74.29 FEET TO THE END OF SAID CURVE; THENCE RUN S.00°15’47”E., ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID U.S. 41, FOR A DISTANCE OF 110.27 FEET TO THE POINT OF BEGINNING.
ASSIGNMENT AND ASSUMPTION OF COMMERCIAL CONTRACT

Daniel F. Adams ("Assignor"), in consideration of the sum of Seventy-Five Thousand and NO/100 Dollars ($75,000.00), being the amount of his deposit, hereby grants, bargains, sells, assigns, transfers, and sets over unto Lee Memorial Health System, a public body created by Chapter 2000-439, Laws of Florida ("Assignee"), all of Assignor's right, title, and interest as Buyer in and to that certain Commercial Contract between Assignor and HG Coconut, LLC ("Seller") dated as of August 19, 2017, as amended by First Amendment dated September 18, 2017 and Second Amendment dated September 25, 2017 (the "Contract"), for the sale and purchase of approximately 14.41 acres of real property located in Lee County, Florida, as shown on the attached Exhibit A owned by Seller.

Assignee hereby agrees to assume all of Assignor's obligations and liabilities under the Contract.

This assignment includes all rights to the $75,000.00 deposit made by the Assignor under the Contract.

Assignor hereby discloses that he is a Florida licensed real estate broker-salesperson with Jeffcott Realty Investments, Inc., 1415 Dean Street, Post Office Box 1313, Fort Myers, Florida 33902.

Assignor hereby authorizes Seller, upon Assignee's performance of all of the terms and conditions set forth in the Contract, to make, execute, and deliver a good and sufficient deed to the Property, in the same manner as though Assignee, instead of Assignor, had been an original signatory of the Contract.

Signed, sealed and delivered in the presence of:

ASSIGNOR:

Daniel F. Adams

ASSIGNEE:

Lee Memorial Health System

By: ____________________________, its ____________________________

Accepted: October ____, 2017
LEGAL DESCRIPTION
14.41 ACRE PARCEL

A PORTION OF SECTION 9, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SECTION 9, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA; THENCE RUN N.01°00'32"W. ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 9, FOR A DISTANCE OF 55.00 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF COCONUT ROAD, A 50.00 FOOT RIGHT-OF-WAY, AS THE SAME IS DESCRIBED IN O.R. BOOK 1738 AT PAGE 2538 OF THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA; THENCE RUN S.89°56'40"E., ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF COCONUT ROAD, FOR A DISTANCE OF 1900.67 FEET TO A POINT ON THE EASTERLY BOUNDARY OF A 100.00 FOOT WIDE FLORIDA POWER AND LIGHT COMPANY EASEMENT, AS RECORDED IN OFFICIAL RECORDS BOOK 2304 AT PAGE 2655 OF THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA, AND THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED; THENCE RUN N.21°14'38"W. ALONG THE EASTERLY BOUNDARY OF SAID FLORIDA POWER AND LIGHT COMPANY EASEMENT, FOR A DISTANCE OF 1,399.06 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH ¼ OF THE NORTHWEST ¼ OF SAID SECTION 9; THENCE RUN N.88°20'48"E., ALONG THE NORTH LINE OF SOUTH ¼ OF THE NORTHWEST QUARTER OF SAID SECTION 9, FOR A DISTANCE OF 156.27 FEET; THENCE RUN S.01°39'12"E., FOR A DISTANCE OF 170.00 FEET; THENCE RUN N.88°20'48"E., FOR A DISTANCE OF 659.25 FEET; THENCE RUN S.00°03'21"W., FOR A DISTANCE OF 868.82 FEET; THENCE RUN N.89°56'39"W., FOR A DISTANCE OF 150.73 FEET; THENCE RUN S.00°00'28"W., FOR A DISTANCE OF 290.01 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF COCONUT ROAD; THENCE RUN N.89°56'40"W. ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, FOR A DISTANCE OF 192.57 FEET TO THE POINT OF BEGINNING.

BEARINGS REFER TO THE EAST LINE OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 47 SOUTH, RANGE 25 EAST, LEE COUNTY, FLORIDA, AS BEING N.01°22'14"W.
1. PARTIES AND PROPERTY:  Daniel F. Adams
                                  ("Buyer")
2. agrees to buy and HG Coconut, LLC
                                  ("Seller")
3. agrees to sell the property as: Street Address: Access undetermined, located off Coconut Road, Estero Fl.
4. subject property identified as Lee County Strap No. 09-47-25-E1-UI874.2023
5. Legal Description: An approximate 14.41 acre parcel of land as legally described in attached Exhibit "A."
6. and the following Personal Property:
7. (all collectively referred to as the "Property") on the terms and conditions set forth below.
8. 2. PURCHASE PRICE: $ 8,000,000.00
9. (a) Deposit held in escrow by Knott, Sheehy, Hart, Attorneys at Law ("Escrow Agent") (checks are subject to cash and final collection)
10. Escrow Agent's address: 1655 Hendry St, Suite 201, Fort Myers FL 33901  Phone: 239-334-2727
11. (b) Additional deposit to be made to Escrow Agent within 2 days after Effective Date $ 24,000.00
12. (c) Additional deposit to be made to Escrow Agent within 31 days after Effective Date $ 50,000.00
13. (d) Total financing (see Paragraph 5) $
14. (e) Other $
15. (f) All deposits will be credited to the purchase price at closing. Balance to close, subject to adjustments and prorations, to be paid with locally drawn cashier's or official bank check(s) or wire transfer: $ 7,925,000.00
16. 3. TIME FOR ACCEPTANCE; EFFECTIVE DATE; COMPUTATION OF TIME: Unless this offer is signed by Seller and Buyer and an executed copy delivered to all parties on or before August 20, 2017, this offer will be withdrawn and the Buyer's deposit, if any, will be returned. The time for acceptance of any counter offer will be 3 days from the date the counter offer is delivered. The "Effective Date" of this Contract is the date on which the last one of the Seller and Buyer has signed or Initialed and delivered this offer or the final counter offer. Calendar days will be used when computing time periods, except time periods of 5 days or less. Time periods of 5 days or less will be computed without including Saturday, Sunday, or national legal holidays. Any time period ending on a Saturday, Sunday, or national legal holiday will extend until 5:00 p.m. of the next business day. Time is of the essence in this Contract.
17. 4. CLOSING DATE AND LOCATION:
18. (a) Closing Date: This transaction will be closed on 65 days from Effective Date (Closing Date), unless specifically extended by other provisions of this Contract. The Closing Date will prevail over all other time periods including, but not limited to, Financing and Due Diligence periods. In the event Insurance underwriting is suspended on Closing Date and Buyer is unable to obtain property insurance, Buyer may postpone closing up to 5 days after the insurance underwriting suspension is lifted.
19. Buyer ( ) and Seller ( ) acknowledge receipt of a copy of this page, which is Page 1 of 8 Pages.

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(b) Location: Closing will take place in ______ County, Florida. (If left blank, closing will take place in the county where the property is located.) Closing may be conducted by mail or electronic means.

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4. THIRD-PARTY FINANCING:

BUYER'S EQUITY: Within ____ days of the Effective Date, Buyer will: (i) apply for the loan financing in an amount not to exceed ____ % of the purchase price or $_______, with a fixed interest rate not to exceed ____ % per year with an initial variable interest rate not to exceed ____ %, with points or commitment or loan fees not to exceed ____ % of the principal amount, for a term of ____ years, and amortized over ______ years, with additional terms as follows:

Buyer will timely provide any and all credit, employment, financial and other information reasonably required by any lender. Buyer will use good faith and reasonable diligence to (i) obtain Loan Approval within ____ days (65 days if left blank) from Effective Date (Loan Approval Date); (ii) satisfy terms and conditions of the Loan Approval, and (iii) close the loan. Buyer will keep Seller and Broker fully informed about loan application status and authorize the mortgage broker and lender to disclose all such information to Seller and Broker. Buyer will notify Seller immediately upon obtaining financing or being rejected by a lender. CANCELLATION: If Buyer, after using good faith and reasonable diligence, fails to obtain Loan Approval by Loan Approval Date, Buyer may within ____ days (3 days if left blank) deliver written notice to Seller stating Buyer either waives this financing contingency or cancels this Contract. If Buyer does neither and Seller does not cancel this Contract by delivering written notice to Buyer at any time thereafter, unless this financing contingency has been waived, this Contract shall remain subject to the satisfaction, by closing, of the conditions of Loan Approval related to the Property. DEPOSIT(S) (for purposes of Paragraph 8 only): If Buyer has used good faith and reasonable diligence but does not obtain Loan Approval by Loan Approval Date and thereafter either party elects to cancel this Contract as set forth above or the lender fails or refuses to close on or before the Closing Date without fault on Buyer's part, the Deposit(s) shall be returned to Buyer, whereupon both parties will be released from all further obligations under this Contract, except for obligations stated herein as surviving the termination of this Contract. If neither party elects to terminate this Contract, Deed(s) of Trust shall be delivered to Seller, and the Property shall be conveyed to Seller free of liens, encumbrances, and other defects.

6. TITLE: Seller has the legal capacity to and will convey marketable title to the Property by statutory warranty deed or other Special Warranty Deed, free of liens, encumbrances, and other defects.

Evidence of Title: The party who pays the premium for the title insurance policy will select the closing agent and pay for the title search and closing services. Seller will, at (check one) __ Seller's ___ Buyer's expense and within 20 days after Effective Date or at least ____ days before Closing Date deliver to Buyer (check one) __ (i) a title insurance commitment by a Florida licensed title insurer setting forth those matters to be discharged by Seller at or before Closing; or (ii) Buyer recording the deed, an owner's policy in the amount of the purchase price for each simple title subject to exceptions stated above. If Buyer is paying for the evidence of title and Seller has an owner's policy, Seller will deliver a copy to Buyer within 15 days after Effective Date.

(b) Title Examination: Buyer will, within 15 days from receipt of the evidence of title deliver written notice to Seller of the defects. Title will be deemed acceptable to Buyer if (1) Buyer fails to deliver proper notice of defects or

Buyer (______ and Seller ______) acknowledge receipt of a copy of this page, which is Page 2 of 8 Pages.

Opinion and Order as amended by the Second District Court of Appeal in Case No. 2D17-2509.

Limitation Lee County Zoning Resolution Z-98-075, as amended, and subject to Section 22(a) and (b).
(2) Buyer delivers proper written notice and Seller cures the defects within 10 days from receipt of the notice ("Curative Period"). If the defects are cured within the Curative Period, closing will occur within 10 days from receipt of Buyer's notice of such curing. Seller may elect not to cure defects if Seller reasonably believes any defect cannot be cured within the Curative Period. If the defects are not cured within the Curative Period, Buyer will have 10 days from receipt of notice of Seller's inability to cure the defects to elect whether to terminate this Contract or accept title subject to existing defects and close the transaction without reduction in purchase price.

(c) Survey: (check applicable provisions below)

X (i) Seller will, within ___ days from Effective Date, deliver to Buyer copies of prior surveys, plans, specifications, and engineering documents, if any, and the following documents relevant to this transaction:

---

(c) Walk-through Inspection: Buyer may, on the day prior to closing or at any other time mutually agreeable to the Buyer and Seller, conduct a walk-through of the Property in order to inspect and verify the condition of the Property. Buyer may notify Seller in writing of any defects or issues discovered during the walk-through, and Seller will have 5 days from receipt of the notice to cure the defects or address the issues.

* - If the defects are cured within the Curative Period, closing will occur by the later of 10 days after Buyer is notified that such defects are cured, or closing date.

** - Any improvements constructed or installed pursuant to DOS2003-00102 (as amended) shall not constitute an encroachment for purposes of this Section.
parties, conduct a final "walk-through" inspection of the Property to determine compliance with this paragraph and to ensure that all Property is on the premises.

8. OPERATION OF PROPERTY DURING CONTRACT PERIOD: Seller will continue to operate the Property and any business conducted on the Property in the manner operated prior to Contract and will take no action that would adversely impact the Property, tenants, lenders or business, if any. Any changes, such as renting vacant space, that materially affect the Property or Buyer's Intended use of the Property will be permitted only with Buyer's consent.

9. CLOSING PROCEDURE: Unless otherwise agreed or stated herein, closing procedure shall be in accordance with the terms where the Property is located.

(a) Possession and Occupancy: Seller will deliver possession and occupancy of the Property to Buyer at closing. Seller will provide keys, remote controls, and any security/access codes necessary to operate all locks, mailboxes, and security systems.

(b) Costs: Buyer will pay Buyer's attorneys' fees, taxes and recording fees on notes, mortgages and financing statements and recording fees for the deed. Seller will pay Seller's attorneys' fees, taxes on the deed and recording fees for documents needed to cure title defects. If Seller is obligated to discharge any encumbrance at or prior to closing and fails to do so, Buyer may use purchase proceeds to satisfy the encumbrances.

(c) Documents: Seller will provide the deed; bill of sale; mechanic's lien affidavit; original of those assignable service and maintenance contracts that will be assumed by Buyer after the Closing Date and letters to each service contractor from Seller advising each of them of the sale of the Property and, if applicable, the transfer of its contract, and any assignable warranties or guarantees received or held by Seller from any manufacturer, contractor, subcontractor, or material supplier in connection with the Property; current copies of the condominium documents, if applicable; assignments of leases, updated rent roll; tenant and lender escrow letters; tenant subordination, non-disturbance and attornment agreements (NDAs) required by the Buyer or Buyer's lender; assignments of permits and licenses; corrective instruments; and letters notifying tenants of the change in ownership/rental agent. If any tenant refuses to execute an escrowed letter, Seller will certify that information regarding the tenant's lease is correct. If Seller is an entity, Seller will deliver a resolution of its Board of Directors authorizing the sale and delivery of the deed and certification by the appropriate party certifying the resolution and setting forth facts showing the conveyance conforms to the requirements of local law. Seller will transfer security deposits to Buyer. Buyer will provide the closing statement, mortgages and notes, security agreements, and financing statements.

(d) Taxes and Promotions: Real estate taxes, personal property taxes on any tangible personal property, bond payments assumed by Buyer, interest, rents (based on actual collected rents), association dues, insurance premiums acceptable to Buyer, and operating expenses will be prorated through the day before closing. If the amount of taxes for the current year cannot be ascertained, rates for the previous year will be used with due allowance being made for improvements and exemptions. Any tax proration based on an estimate will, at request of either party, be readjusted upon receipt of current year's tax bills; this provision will survive closing.

(e) Special Assessment Liens: Certified, confirmed, and ratified special assessment liens as of the Closing Date will be paid by Seller. If a certified, confirmed, and ratified special assessment is payable in installments, Seller will pay all installments due and payable on or before the Closing Date, with any installment for any period extending beyond the Closing Date prorated, and Buyer will assume all installments that become due and payable after the Closing Date. Buyer will be responsible for all assessments of any kind which become due and payable after Closing Date, unless an improvement is substantially completed as of Closing Date. If an improvement is substantially completed as of the Closing Date but has not resulted in a lien before closing, Seller will pay the amount of the last estimate of the assessment. This subsection applies to special assessment liens imposed by a public body and does not apply to condominium association special assessments.

(f) Foreign Investment in Real Property Tax Act (FIRPTA): If Seller is a "foreign person" as defined by FIRPTA, Seller and Buyer agree to comply with Section 1445 of the Internal Revenue Code. Seller and Buyer will complete, execute, and deliver as directed any instrument, affidavit, or statement reasonably necessary to comply with the FIRPTA requirements, including delivery of their respective federal taxpayer identification numbers or IRS Forms 8275-T.

*Acknowledged*
10. ESCROW AGENT: Seller and Buyer authorize Escrow Agent or Closing Agent (collectively "Agent") to receive, deposit, and hold funds and other property in escrow until subject to settlement, disbursing them in accordance with the terms of this Contract. The parties agree that Agent will not be liable to any person for misdelivery of escrowed items to Seller or Buyer, unless the misdelivery is due to Agent's willful breach of this Contract or gross negligence. If Agent has doubt as to Agent's duties or obligations under this Contract, Agent may, at Agent's option, (a) hold the escrowed items until the parties mutually agree to its disposition or until a court of competent jurisdiction or arbitrator determines the rights of the parties or (b) deposit the escrowed items with the court having jurisdiction over the matter and file an action in interpleader. Upon notifying the parties of such action, the court having jurisdiction over the matter will file an action in interpleader. Upon notifying the parties of such action, this provision shall include Buyer, Seller and Broker, will be awarded reasonable attorney's fees and costs incurred with these amounts to be paid from and out of the escrowed items and charged and awarded as court costs in favor of the prevailing party.

11. CURE PERIOD: Prior to any claim for default being made, any party will have an opportunity to cure any alleged default. If a party fails to comply with any provision of this Contract, the other party shall deliver written notice to the noncomplying party specifying the noncompliance. The noncomplying party will have __ days (60 days if left blank) after delivery of such notice to cure the noncompliance. Notice and cure shall not apply to failure to close.

12. RETURN OF DEPOSIT: Unless otherwise specified in this Contract, in the event any condition of this Contract is not met and Buyer has timely given any required notice regarding the condition having not been met, Buyer's deposit will be returned in accordance with applicable Florida Laws and regulations.

13. DEFAULT:

(a) In the event the sale is not closed due to any default or failure on the part of Seller other than failure to make the title marketable after diligent effort, Buyer may either (1) receive a refund of Buyer's deposit(s) or (2) seek specific performance. If Buyer elects a deposit refund, Seller will be liable to Buyer for the full amount of the liquidated loss.

(b) In the event the sale is not closed due to any default or failure on the part of Buyer, Seller may either (1) retain all deposit(s) paid or agreed to be paid by Buyer as agreed upon liquidated damages, consideration for the execution of this Contract, and in full settlement of any claims, upon which this Contract will terminate or (2) seek specific performance. If Seller retains the deposit, Seller will pay the Broker(s) named in Paragraph 29.06% of all deposit(s) paid by Buyer to Broker(s) to be split equally among the Broker(s) up to the full amount of the brokerage fees. If Buyer fails to timely place a deposit as required by this Contract, Seller may elect either (1) terminate the Contract and seek the remedy outlined in this subparagraph or (2) proceed with the Contract without waiving any remedy for Buyer's default.

14. ATTORNEY'S FEES AND COSTS: In any claim or controversy arising out of or relating to this Contract, the prevailing party, which for purposes of this provision will include Buyer, Seller and Broker, will be awarded reasonable attorneys' fees, costs, and expenses.

15. NOTICES: All notices will be in writing and may be delivered by mail, overnight courier, personal delivery, or electronic means. Parties agree to send all notices to addresses specified on the signature page(s). Any notice, document, or item given by or delivered to an attorney or real estate licensees (including a transaction broker) representing a party will be an effective as if given by or delivered to that party.

16. DISCLOSURES:

(a) Commercial Real Estate Sales Commission Lien Act: The Florida Commercial Real Estate Sales Commission Lien Act provides that a broker has a lien upon the owner's earnest money from the sale of commercial real estate for any commission earned by the broker under a brokerage agreement. The lien upon the owner's not

Buyer: _____________________ and Seller: _____________________ acknowledge receipt of a copy of this page, which is Page 6 of 8 Pages.

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proceeds is a lien upon personal property which attaches to the owner’s net proceeds and does not attach to any interest in real property. This lien right cannot be waived before the commission is earned.

(b) Special Assessment Liens Imposed by Public Body: The Property may be subject to unpaid special assessment lien(s) imposed by a public body. (A public body includes a Community Development District.) Such liens, if any, shall be paid as set forth in Paragraph 8(b).

(c) Radon Gas: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

(d) Energy-Efficiency Rating Information: Buyer acknowledges receipt of the information brochure required by Section 553.666, Florida Statutes.

17. RISK OF LOSS:

(a) If, after the Effective Date and before closing, the Property is damaged by fire or other casualty, Seller will bear the risk of loss and Buyer may cancel this Contract without liability and the deposit(s) will be returned to Buyer. Alternatively, Buyer will have the option of purchasing the Property at the agreed upon purchase price and Seller will credit the deductible, if any and transfer to Buyer at closing any insurance proceeds, or Seller’s claim to any insurance proceeds payable for the damage. Seller will cooperate with and assist Buyer in collecting any such proceeds. Seller shall not settle any insurance claim for damage caused by casualty without the consent of the Buyer.

(b) If, after the Effective Date and before closing, any part of the Property is taken in condemnation or under the right of eminent domain, or proceedings for such taking will be pending or threatened, Buyer may cancel this Contract without liability and the deposit(s) will be returned to Buyer. Alternatively, Buyer will have the option of purchasing what is left of the Property at the agreed upon purchase price and Seller will transfer to the Buyer at closing the proceeds of any award, or Seller’s claim to any award payable for the taking. Seller will cooperate with and assist Buyer in collecting any such award.

18. ASSIGNABILITY; PERSONS BOUND: This Contract may be assigned to a related entity, and otherwise, if not assignable, is assignable. If the assignment is assigned, Buyer shall deliver a copy of the assignment agreement to the Seller at least 5 days prior to closing. The terms “Buyer,” “Seller” and “Broker” may be singular or plural. This Contract is binding upon Buyer, Seller and their heirs, personal representatives, successors and assigns (if assignment is permitted).

19. MISCELLANEOUS: The terms of this Contract constitute the entire agreement between Buyer and Seller. Modifications of this Contract will not be binding unless in writing, signed and delivered by the parties to be bound. Signatures, initials, documents referenced in this Contract, counterparts and written modifications communicated electronically or on paper will be acceptable for all purposes, including delivery, and will be binding. Handwritten or typewritten terms inserted in or attached to this Contract prevail over preprinted terms. If any provision of this Contract is or becomes invalid or unenforceable, the remaining provisions will continue to be fully effective. This Contract will be construed under Florida law and will not be recorded in any public records.

20. BROKERS: Neither Seller nor Buyer has used the services of, or for any other reason owes compensation to, a licensed real estate Broker other than:

(a) Seller’s Broker: Jeffcoff Realty Investments, Inc.  
Gregory J. Jeffcoff, President  
(Company Name)  
(License)  
15535 Deercsan Street, P.O. Box 1011, Fort Myers FL 33902 Ph: 330-677-1633 e-mail: jeffcoff@jeffcoffrealty.com  
(Address)  
(National, State, Ext.)  
who is a single agent [✓] is a transaction broker [ ] has no brokerage relationship and who will be compensated by [✓] Seller [ ] Buyer [ ] both parties pursuant to [ ] a listing agreement [ ] other (specify)  

Refer to Paragraph 22(b) regarding brokerage fees and disclosures.  

Buyer [ ] Agent and Seller [ ] acknowledge receipt of a copy of this page, which is Page 6 of 8 Pages.
I if M REPRESENTATIONS (ORAL, WRITTEN OR OTHER) (collectively referred to as "Broker") in connection with any act relating to the Property, including but not limited to inquiries, introductions, consultations, and negotiations resulting in this transaction. Seller and Buyer agree to indemnify and hold Broker harmless from and against losses, damages, costs and expenses of any kind, including reasonable attorneys' fees at all levels, and from liability to any person, arising from (1) compensation claimed which is inconsistent with the representation in this Paragraph, (2) enforcement action to collect a brokerage fee pursuant to Paragraph 10, (3) any duty accepted by Broker at the request of Seller or Buyer, which is beyond the scope of services foreseen by Chapter 476, Florida Statutes, as amended, or (4) recommendations of services provided and expenses incurred by any third party whom Broker refers, recommends, or refers for or on behalf of Seller or Buyer.

21. OPTIONAL CLAUSES: (Check if any of the following clauses are applicable and are attached as an addendum to this Contract):

☐ Arbitration ☐ Seller Warranties ☐ Existing Mortgage
☐ Section 1031 Exchange ☐ Coastal Construction Control Line ☐ Buyer's Attorney Approval
☐ Property Inspection and Repair ☐ Flood Area Hazard Zone ☐ Seller's Attorney Approval
☐ Seller Representations ☐ Seller Financing ☐ Other Addendum One

22. ADDITIONAL TERMS:

(a) Buyer is aware of all matters addressed in the litigation styled O B Florida CRE Holdings, LLC v. HO Coconut, Case No. 14-CA-80720, Including the Final Opinion and Order in that case.

(b) For the avoidance of doubt, and notwithstanding any provision to the contrary set forth herein, Buyer shall take title subject to any and all claims and disputes arising, or which may or could arise, under or relating to such Final Opinion and Order or the 2008 Purchase Contract and Addendum through which Seller purchased the Property.

(c) Brokerage Agreement and Disclosures: In consideration of the valuable brokerage services rendered in procuring the Buyer, and providing and negotiating this Commercial Contract, Seller agrees to pay Jeffco Realty Investments, Inc., a Florida licensed real estate broker corporation, as the sole Broker in this transaction, a brokerage fee in an amount equal to four percent (4%) of the purchase price. This brokerage fee is to be paid to Jeffco Realty Investments, Inc. out of Seller's sales proceeds (or paid by Seller) at the time of closing; only if and when said sales is actually closed and funded as herein agreed. It is hereby fully disclosed, understood and approved by all parties herein that Daniel P. Adams may be acting in a dual capacity in this transaction as both purchasing principal and as participating broker associated with Jeffco Realty Investments, Inc.

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING. BROKER ADVISES BUYER AND SELLER TO VERIFY ALL FACTS AND REPRESENTATIONS THAT ARE IMPORTANT TO THEM AND TO CONSULT AN APPROPRIATE PROFESSIONAL FOR LEGAL ADVICE (FOR EXAMPLE, INTERPRETING CONTRACTS, DETERMINING THE EFFECT OF LAWS ON THE PROPERTY AND TRANSACTION, STATUS OF TITLE, FOREIGN INVESTOR REPORTING REQUIREMENTS, ETC.) AND FOR TAX, PROPERTY CONDITION, ENVIRONMENTAL, AND OTHER ADVICE. BUYER ACKNOWLEDGES THAT BROKER DOES NOT OCCUPY THE PROPERTY AND THAT ALL REPRESENTATIONS (ORAL, WRITTEN OR OTHERWISE) BY BROKER ARE BASED ON SELLER REPRESENTATIONS OR PUBLIC RECORDS UNLESS BROKER INDICATES PERSONAL VERIFICATION OF THE REPRESENTATION. BUYER AGREES TO RELY SOLELY ON SELLER, PROFESSIONAL INSPECTORS AND GOVERNMENTAL AGENCIES FOR VERIFICATION OF THE PROPERTY CONDITION, SQUARE FOOTAGE AND FACTS THAT MATERIALLY AFFECT PROPERTY VALUE.

Buyer: [Signature]

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Each person signing this Contract on behalf of a party that is a business entity represents and warrants to the other party that such signatory has full power and authority to enter into and perform this Contract in accordance with its terms. In the event each party executing this Contract and other documents on behalf of such party has been duly authorized to do so.

Date: AUG. 17, 2017

(Signature of Buyer)

(Typed or Printed Name of Buyer)

Title:

(Signature of Buyer)

(Typed or Printed Name of Buyer)

Title:

Buyer’s Address for purpose of notice: 510 North Bridgetort, 5th Floor, Fort Lauderdale, FL 33304

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ADDENDUM ONE

TO

COMMERCIAL CONTRACT ("Contract")

BETWEEN

HG COCONUT, LLC ("Seller")

AND

DANIEL F. ADAMS ("Buyer")

Seller and Purchaser agree by this Addendum as follows:

Assignability: This Contract is not assignable by Buyer, except for one assignment within thirty (30) days after the Effective Date to the Approved Assignee. "Approved Assignee" means the proposed assignee that has been identified by Buyer to Seller in writing prior to the execution of this Contract by Seller. If the Approved Assignee does not agree to accept the assignment within said thirty (30) days after the Effective Date, Buyer, in addition to his rights under the Paragraph 7.(b), may elect to terminate the Contract, upon which his deposit will be immediately returned to Buyer, and both parties will be released from all further obligations under this Contract.

SELLER:

HG COCONUT, LLC, a Florida limited liability company

By: Brian F. Prince

Date: Aug 19, 2017

BUYER

By: Daniel F. Adams

Date: Aug 18, 2017
FIRST AMENDMENT TO COMMERCIAL CONTRACT 
DATED AUGUST 19, 2017 

BETWEEN 

HG COCONUT, LLC ("SELLER") 

AND 

DANIEL F. ADAMS ("BUYER") 

Seller and Purchaser agree by this Amendment to amend the Commercial Contract, dated August 19, 2017 (the "Contract") as follows: 

1. The date for acceptance of the Assignment by the Approved Assignee as set forth in Addendum One of the contract (and the date for Buyer to elect to terminate the Contract and receive a return of its deposit in the event the Approved Assignee does not accept the assignment) is hereby extended from September 18, 2017, to September 30, 2017. All other dates in the Contract remain the same. 

2. This Amendment may be signed in counterparts, and by facsimile and/or e-mail signatures, which originals, facsimile and/or e-mail counterparts shall be deemed originals for all purposes, and which counterparts, together, shall be deemed one Amendment. 

3. The Agreement, as amended hereby, remains in full force and effect. 

Dated as of _______________, 2017 

SELLER: 

HG Coconut, LLC, a Florida limited liability company 

By: 

Brian F. Prince 

BUYER: 

Daniel F. Adams
FIRST AMENDMENT TO COMMERCIAL CONTRACT
DATED AUGUST 19, 2017

BETWEEN

HG COCONUT, LLC ("SELLER")

AND

DANIEL F. ADAMS ("BUYER")

Seller and Purchaser agree by this Amendment to amend the Commercial Contract, dated August 19, 2017 (the "Contract") as follows:

1. The date for acceptance of the Assignment by the Approved Assignee as set forth in Addendum One of the contract (and the date for Buyer to elect to terminate the Contract and receive a return of its deposit in the event the Approved Assignee does not accept the assignment) is hereby extended from September 18, 2017, to September 30, 2017. All other dates in the Contract remain the same.

2. This Amendment may be signed in counterparts, and by facsimile and/or e-mail signatures, which originals, facsimile and/or e-mail counterparts shall be deemed originals for all purposes, and which counterparts, together, shall be deemed one Amendment.

3. The Agreement, as amended hereby, remains in full force and effect.

Dated as of SEPT 18, 2017

SELLER:

HG Coconut, LLC, a Florida limited liability company

By:

Daniel F. Adams

BUYER
SECOND AMENDMENT TO COMMERCIAL CONTRACT
DATED AUGUST 19, 2017

BETWEEN

HG COCONUT, LLC ("SELLER")

AND

DANIEL F. ADAMS ("BUYER")

Seller and Purchaser agree by this Amendment to amend the Commercial Contract dated August 19, 2017 (the "Contract") as follows:

1. The date for acceptance of the Assignment by the Approved Assignee as set forth in the First Amendment to Commercial Contract (and the date for Buyer to elect to terminate the Contract and receive a return of its deposit in the event the Approved Assignee does not accept the assignment) is hereby extended from September 30, 2017 to October 13, 2017. All other dates in the Contract remain the same.

2. This Amendment may be signed in counterparts, and by facsimile and/or e-mail signatures, which originals, facsimile and/or e-mail counterparts shall be deemed originals for all purposes, and which counterparts, together, shall be deemed one Amendment.

3. The Agreement, as amended hereby, remains in full force and effect.

Dated as of September 27, 2017

SELLER:

HG Coconut, LLC, a Florida limited liability company

By:

Brian F. Prince

BUYER

Daniel F. Adams
BOARD OF DIRECTORS

GCMC SKILLED NURSING UNIT LEASE
(Dave Cato, Chief Administrative Officer Outpatient Services)

(APPROVE)
DATE: 10/12/17

LEGAL SERVICE REVIEW? YES_X_ NO__

SUBJECT: GCMC Skilled Nursing Unit Lease Approval

REQUESTOR & TITLE: David Cato, CAO Outpatient Services, Troy Churchill, Administrator Skilled Nursing Services

PREVIOUS BOARD ACTION ON THIS ITEM (IF ANY) (justification and/or background for recommendations – internal groups which support the recommendation)
No action, Strategy Update provided to board on 8/10/17 on GCMC Skilled Nursing Unit

SPECIFIC PROPOSED MOTION: Motion to (1) approve the lease between Lee Health and Plantation Medical Center SNU, LLC of approximately 57,650 sf for use of a skilled nursing unit located at 13960 Plantation Road with the following significant terms of: base rent of $35.50/sf; 20 year initial term with two 5 year renewal options; 2.5% annual escalation in rent; options to purchase available in year 10 and beyond; along with other terms as set forth in the attached Lease, and (2) authorize the President or Chairman to execute the lease after the Board approval and upon final review and approval by Lee Health Legal Counsel and/or Board Counsel.

FINANCIAL IMPLICATIONS Budgeted Account __X__ Non-Budgeted ____
(Annual Project Budget and Total Project Budget)
In April 2016 the Resource Allocation Committee approved capital dollars for furniture, fixtures, equipment, information systems, and other items to proceed with due diligence for a skilled nursing unit licensed under GCMC. First year monthly lease payments will be $170,548, which will total $2,046,575 for the year.

STAFFING & OPERATIONAL IMPLICATIONS (including FTEs, facility needs, etc.)
Approved by RAC and will be budgeted in fiscal year 2019.

PURPOSE/REASON FOR RECOMMENDATION
The purpose is for Lee Health to operate a 75 bed skilled nursing unit that will create much needed access to skilled nursing beds in Lee County. Many factors contribute to a shortage of available beds in our community including, but not limited to: current & projected population growth, acute care bed capacity, delayed discharge days, enhancing clinical outcomes, decreasing readmissions, and preparing for population health initiatives.

SUMMARY (including alternatives considered, Pros and Cons)
Pros:
1) Project contributes to Lee Health Clinical Integration and Financial Viability strategic initiatives
2) Provides additional access for skilled nursing beds to meet community needs
3) Assists with acute care bed capacity and facilitates more efficient discharge from acute to skilled nursing
4) Opportunity to lease versus expend valuable capital dollars

Cons:
1) Long term lease

Alternative considered: Purchase land and build building without developer. Considered but rejected based on advantages of leasing in this case.
GCMC Skilled Nursing Unit Lease Approval

David Cato and Troy Churchill
October 12, 2017
Agenda

**Purpose:** Provide pertinent information to receive Lee Health Board of Directors approval for the GCMC Skilled Nursing Unit Lease

- Executive Summary
  - Problem and Solution
- Business Need/Analysis
  - Why Now/Why Lee Health
- Project Overview/Schedule
- Project Impact/Risks
- Financial Cost/ROI
- Summary of Recommendation
  - Request Board Approval
Executive Summary

• **Problem:** Lack of Access to Skilled Nursing Rehab Beds in community to meet desired patient outcomes and Lee Health strategic goals. (To aggravate the problem for Lee Health; while there are 2,230 SNF beds in the community only 981 of these beds are available for short-term rehab placement, which you will see drives Lee Health’s need. In fact, the need outstrips the 75 beds Lee Health is proposing to add.)

• **Solution:** Lease 75 bed Skilled Nursing Unit from developer that is contiguous to GCMC (No certificate of need required)
  • Creates access to high quality beds
  • Assists with acute care bed capacity/SNF discharge delays
  • Infrastructure to support Population Health Initiatives
  • Conserve system capital dollars to allocate toward other initiatives
  • Fits System Strategy to “Enhance OP and other health care services in the community
  • Positive Return on Investment
Business Need: Why Now/Why Lee

- Provide bed capacity (opportunity for relief prior to season in 18/19)
  - Shortage of “Short Stay” SNF beds in our Community
  - Number One reason for Lee Health acute care discharge delays is skilled nursing beds are unavailable in the community
- Increase the Quality of Skilled Nursing in our Community “Long Term Goals”
  - Decrease Readmission Rates
  - Improved outcomes
  - Skilled Nursing Quality Network
- Relation to Long Term Strategy: Enhance Outpatient and Other Healthcare services to meet community needs
- Population Health Initiatives
  - Next Gen ACO
  - Alternative Payment Models
Business Need: Analysis

Problem #1:

- Each month the equivalent of 200 days of acute care hospitalization are added due to a lack of available Skilled Nursing beds (2,400/year)

<table>
<thead>
<tr>
<th>Reason Code</th>
<th>Number of Avoidable Delay Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skilled Nursing Bed Unavailable</td>
<td>1174</td>
</tr>
<tr>
<td>Skilled Nursing Authorization Delay</td>
<td>1030</td>
</tr>
<tr>
<td>Skilled Nursing Bed Not Within Network</td>
<td>110</td>
</tr>
<tr>
<td>Patient and/or Family Members Do Not Agree with Skilled Nursing Bed Available</td>
<td>87</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2401</strong></td>
</tr>
</tbody>
</table>

- Multiplied by the Community Average Length of Stay: 25
- Divided by the Calendar Days: 365
- **Equals the Total Skilled Nursing Beds Needed**: 164
Business Need: Analysis

Problem #2:

• Out of the 2,230 Skilled Nursing Beds in our community, only 981 beds are available for short-term rehabilitation

<table>
<thead>
<tr>
<th>Current State</th>
<th>Total Amount of Beds</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term (Medicaid)</td>
<td>1249</td>
<td>56%</td>
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<tr>
<td>Short-term (Medicare, Managed Care, Commercial)</td>
<td>981</td>
<td>44%</td>
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<tr>
<td>Lee Health Skilled Nursing</td>
<td>130</td>
<td>6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proposed Future State</th>
<th>Total Amount of Beds</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term (Medicaid)</td>
<td>1249</td>
<td>54%</td>
</tr>
<tr>
<td>Short-term (Medicare, Managed Care, Commercial)</td>
<td>1056</td>
<td>46%</td>
</tr>
<tr>
<td>Lee Health Skilled Nursing</td>
<td>205</td>
<td>9%</td>
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Solution’s Considered

1. **Do Nothing:** *(Not Recommended)*
   - Risk Continued lack of access to skilled beds in community
   - Missed Opportunity for Lee Health

2. **Build on Lee Health Owned Property:** *(Not Recommended)*
   - Future Growth of Ambulatory programs on GCMC campus may require the use of this land
   - Building at this time will encumber Lee Health capital funds that may be needed for potential future patient care projects

3. **Lease Contract with Developer who will design and build facility to appropriate AHCA and SNU requirements:** *(Solution Recommended)*
   - Model outlined on next slide
   - Minimal capital outlay
GCMC SNU Recommended Solution

Solution: Develop and operate skilled nursing unit, no certificate of need required

Legal/Operating Structure

Land
- Owned by Developer
- Contiguous to GCMC

Facility: Developer Owned
- Designed to AHCA requirements
- Integration with GCMC support services

Key Steps in the Development of the Functioning Unit
1. Lee Health adds 75 acute care beds
2. Converts to Skilled Nursing Unit beds
3. Lease Land & Building from Developer
4. License & Operate as a GCMC SNU
Project Benefits/Risks

• **Benefits:** As outlined the recommendation provides access to critically needed short term skilled nursing rehab beds
  • Fits System Strategy to “Enhance OP and other health care services in the community
  • Creates access to high quality beds (short term by January 2019)
  • Assists with acute care bed capacity/Skilled Nursing discharge delays
  • Infrastructure to support Population Health Initiatives
  • Conserve system capital dollars to allocate toward other initiatives
  • Uniquely positions us for future reimbursement changes
  • Minimal Lee Health Capital Outlay

• **Risks:**
  • Project not open by January 2019
  • Change’s in regulations governing post-acute care
  • Financing of lease will add to the net use of cash beyond or in excess of that planned beyond year 10
Financial Projections

- Projected Occupancy rates
  - 1st year = 50%
  - 2nd year = 85%
  - 3rd year = 95%
- Payers = Medicare, Managed Care and Special Reimbursement
- Cost savings due to Administrative Structure
- 5% operating margin starting at year 3
- Average ROI = 18%
- 5 Year ROI = (18)%
- 10 Year ROI = 94%
## Lee Health

**GCMC-SNU Pro Forma**

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<th>Census Days</th>
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<tr>
<td><strong>Occupancy</strong></td>
<td>Rate</td>
<td>100% Year</td>
<td>2 Year</td>
<td>3 Year</td>
<td>3 Year</td>
<td>3 Year</td>
</tr>
<tr>
<td>Medicare</td>
<td>60</td>
<td>21,900</td>
<td>$ 515.00</td>
<td>$11,278,500.00</td>
<td>$5,639,250.00</td>
<td>$9,586,725.00</td>
</tr>
<tr>
<td>Managed Care</td>
<td>10</td>
<td>3,650</td>
<td>$495.00</td>
<td>$1,806,750.00</td>
<td>$903,375.00</td>
<td>$1,355,062.50</td>
</tr>
<tr>
<td>Charity</td>
<td>5</td>
<td>1,825</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Census</strong></td>
<td>75</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td>$13,085,250.00</td>
<td>$6,542,625.00</td>
<td>$10,941,787.50</td>
<td>$10,722,951.75</td>
<td>$12,430,987.50</td>
</tr>
<tr>
<td><strong>Bad Debt Expense</strong></td>
<td></td>
<td>$261,705.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Revenue</strong></td>
<td></td>
<td>$12,823,545.00</td>
<td>$6,411,772.50</td>
<td>$10,722,951.75</td>
<td>$12,182,367.75</td>
<td>$12,182,367.75</td>
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</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th>Projected</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries and Wages</strong></td>
<td>$209.86</td>
</tr>
<tr>
<td><strong>Employee Benefits</strong></td>
<td>$33.58</td>
</tr>
<tr>
<td><strong>Sub-Total Labor</strong></td>
<td>$243.44</td>
</tr>
<tr>
<td><strong>Variable Expenses</strong></td>
<td>$209.86</td>
</tr>
<tr>
<td><strong>Purchased Services</strong></td>
<td>$35.44</td>
</tr>
<tr>
<td><strong>Drugs</strong></td>
<td>$32.00</td>
</tr>
<tr>
<td><strong>Medical Supplies</strong></td>
<td>$10.00</td>
</tr>
<tr>
<td><strong>Other Supplies</strong></td>
<td>$5.25</td>
</tr>
<tr>
<td><strong>Utilities</strong></td>
<td>$5.88</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>$0.47</td>
</tr>
<tr>
<td><strong>Sub-Total Variable Expenses</strong></td>
<td>$116.72</td>
</tr>
<tr>
<td><strong>Building Lease Rate</strong></td>
<td>57,650.00</td>
</tr>
<tr>
<td><strong>Land Lease Rate</strong></td>
<td>57,650.00</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>559,018.00</td>
</tr>
<tr>
<td><strong>Sub-Total Fixed Expense</strong></td>
<td>$2,605,593.00</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>$11,858,003.55</td>
</tr>
</tbody>
</table>

**GCMC - SNU Gain/Loss**

<table>
<thead>
<tr>
<th>%</th>
<th>Dollar</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>$1,227,246.45</td>
</tr>
<tr>
<td>-13%</td>
<td>$(820,025.78)</td>
</tr>
</tbody>
</table>

**GCMC - SNU Gain/Loss - %**

| 2% | 5% | 5% | 5% |

**GCMC - SNU Gain/Loss - Dollar**

| $201,645.41 | $683,376.87 | $629,622.30 | $574,523.86 |
Lease Details

- Location of space – 13960 Plantation Road, Fort Myers
- Space – approximately 57,650 square feet
- Term – initial 20 year, with two 5 year options to renew
- Provision to reset lease rate to market conditions through Fair Market Value update during year 10
- Base rent - $35.50/square foot included building and land
  - $33/square foot for building
  - $2.50/square foot for land
- Annual Base lease amount year one is $2,046,575, or $170,548 per month
- 2.5% annual escalation
- Purchase options as stipulated for years 10, 15, 20, 25, and 30 will be ultimately determined by Fair Market Value analysis. Details involve either a 5% credit of purchase price or the sum total from one month of each year of lease payments made, whichever is higher
Summary/Recommendation

Recommendation to the Board of Directors: Approve the lease of the GCMC Skilled Nursing Unit as proposed to support the patient and community need to enhance the placement and flow of patients from acute care (Right Care, Right Time, Right Place).

Solution: “Unique” opportunity for Lee Health to contribute additional short term skilled nursing beds to serve our community

• Supports Lee Health’s Mission
• Supports Lee Health’s Strategic Plan
• Allows Lee Health to maintain cash for investment in other capital projects

**Please see the Recommended Action sheet for the proposed motion for your consideration**
Thank You
BOARD OF DIRECTORS

STRATEGIC SCORECARD UPDATE

(Kevin Newingham, Chief Strategy Officer)
**DATE:** October 12, 2017  

**NAME OF SERVICE LINE/ENTITY UPDATE:** FYTD 17 Strategic Scorecard Update  

**PERSON RESPONSIBLE & TITLE:** Kevin Newingham, Chief Strategy Officer  

<table>
<thead>
<tr>
<th>KEY ACCOMPLISHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>n/a</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GOALS (MET)</th>
<th>GOALS (UNMET)</th>
</tr>
</thead>
<tbody>
<tr>
<td>n/a</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FINANCIAL IMPLICATIONS (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>n/a</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROBLEMS/ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>n/a</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>ANTICIPATED NEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>n/a</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>SUMMARY/COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lee Health FY 2017 Strategic Scorecard is updated with the most recent performance</td>
</tr>
</tbody>
</table>

This UPDATE supports the following Strategic Initiative(s): All
### Service, Safety & Quality

<table>
<thead>
<tr>
<th>Strategic Initiative</th>
<th>Key Performance Indicator</th>
<th>Meets Goal 2017</th>
<th>Exceeds Goal 2017</th>
<th>Desired Direction</th>
<th>Current Status</th>
<th>Tracking</th>
<th>Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service, Safety &amp; Quality</td>
<td>Patient Experience (Systemwide rollup of “Overall Rate” top box)</td>
<td>74.1%</td>
<td>76.8%</td>
<td>🚭</td>
<td>71.4%</td>
<td>Does not Meet</td>
<td>FYTD Jun</td>
</tr>
<tr>
<td></td>
<td>Sepsis Mortality Rate (Lee Health)</td>
<td>20.70%</td>
<td>19.60%</td>
<td>📈</td>
<td>17.86%</td>
<td>Better than Goal</td>
<td>FYTD Jun</td>
</tr>
<tr>
<td></td>
<td>Clostridium difficile Infection (C. diff)</td>
<td>0.794</td>
<td>0.364</td>
<td>📉</td>
<td>0.504</td>
<td>Meets Goal</td>
<td>FYTD Jun</td>
</tr>
<tr>
<td></td>
<td>Surgical Site Infection - Colon Surgery</td>
<td>0.824</td>
<td>0.300</td>
<td>📉</td>
<td>1.167</td>
<td>Does not Meet</td>
<td>FYTD May</td>
</tr>
<tr>
<td></td>
<td>Catheter-Associated Urinary Tract Infection (CAUTI)</td>
<td>0.469</td>
<td>0.279</td>
<td>📉</td>
<td>0.581</td>
<td>Does not Meet</td>
<td>FYTD Jun</td>
</tr>
<tr>
<td></td>
<td>Medicare Payor Postoperative Pulmonary Embolism or Deep Vein Thrombosis (PE or DVT)</td>
<td>3.88</td>
<td>2.54</td>
<td>📉</td>
<td>2.29</td>
<td>Better than Goal</td>
<td>FYTD Jun</td>
</tr>
</tbody>
</table>
### Clinical Integration

<table>
<thead>
<tr>
<th>Strategic Initiative</th>
<th>Key Performance Indicator</th>
<th>Meets Goal 2017</th>
<th>Exceeds Goal 2017</th>
<th>Desired Direction</th>
<th>Current Status</th>
<th>Tracking</th>
<th>Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Integration</td>
<td>Medicare Payor 30-day Readmission Rate (Lee Health facilities only)</td>
<td>15.5%</td>
<td>14.6%</td>
<td>Does not Meet</td>
<td>16.1%</td>
<td></td>
<td>FYTD May</td>
</tr>
</tbody>
</table>
## Aligned Multispecialty Group

<table>
<thead>
<tr>
<th>Strategic Initiative</th>
<th>Key Performance Indicator</th>
<th>Meets Goal 2017</th>
<th>Exceeds Goal 2017</th>
<th>Desired Direction</th>
<th>Current Status</th>
<th>Tracking</th>
<th>Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aligned Multispecialty Group</strong></td>
<td>Year over year freestanding outpatient net revenue growth (2016 vs 2017)</td>
<td>10.0%</td>
<td>15.0%</td>
<td></td>
<td>12.4%</td>
<td>Meets Goal</td>
<td>FYTD Jun</td>
</tr>
<tr>
<td></td>
<td>Increase the LPG Primary Care Patient Base (net new patients)</td>
<td>10,000</td>
<td>12,000</td>
<td></td>
<td>9,953</td>
<td>Better than Goal</td>
<td>Oct 2016 - June 2017</td>
</tr>
</tbody>
</table>
# Caring People

<table>
<thead>
<tr>
<th>Strategic Initiative</th>
<th>Key Performance Indicator</th>
<th>Meets Goal 2017</th>
<th>Exceeds Goal 2017</th>
<th>Desired Direction</th>
<th>Current Status</th>
<th>Tracking</th>
<th>Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caring People</td>
<td>Employee Engagement</td>
<td>73.7</td>
<td>74.3</td>
<td>Better than Goal</td>
<td>75.9</td>
<td>Better than Goal</td>
<td>FY 2017</td>
</tr>
</tbody>
</table>
### Financial Viability

<table>
<thead>
<tr>
<th>Strategic Initiative</th>
<th>Key Performance Indicator</th>
<th>Meets Goal 2017</th>
<th>Exceeds Goal 2017</th>
<th>Desired Direction</th>
<th>Current Status</th>
<th>Tracking</th>
<th>Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Viability</td>
<td>Operating Margin %</td>
<td>4.5%</td>
<td>5.0%</td>
<td>Up</td>
<td>4.8%</td>
<td>Meets Goal</td>
<td>FYTD Jun</td>
</tr>
<tr>
<td></td>
<td>Labor &amp; Purchased Services (Per Case Mix Index Adjusted Admission)</td>
<td>$4,172</td>
<td>$4,131</td>
<td>Down</td>
<td>$4,208</td>
<td>Does not Meet</td>
<td>FYTD Jun</td>
</tr>
</tbody>
</table>
Thank You
# System Strategic Initiatives
## FY 2017 Scorecard
### As of October 4, 2017

<table>
<thead>
<tr>
<th>Strategic Initiative</th>
<th>Key Performance Indicator</th>
<th>Meets Goal 2017</th>
<th>Exceeds Goal 2017</th>
<th>Desired Direction</th>
<th>Current Status</th>
<th>Tracking</th>
<th>Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service, Safety &amp; Quality</strong></td>
<td>Patient Experience (Systemwide rollup of &quot;Overall Rate&quot; top box)</td>
<td>74.1%</td>
<td>76.8%</td>
<td>71.9%</td>
<td>Does not Meet</td>
<td>FYTD Aug</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sepsis Mortality Rate (Lee Health)</td>
<td>20.70%</td>
<td>19.60%</td>
<td>18.25%</td>
<td>Better than Goal</td>
<td>FYTD Aug</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clostridium difficile Infection (C. diff)</td>
<td>0.794</td>
<td>0.364</td>
<td>0.504</td>
<td>Meets Goal</td>
<td>FYTD Jun</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Surgical Site Infection - Colon Surgery</td>
<td>0.824</td>
<td>0.300</td>
<td>1.031</td>
<td>Does not Meet</td>
<td>FYTD Jul</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Catheter-Associated Urinary Tract Infection (CAUTI)</td>
<td>0.469</td>
<td>0.279</td>
<td>0.628</td>
<td>Does not Meet</td>
<td>FYTD Aug</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medicare Payor Postoperative Pulmonary Embolism or Deep Vein Thrombosis (PE or DVT)</td>
<td>3.88</td>
<td>2.54</td>
<td>1.91</td>
<td>Better than Goal</td>
<td>FYTD Aug</td>
<td></td>
</tr>
<tr>
<td><strong>Clinical Integration</strong></td>
<td>Medicare Payor 30-day Readmission Rate (Lee Health facilities only)</td>
<td>15.5%</td>
<td>14.6%</td>
<td>16.3%</td>
<td>Does not Meet</td>
<td>FYTD Jul</td>
<td></td>
</tr>
<tr>
<td><strong>Aligned Multispecialty Group</strong></td>
<td>Year over year freestanding outpatient net revenue growth (2016 vs 2017)</td>
<td>10.0%</td>
<td>15.0%</td>
<td>13.7%</td>
<td>Meets Goal</td>
<td>FYTD Aug</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase the LPG Primary Care Patient Base (net new patients)</td>
<td>10,000</td>
<td>12,000</td>
<td>9,953</td>
<td>Better than Goal (2,500/qtr)</td>
<td>FYTD Aug</td>
<td></td>
</tr>
<tr>
<td><strong>Caring People</strong></td>
<td>Employee Engagement</td>
<td>73.7</td>
<td>74.3</td>
<td>75.9</td>
<td>Better than Goal</td>
<td>FY 2017</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Viability</strong></td>
<td>Operating Margin %</td>
<td>4.5%</td>
<td>5.0%</td>
<td>4.4%</td>
<td>Does not Meet</td>
<td>FYTD Aug</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Labor &amp; Purchased Services (Per Case Mix Index Adjusted Admission)</td>
<td>$4,172</td>
<td>$4,131</td>
<td>$4,259</td>
<td>Does not Meet</td>
<td>FYTD Aug</td>
<td></td>
</tr>
</tbody>
</table>

*Better than Goal* - metric equal to or better than Exceeds target

*Meets Goal* - metric equal to or better than Meets target

*Does not Meet* - metric does not reach Meets target
Trending History
FY 2017 Scorecard

KEY:

= Does not Meet
= Meets Goal or Better than Goal

Patient Experience

Sepsis Mortality

Clostridium difficile Infection (C. diff)

Surgical Site Infection - Colon Surgery

Catheter-Associated Urinary Tract (CAUTI)

Medicare Postoperative Pulmonary Embolism or Deep Vein Thrombosis (PE or DVT)

Obs - Observed Cases
Exp - Expected Cases
SIR - Standardized Infection Rate
## Standardized Infection Ratios
### FY 2017 Scorecard

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clostridium difficile Infection (C. diff)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 16 Observed Cases</td>
<td>83</td>
<td>61</td>
<td>82</td>
<td>48</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>144</td>
</tr>
<tr>
<td>FY 16 Expected Cases</td>
<td>70</td>
<td>74</td>
<td>68</td>
<td>59</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>144</td>
</tr>
<tr>
<td>FY 16 Standardized Infection Ratio</td>
<td>1.179</td>
<td>0.819</td>
<td>1.199</td>
<td>0.808</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.994</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>FY 17 Observed Cases</td>
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<td>32</td>
<td>23</td>
<td>89</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>89</td>
</tr>
<tr>
<td>FY 17 Expected Cases</td>
<td>59.3</td>
<td>63</td>
<td>54.2</td>
<td>176.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 17 Standardized Infection Ratio</td>
<td>0.574</td>
<td>0.508</td>
<td>0.425</td>
<td>0.504</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Surgical Site Infection - colon surgery</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 16 Observed Cases</td>
<td>1.0</td>
<td>1.0</td>
<td>4.0</td>
<td>0.0</td>
<td>1.0</td>
<td>0.0</td>
<td>2.0</td>
<td>1.0</td>
<td>2.0</td>
<td>3.0</td>
<td>2.0</td>
<td>0.0</td>
<td>17.0</td>
</tr>
<tr>
<td>FY 16 Expected Cases</td>
<td>1.7</td>
<td>1.4</td>
<td>1.8</td>
<td>2.0</td>
<td>1.8</td>
<td>1.6</td>
<td>2.1</td>
<td>2.0</td>
<td>1.9</td>
<td>1.7</td>
<td>1.5</td>
<td>1.7</td>
<td>17.9</td>
</tr>
<tr>
<td>FY 16 Standardized Infection Ratio</td>
<td>0.577</td>
<td>1.419</td>
<td>2.213</td>
<td>0.000</td>
<td>0.558</td>
<td>1.256</td>
<td>0.960</td>
<td>1.491</td>
<td>1.079</td>
<td>0.000</td>
<td>0.660</td>
<td>0.000</td>
<td>0.948</td>
</tr>
<tr>
<td>FY 17 Observed Cases</td>
<td>3.0</td>
<td>2.0</td>
<td>1.0</td>
<td>5.0</td>
<td>4.0</td>
<td>1.0</td>
<td>0.0</td>
<td>1.0</td>
<td>0.0</td>
<td>2.0</td>
<td></td>
<td></td>
<td>19.0</td>
</tr>
<tr>
<td>FY 17 Expected Cases</td>
<td>1.6</td>
<td>1.1</td>
<td>1.9</td>
<td>2.0</td>
<td>2.0</td>
<td>2.2</td>
<td>1.6</td>
<td>2.3</td>
<td>1.9</td>
<td>1.9</td>
<td></td>
<td></td>
<td>18.4</td>
</tr>
<tr>
<td>FY 17 Standardized Infection Ratio</td>
<td>1.911</td>
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Question: Using any number from 0 to 10, where 0 is the worst <facility> possible and 10 is the best <facility> possible, what number would you use to rate this <facility> during your stay/visit?

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Worst | Best

FYTD Aug
### Patient Experience

#### Patient Experience - Top Box % - Respondents selecting 9 or 10 on Overall Rate

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<th>Survey Type</th>
<th>Monthly</th>
<th>Year-to-Date</th>
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<tr>
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<td>HCAHPS</td>
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<td></td>
<td></td>
</tr>
<tr>
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<td>CCH</td>
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</tr>
<tr>
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<td>GCRC</td>
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<tr>
<td></td>
<td>HPMC</td>
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<tr>
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<td>Pediatric/ICU INPATIENT</td>
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<td>Child HCAHPS - Peds</td>
<td>67.7%</td>
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<tr>
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<td>Home Health</td>
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<tr>
<td></td>
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<tr>
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<td>96.6%</td>
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<tr>
<td>Urgent Care (Peds)</td>
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<td>97.1%</td>
<td>94.7%</td>
<td>95.1%</td>
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<tr>
<td><strong>100% Lee Health Roll-up</strong></td>
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<td>91.9%</td>
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## System Strategic Initiatives
### FY 2017 Scorecard

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<th>Strategic Initiative</th>
<th>Key Performance Indicator</th>
<th>FY 2017 Period</th>
<th>Definition</th>
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<tr>
<td>Service, Safety &amp; Quality</td>
<td>Patient Experience (Systemwide rollup of “Overall Rate” top box)</td>
<td>FY 2017 Avg</td>
<td>Systemwide rollup of &quot;Overall Rate...&quot; top box score (respondents who selected 9 or 10) across all survey types throughout the system.</td>
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<tr>
<td></td>
<td>Sepsis Mortality Rate (Lee Health)</td>
<td>FY 2017 Avg</td>
<td>Percentage of patients with any principal or secondary ICD-10 (International Statistical Classification of Diseases and Related Health Problems) diagnosis code of Severe Sepsis or Septic Shock (R65.21 or R65.20) who expire in hospital.</td>
</tr>
<tr>
<td></td>
<td>Clostridium difficile Infection (C. diff)</td>
<td>FY 2017 Avg</td>
<td>This number is the ratio of the number of Clostridium difficile Infections (C. diff) that actually happened at a hospital compared to the number of C. diff expected for that hospital. The expected number is based on the level of C. diff in the community, the type of diagnostic test(s) used, the facility bed size and teaching affiliations and the number of patients admitted to the hospital. A number lower than one means fewer infections than expected; a number more than one means more infections than expected.</td>
</tr>
<tr>
<td></td>
<td>Surgical Site Infection - colon surgery</td>
<td>12-mos thru Aug 2017</td>
<td>This number is the ratio of the number of infections after colon surgery that actually happened at a hospital to the number of infections expected for that hospital. The expected number is based on the patient age, physical condition, procedure duration, endoscope use, wound class, medical school affiliation and hospital bed size. A number lower than one means fewer infections than expected; a number more than one means more infections than expected.</td>
</tr>
<tr>
<td></td>
<td>Catheter-Associated Urinary Tract Infection (CAUTI)</td>
<td>FY 2017 Avg</td>
<td>This number is the ratio of the number of catheter-associated urinary tract infections (CAUTI) that actually occurred at a hospital compared to the number of CAUTI expected for that hospital. The expected number is based on the patient mix by type of patient care location, hospital affiliation with a medical school, and bed size of the patient care location. A number lower than one means fewer infections than expected; a number more than one means more infections than expected.</td>
</tr>
<tr>
<td></td>
<td>Medicare Payor Postoperative Pulmonary Embolism or Deep Vein Thrombosis (PE or DVT)</td>
<td>12-mos thru Aug 2017</td>
<td>This number represents the estimated number of times patients experienced dangerous blood clots for every 1,000 people who had a procedure in the operating room. Medicare payor only.</td>
</tr>
<tr>
<td>Clinical Integration</td>
<td>Medicare Payor 30-day Readmission Rate (Lee Health facilities only)</td>
<td>12-mos thru Aug 2017</td>
<td>LMHS internal Medicare all cause 30-day readmissions from acute care to acute care within the health system. Total acute care readmissions within 30 days divided by total acute care discharges.</td>
</tr>
<tr>
<td></td>
<td>Increase the LPG Primary Care Patient Base (net new patients)</td>
<td>12-mos thru Sept 2017</td>
<td>Growth in new primary care base of patients, measured by unique patients seen within last two years.</td>
</tr>
<tr>
<td>Caring People</td>
<td>Employee Engagement</td>
<td>FY 2017 Avg</td>
<td>Mean score of three questions from annual survey: *I am comfortable discussing issues or problems with leaders in my department. *I have input in making decisions that affect my job. *Work processes are designed in a way that allows me to do my work effectively.</td>
</tr>
<tr>
<td>Financial Viability</td>
<td>Operating Margin %</td>
<td>FY 2017 Avg</td>
<td>Operating Margin percent is calculated by dividing the system's gain from operations by total operating revenues. This is reported in the monthly consolidated financial statements on page A-8 and A-9 along with comparatives.</td>
</tr>
<tr>
<td></td>
<td>Labor &amp; Purchased Services (Per Case Mix Index Adjusted Admission)</td>
<td>FY 2017 Avg</td>
<td>Average cost of labor &amp; purchased services expense per patient adjusted for severity of the patient (case mix). Numerator: Labor cost (productive salaries, overtime, contract labor &amp; nonproductive salaries) + purchased services. Denominator: case mix adjusted admissions (total inpatient admissions x adjustment factor divided by case mix index). Adjustment factor is calculated by dividing gross revenues by gross inpatient revenues.</td>
</tr>
</tbody>
</table>
ADJOURNMENT

BOARD OF DIRECTORS

DATE OF THE NEXT REGULARLY SCHEDULED MEETING

PLANNING BOARD & FULL BOARD MEETING

January 11, 2018

Gulf Coast Medical Center
Medical Office Building
13685 Doctors Way
Ft. Myers, FL 33912
LIAISON TO CHAIRMAN:

Lee Health (Health System)
FULL BOARD OF DIRECTORS MEETING
Thursday, October 12, 2017

BOARD CHAIRMAN:
Sanford Cohen, M.D.
BOARD OF DIRECTORS

FINANCE AND FULL BOARD MEETING MINUTES OF 9/28/17

(Approve)
## FINANCE BOARD AND FULL BOARD OF DIRECTORS MEETING MINUTES

### Thursday, September 28, 2017

**LOCATION:** Gulf Coast Medical Center, Medical Office Building, Board of Directors Boardroom, 13685 Doctors Way, Fort Myers, FL 33912

**MEMBERS PRESENT:** Sanford N. Cohen, M.D., Board Chairman; David Collins, Board Treasurer; Therese Everly, Board Secretary; Stephanie Meyer, BSN, RN, Board Member; Nancy McGovern, RN, MSM, Board Member; Diane Champion, Board Member; Steven Brown, M.D., Board Member; Jessica Carter Peer, Board Member

**MEMBERS ABSENT:** Chris Hansen, Board Member; Donna Clarke, Board Vice Chairman

*NOTE: Documents referred to in these minutes are on file by reference to this meeting date in the Office of the Board of Directors and on the Board of Directors website at www.leehealth.org/boardofdirectors, for public inspection.*

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>DISCUSSION</th>
<th>ACTION</th>
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</thead>
<tbody>
<tr>
<td>MEETING CALLED TO ORDER</td>
<td>The LEE HEALTH FINANCE BOARD &amp; FULL BOARD OF DIRECTORS MEETINGS were CALLED TO ORDER at 1:00 p.m. by Sanford Cohen, M.D., Board Chairman.</td>
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| INVOCATION AND PLEDGE OF ALLEGIANCE | Chaplain Susan Crowley, MA, BCC, gave the Invocation, followed by the Pledge of Allegiance. |

| PUBLIC INPUT | None at this time. |

| PRESIDENT'S REPORT | Larry Antonucci presented the President’s Report. Lisa Sgarlata briefly commented on staffing explanation and employee assistance due to Hurricane Irma. Connie Bowles presented an emergency preparedness overview and commented on the hospital’s incident command system. Theresė Everly questioned if Lee Health will be Reimbursed by FEMA for the expenses of Hurricane Irma. Ben Spence stated FEMA will be reimbursing for some expenses. Theresė Everly questioned what changes have been made to the Corrective Action in Support of the Hurricane Response Plan Policy S08 08 398. Larry Antonucci stated that changes in corrective action procedure have been made, due to the extreme impact of Hurricane Irma. This resulted in only 5 employees being terminated due to no show/no call. |

<p>| DYAD-DEFINITION &amp; FUNCTION | Scott Nygaard presented the Dyad-Definition &amp; Function. Scott Nygaard introduced Dyads: Alex Daneshmand, DO, Golisano Children’s Hospital of Southwest Florida; Eric O. Appelgren, MD, &amp; Cindy Brown, RN, HealthPark Medical Center; Harry Alberti, Cape Coral Hospital; Jonathan A. Velez, MD, &amp; Holly Muller, RN, Gulf Coast Medical Center; Scott A. Wolf, DO, &amp; Jennifer Higgins, RN, Lee Memorial Hospital. |</p>
<table>
<thead>
<tr>
<th>SUBJECT</th>
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</tr>
</thead>
<tbody>
<tr>
<td>EMPLOYEE ENGAGEMENT RESULTS</td>
<td>Kristy Rigot presented the Employee Engagement Results. She informed the Board that Forbes has nominated Lee Health as the 29th best large employer in the Nation. Therese Everly requested Medical Staff Survey results.</td>
<td>A motion was made by Stephen Brown to approve the 2018 Lee Health Legislative Priorities with the addition of the development of programs to move forward in the area of understanding Alzheimer's Disease and other Mental Cognitive Disorders. The motion was seconded by Therese Everly and carried with no opposition.</td>
<td>MS Survey/Scott Nygaard/TBD</td>
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<tr>
<td>LEGISLATIVE PRIORITIES</td>
<td>Mary Andrews informed the Board of Lee Health’s charity contribution of medical supplies in the community after Hurricane Irma. Michael Nacheff presented the Legislative Priorities. Stephen Brown stated he would like to see more emphasis on Mental Health and the Opioid Crisis in the Legislative proposal.</td>
<td>A motion was made by Stephen Brown to approve the 2018 Lee Health Legislative Priorities with the addition of the development of programs to move forward in the area of understanding Alzheimer's Disease and other Mental Cognitive Disorders. The motion was seconded by Therese Everly and carried with no opposition.</td>
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<tr>
<td>CHAIRMAN TO FINANCE LIAISON</td>
<td>The gavel was turned over to FINANCE Liaison, David Collins, to CONVENE the FINANCE portion of the meeting at 2:44 p.m.</td>
<td>A motion was made by Therese Everly to approve the Consent Agenda consisting of: 1. Financial and Statistical Reports as of July 31, 2017 The motion was seconded by Stephanie Meyer and carried with no opposition.</td>
<td></td>
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<tr>
<td>CONSENT AGENDA</td>
<td>David Collins asked for approval of the Consent Agenda.</td>
<td>A motion was made by Therese Everly to approve the Consent Agenda consisting of: 1. Financial and Statistical Reports as of July 31, 2017 The motion was seconded by Stephanie Meyer and carried with no opposition.</td>
<td></td>
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<tr>
<td>FY2018 BUDGET</td>
<td>Ben Spence asked for approval of the FY2018 Budget. Ben Spence informed the Board that “Debt to Cash Flow: Audit 2016” should read 3.2 instead of 2.5. Therese Everly stated she would like a report that will show the trend of reduction in the 2019 penalties in future Finance Meetings. Stephen Brown stated he would like to know the Foundation’s budget goal. Therese Everly questioned how Lee Health’s proposed bed charges fit in with the benchmarks of other hospitals in our region. Ben Spence stated approximately 60% of hospitals in our region charge higher rates while 40% of hospitals in our region charge lower rates. David Collins stated that the budget is good, a lot of thought and effort has been put into the process, with many stakeholders involved, but it is up to the entire administration to perform for the budget to be met.</td>
<td>A motion was made by Therese Everly to approve the FY2018 Operating Budget that provides a 4.5% Gain from Operations. The approval of the FY2018 operating budget will provide the funding for the FY2018 Capital Budget of $80 million. The motion was seconded by Dr. Cohen and carried with no opposition. A motion was made by Dr. Cohen to approve the FY2018 Capital Budget of $80 million to include Contingency in the amount of $1,500,000. The total FY2018 Capital Budget represents approximately 37.5% of the FY2018 Operating Budget cash flow available for capital. The motion was seconded by Nancy McGovern and carried with no opposition. A motion was made by Nancy McGovern to approve the FY2018 Acute Care Hospital room rates which provide for a 5% increase over current rates. The motion was seconded by Dr. Cohen and carried with Stephen Brown opposed.</td>
<td>Reduction in the 2019 Penalties/Ben Spence/Finance Meetings Foundation’s Goal/Ben Spence/TBD</td>
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<tr>
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<tr>
<td><strong>FINANCIAL AND STATISTICAL REPORTS AS OF AUGUST 31, 2017</strong></td>
<td>Ben Spence presented the Financial and Statistical Reports as of August 31, 2017.</td>
<td>A motion was made by Jessica Carter Peer to accept the Financial and Statistical Reports as of August 31, 2017. The motion was seconded by Therese Everly and carried with no opposition.</td>
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<td><strong>FINANCE LIAISON TO CHAIRMAN</strong></td>
<td>The next LEE HEALTH Finance Board Meeting is: Thursday September 28, 2017, at 1:00 p.m. Gulf Coast Medical Center, Medical Office, Boardroom 13685 Doctors Way, Fort Myers, FL 33912</td>
<td>The gavel was turned over to the Board Chairman, Sanford Cohen, to RECONVENE the FULL BOARD portion of the meeting at 3:52 p.m.</td>
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<tr>
<td><strong>FULL BOARD MEETING MINUTES OF 8/24/17</strong></td>
<td>Dr. Cohen asked for approval of the Full Board Meeting Minutes of 8/24/17.</td>
<td>A motion was made by Therese Everly to approve the Full Board Meeting Minutes of 8/24/17. The motion was seconded by Nancy McGovern and carried with no opposition.</td>
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<td><strong>MEDICAL STAFF RECOMMENDATIONS</strong></td>
<td>Dr. Cohen asked for approval of the Medical Staff Recommendations.</td>
<td>A motion was made by Nancy McGovern to approve the Medical Staff Recommendations as for: - Lee Memorial Hospital - Cape Coral Hospital - Gulf Coast Medical Center - HealthPark Medical Center - Golisano Children’s Hospital of SWFL The motion was seconded by David Collins and carried with no opposition.</td>
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<tr>
<td><strong>OLD BUSINESS</strong></td>
<td>None at this time.</td>
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<td><strong>NEW BUSINESS</strong></td>
<td>Jim Humphrey informed the Board of the Conflict of Interest – Rosa’s Wrap. Stephen Brown requested that Legal follow up with how other institutions complete the process and development of innovations by employees. Dr. Cohen informed the Board that a salt water therapy pool has been requested by a member of the community and he has let them know that it is not an expense Lee Health can endure at this time. Diane Champion reported of a phone call she received from a member of the community who stated he was denied shelter at Lee Health from Hurricane Irma. Diane called security at all campuses to confirm this report and believes the call was not legitimate.</td>
<td>A motion was made by Therese Everly to acknowledge receipt of the information brought to the Board on Conflict of Interest –Rosa’s Wrap. The motion was seconded by Stephen Brown and carried with no opposition. Policy &amp; Institution’s Processes/ Mary McGillcully</td>
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<td><strong>BOARD MEETING CRITIQUE</strong></td>
<td>Board Members agreed the Effectiveness Dashboard is a wonderful idea and would like to enforce the completion of at every meeting. Therese Everly suggested the previous Effectiveness Dashboard be put at the end of the packet in order to reflect and score current meetings based on the previous summary.</td>
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<tr>
<td>SUBJECT</td>
<td>DISCUSSION</td>
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<td>FOLLOW-UP</td>
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<tr>
<td>BOARD OF DIRECTORS</td>
<td>Jessica Carter Peer thanked David Collins for the tour of the Hope Club House.</td>
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<td>REPORTS</td>
<td>Nancy McGovern stated she is happy everyone is here and safe after Hurricane Irma.</td>
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<td></td>
<td>Therese Everly attended the Becker’s Hospital Review Annual IT + Revenue Conference as a selected reviewer. Summary memo forwarded to Board Members. As liaison to HPCC, she confirmed with staff that all state requirements are met for emergency situations. Thanked Larry and staff for FEMA and EAP assistance for Lee Health employees.</td>
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<td>David Collins thanked Stephen Brown and Jessica Carter Peer for touring the Hope Clubhouse and informed the Board of the Hope Clubhouse Annual Meeting on October 30th. He enjoyed attending the International Plant-Based Nutrition Healthcare Conference and will have a report out to the Board in the near future.</td>
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<td>Diane Champion informed the Board that the Gulf Coast Auxiliary will be meeting in the Auxiliary’s Office instead of the Conference Room until further notice.</td>
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<td>Stephen Brown asked for the trees blocking the Outpatient Center’s sign on Bass Road be trimmed so it can be clearly identified by patients. He informed the Board that the Sanctuary Surgery Center has a patient satisfaction rate of 98% and would like to see leadership report to the Board on their processes and direction.</td>
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<td></td>
<td>Dr. Cohen believed the meeting went very well and everyone stayed on topic.</td>
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| NEXT REGULAR MEETING    | The next LEE HEALTH BOARD OF DIRECTORS PLANNING BOARD AND FULL BOARD MEETING will be held on October 12, 2017, at 1:00 p.m. in the Gulf Coast Medical Center, Medical Office Building, Boardroom 13685 Doctors Way, Fort Myers, FL 33912 |        |           |

| ADJOURNMENT             | The LEE HEALTH SYSTEM FINANCE BOARD & FULL BOARD OF DIRECTORS MEETINGS ADJOURNED at 4:31 p.m. by Sanford Cohen, M.D., Board Chairman.                                                                                      |        |           |

Minutes were recorded by Jennifer Zager, Assistant to the Board of Directors
BOARD OF DIRECTORS

PSN AND ACO: UPDATE & NEXT STEPS
(John Chomeau, Chief Population Health Officer)

(APPROVE)
DATE: October 12, 2017

NAME OF SERVICE LINE/ENTITY UPDATE: Medicaid Provider Service Network (PSN) / Medicare Next Generation Accountable Care Organization (ACO)

PERSON RESPONSIBLE & TITLE: John Chomeau, Chief Population Health Officer

<table>
<thead>
<tr>
<th>KEY ACCOMPLISHMENTS</th>
<th>Extensive collaborative work with leadership, clinical personnel, and IT personnel; provider outreach remains ongoing; actuarial analysis underway.</th>
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</thead>
<tbody>
<tr>
<td>GOALS (MET)</td>
<td>ACO application submitted; PSN ITN response underway and on schedule.</td>
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<tr>
<td>GOALS (UNMET)</td>
<td>Awaiting final ACO contract from CMS; ITN response to be filed this month, will require review and determination by AHCA.</td>
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FINANCIAL IMPLICATIONS (if any)
Medicare Next Gen ACO projected margin range from 5 to 7 percent for year 1 -3 with projected shared savings of $8 – $18 million over the 3 year contract with CMS.
Medicaid Provider Service Network/PSN expected return 2.1 TO 4.2 percent, operating income of 1.4 million in year 1 to 4.3 million in year 5.

PROBLEMS/ISSUES
No material issues or problems at this time

ANTICIPATED NEEDS
Continued focus and work to ensure deadlines continue to be met; Board consideration of final ACO and PSN contracts to be presented in the future.

SUMMARY/COMMENTS
The PSN and ACO initiatives will enhance the strategic transformation to advanced payment models and offer the opportunity to improve patient care through new value-based care models that reward health systems and provider networks that improve health outcomes via a standardized model of care and coordination of care.

This UPDATE supports the following Strategic Initiative(s): Financial Viability, Clinical Integration.
Medicare ACO and Medicaid PSN Readiness Update

October 12, 2017
## Best Care Collaborative Readiness

### Medicare ACO NextGen Capability Readiness Dashboard

<table>
<thead>
<tr>
<th></th>
<th>Quality</th>
<th>Risk Adjustment</th>
<th>Clinical Programs</th>
<th>Network</th>
<th>Technology</th>
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<tr>
<td>March 2017</td>
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### Improvement (March to October)
- Clear leadership support and buy-in at all levels
- Collaboration between clinical and IT leadership
- Embedded coding staff critical to early risk adjustment efforts
- Clinical and Network Savings Strategy design are underway
- Provider engagement initiated

### Remaining Work (October - January)
- Design ACO Quality program and reporting
- Risk adjustment sprint
- Finalize and launch clinical programs and Identifi platform
- Hire, onboard, train ACO staff
- Begin tech integration (data feeds, Epic integration)
- Increase level of provider engagement and communications
- Execute provider agreements

---

**Medicare**
### Best Care Assurance Readiness Update

#### Medicaid Provider Service Network Capability Readiness Dashboard

<table>
<thead>
<tr>
<th></th>
<th>Network</th>
<th>Licensure</th>
<th>ITN Response</th>
<th>Clinical Programs</th>
<th>Risk Adjustment</th>
<th>Health Plan Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>March 2017</strong></td>
<td><img src="#" alt="Network" /></td>
<td><img src="#" alt="Licensure" /></td>
<td><img src="#" alt="ITN Response" /></td>
<td><img src="#" alt="Clinical Programs" /></td>
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<td><strong>October 2017</strong></td>
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<td><img src="#" alt="Risk Adjustment" /></td>
<td><img src="#" alt="Health Plan Operations" /></td>
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#### Capability Improvement (March to October)

- **Network** – Contracting efforts underway
- **Licensure/ITN Response** – Identified partner to help Lee Health meet procurement requirements; completed ~90% of ITN response to date
- **Clinical** - Leadership support for improving and investing in new capabilities
- **Risk Adjustment** – Provider education ramped up
- **Health Plan Ops** – Identified full service health plan partner to provide ongoing ops

#### Focus Areas

- Execute **Network** contracts – move beyond adequacy to marketability; value-based contracting
- Secure **TPA License**
- **Clinical Programs** – Tailor to Medicaid, use non-NP level resources, measure ROI
- Leverage ACO momentum on **Risk Adjustment**
- **Health Plan Ops** – Build out Florida-specific capabilities for TPA
- Build familiarity to run provider-sponsored health plan instead of being on the other side
BOARD OF DIRECTORS

BEHAVIORAL HEALTH STRATEGY UPDATE
(Lisa Sgarlata, Chief Patient Care & Nursing Executive)
(John Chomeau, Chief Population Health Officer)
**Lee Health - Behavioral Health Road Map**

**Executive Dashboard**

**Methods and Practices**
- Lee County needs to extend outreach to undiagnosed and under treated
- Access to care is underdeveloped due to limited and expensive clinicians
- Focus on beds and face to face encounters presents too narrow of a model of care
- National Managed BH Providers building a “tiered” systematic approach for access
- 10 years of Clinical trials and published peer reviews prove CBT is effective

**Key Accomplishments – 2018 Launches**
- Lee Health is rolling out computerized CBT across all employees and dependents
- CBT and Tele-Psych roll out contemplates ED’s, LPH Primary Care and the FQHC’s
- LH is building the integrated 4-tiered, BH model of care for Population Health (ACO)
- LH is considering a Pediatric focused model of care – Supported by Beacon Health (URAC and NCQA Accredited) for the Medicaid PSN (2017 Bid, 2018 Award)

**Strategic Model of Care**

<table>
<thead>
<tr>
<th>Levels of Care Intensity</th>
<th>Target</th>
<th>Status</th>
<th>Key Elements</th>
</tr>
</thead>
</table>
| Tier 1 - Cognitive Behavioral Therapy | Q1 2018 | On track | • “Cobalt by Magellan”: Randomized clinical trials and peer reviewed. 15 years in UK, VA and DoD.  
• Clinical Screener and practice protocols for PCP, FQHC and Employee engagements (English/Spanish)  
• Non-Medication outcomes for: Depression, Anxiety, Insomnia, Substance Abuse, OCD, PTSD, Suicide |
| Tier 2 - Tele-Psychology | Q1 2018 | On track | • Clinical Escalation linked to ED, PCP, FQHC, Care Manager or Employee EAP encounters  
• No patient stigma, required travel or time off work |
| Tier 3 - In Person Counseling | Q2 2018 | On track | • Beacon Health provides a FL based, fully credentialled and contracted network in Lee County  
• Need to build a seamless escalation path and medication management model |
| Tier 4 - Inpatient or Intensive Outpatient | Nov ’17 | On track | • Community resources are available but operate in siloes  
• Need to bring together a “community partnership”  
• “Path of Care” is to efficiently move cases into Tier 4 and then support the “return” to community |

**Opportunities and Leadership**

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Owner</th>
<th>Potential Impact</th>
<th>What is Needed to Resolve?</th>
<th>Target</th>
</tr>
</thead>
</table>
| “Model of Care” Alignment | John C. | Reach to 85-95% of patients not receiving any care/support | • Common understanding that BH requires a SYSTEM of CARE  
• Retained Dr. Gina Pingitore to lead process | Oct 2017 |
| Centers of Excellence | Lisa S. | Develop Centers of Excellence for kids, young adults and age 50+ patients | • Leverage Beacon’s NCQA Accreditation to build the COE(s)  
• Establish the Lee Health ACO and PSN models of care | Q2 2018 |
| Culture and Change Management | Dr. Hart | Screen 100% of all patients over 2018 and 2019 | • Imbed Cobalt screening into the LH ED’s, PCP’s, FQHC’s and Employee Clinics. Feed the “Pathways of Care” | Q2 2018 |

**Path of Care**

1. CBT
2. Tele-Psych
3. Consultation
4. In/Out
BOARD OF DIRECTORS

OLD BUSINESS
BOARD OF DIRECTORS

NEW BUSINESS
BOARD OF DIRECTORS

BOARD MEETING

CRITIQUE

Lee Memorial Health System Board of Directors
Summary of Board Meeting Effectiveness Dashboard  
September 28, 2017

The Board Meeting Effectiveness Dashboard as completed by Board members at the meeting. The following information was taken from the Dashboard forms and shared with all Board members at the meeting.

<table>
<thead>
<tr>
<th>Process Measure</th>
<th>Number of Responses 9/28/17</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Red</td>
</tr>
<tr>
<td>Did Not Meet Criteria</td>
<td>Mix of meets and did not meet</td>
</tr>
<tr>
<td>1. Effective Use of meeting time</td>
<td>2</td>
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<tr>
<td>2. Pre-Meeting Materials distributed on time</td>
<td>1</td>
</tr>
<tr>
<td>3. Board Members stay on track</td>
<td>4</td>
</tr>
<tr>
<td>4. Presentation at Right level of detail</td>
<td>1</td>
</tr>
<tr>
<td>5. Effective Decision making process</td>
<td>1</td>
</tr>
<tr>
<td>6. Meeting Ends in Timely manner</td>
<td></td>
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</tbody>
</table>

What Went Well in the Meeting? (by Process Measure)

1. Effective Use of Meeting Time
   - Information on Irma report
   - The overall flow went well

3. Board Members Stay on Track
   - Good questions and answers on a timely manner
   - In the most part yes
   - Great discussion surrounding topics

4. Presentations at Right level of Detail
   - If material was not understood, the presenters answered with Their expertise

What Needs Improvement (by Process Measure)

1. Effective Use of Meeting Time
   - Continue to remember that many questions can be asked ahead of times

Suggestions for Improvement or Observations (by Process Measure)

1. Effective Use of Meeting Time
   - Some of the info was great for packet, but not have to be given at meeting
   - Stay on topic

3. Board Members stay on Track
   - We need to have a more concise direction with our legislative priorities. Critiques are helpful but we need to follow up with our solutions

4. Presentations at Right Level of detail
   - Limit the info as repeated in packet

6. Meeting Ends in Timely Manner
   - For the most part

Next steps for improvement will be discussed at a future Board meeting.
BOARD OF DIRECTORS

DATE OF THE NEXT REGULARLY SCHEDULED MEETING:

QUALITY, SAFETY & EDUCATION BOARD & FULL BOARD OF DIRECTORS MEETING

Thursday, October 26, 2017
1:00 p.m.

Gulf Coast Medical Center
Boardroom, Suite 190
13685 Doctors Way
Fort Myers, FL 33912

Lee Memorial Health System Board of Directors