

DRAFT - 9/24/18

**AMENDED AND RESTATED
LEASE AGREEMENT**

by and between

**INDIAN RIVER COUNTY HOSPITAL DISTRICT, an independent special district
created by the Legislature of the State of Florida
("Lessor")**

and

**INDIAN RIVER MEMORIAL HOSPITAL, INC., d/b/a Indian River Medical Center, a
Florida not-for-profit corporation
("Lessee")**

Dated as of _____, 2018

TABLE OF CONTENTS

	Page
1. Lease of Premises	7
1.1 Description of Premises	7
1.2 Reservation of Easements by Lessor	7
1.3 Condition of Premises.....	8
1.4 Agreement to Lease	8
1.5 Surrender of Parcel C.....	8
2. Initial Term and Renewal Term.....	8
2.1 Initial Term	8
2.2 Renewal Terms	9
3. Rent.....	10
3.1 Rent during Initial Term	10
3.2 Rent during Renewal Term.....	10
4. Taxes and Utilities	10
5. Operations; Use of Premises.....	11
5.1 Accreditation.....	11
5.2 Use of Premises.....	11
5.3 Licensure and Governmental Approval; Provision of Acute Services	11
5.4 Compliance with Laws	11
5.5 Definitions.....	12
5.6 Maintenance and Repair of Building and Grounds.....	13
5.7 Lessor’s Access.....	14
6. Service Line Maintenance.....	14
7. Indigent Care.....	15
8. Semi-Annual Report	15
9. Insurance	15
9.1 Self-Insurance	17
9.2 Mutual Releases and Waiver of Subrogation.....	18
10. Hazardous Materials	18
10.1 Definition of Hazardous Materials.....	18
10.2 Activities on the Premises.....	18
10.3 Notice to Lessor	19

	Page
11. Net Lease	19
12. Indemnification	20
12.1 Indemnification by Lessee	20
12.2 Indemnification by Lessor	21
13. Additions, Alterations, Demolition and Removal.....	21
13.1 Alterations, Additions and Removal.....	21
14. Mortgaging of Lessee’s Leasehold Interest	24
14.1 Lessee’s Right to Encumber and Mortgage this Leasehold.....	24
14.2 Amendments Required By Leasehold Mortgages	25
14.3 Mortgagee’s Rights.....	25
14.4 Mortgagee Rights upon Bankruptcy or Termination of Lease	26
14.5 Subordination of Lessee’s Financing.....	27
15. Assignments, Subleases, Third-Party Developers, Easements and Subdivision Plats.....	28
15.1 Assignments and Subleases	28
15.2 Third-Party Development	30
15.3 Easements and Replatting	30
15.4 Permitted Contests	30
16. Casualty.....	31
16.1 Notice of Damage	31
16.2 Restoration	31
16.3 Settlement Proceeds	31
16.4 Late Lease Year Substantial Destruction.....	31
16.5 Obsolete Improvements	32
17. Condemnation.....	32
17.1 Complete Taking.....	32
17.2 Partial Taking.....	32
17.3 Temporary Taking	33
17.4 Governmental Action Short of Physical Taking.....	33
18. Event of Default.....	33
18.1 Major Events of Default.....	33
18.2 Other Events of Default	34

	Page
18.3	Lessor’s Remedies Upon an Event of Default..... 35
18.4	Lessor’s Remedy of Termination and Acceleration Upon a Major Event of Default..... 35
18.5	Lessor’s Remedy of Indemnification Upon an Event of Default. 37
18.6	Bankruptcy 37
18.7	Repossession of the Premises on Termination..... 38
19.	Lessor’s Performance of Lessee’s Obligations..... 38
20.	Dispute Resolution Procedures 39
20.1	Disputes..... 39
20.2	Judicial Proceedings..... 39
20.3	Arbitration..... 39
21.	Intentionally Omitted. 40
22.	Alienation; First Refusal 40
22.1	Alienation..... 40
22.2	Lessee’s Right of First Refusal 41
22.3	Adjacent Parcel Right of First Refusal 42
22.4	Lessee Termination 42
23.	Surrender of Premises 42
23.1	Surrender of Premises 42
23.2	Transition Plan 43
23.3	Holdover 43
24.	Liens..... 44
25.	Notices 44
26.	Estoppel Certificates 45
27.	Attornment and Non-disturbance Agreements 45
28.	Covenants and Representations by the Lessee..... 45
29.	Title to Premises and Covenant of Quiet Enjoyment..... 46
29.1	Title to Premises 46
29.2	Quiet Enjoyment 46
29.3	Compliance with Enabling Act..... 46
30.	Lessee Articles of Incorporation 46
31.	Miscellaneous Provisions..... 47

	Page
31.1 Radon Gas	47
31.2 Governing Law and Venue	47
31.3 Counterparts; Electronic Signatures	47
31.4 Severability	47
31.5 Time of the Essence	47
31.6 Memorandum of Lease	47
31.7 No Partnership	47
31.8 Non-Waiver.....	47
31.9 Separate and Independent Obligations; Binding Effect; Amendments	47
31.10 Merger.....	48
31.11 Attorneys' Fees.....	48
31.12 Limitation on Lessor's Liability	48
31.13 Waiver of Trial by Jury.....	48
31.14 Captions	48
31.15 Recitals.....	48
31.16 Entire Agreement; Amendment	48
31.17 No Third Party Beneficiaries	49
32. Lease Guaranty	49
33. Signage Rights	49
34. Tax Treatment.....	49
35. Waiver of Statutory Lien	49
36. Non-Competition by Lessor.....	49
37. Force Majeure	52
38. Attorney's Fees.....	52

**AMENDED AND RESTATED
LEASE AGREEMENT**

THIS AMENDED AND RESTATED LEASE AGREEMENT (this “**Lease**” or “**Agreement**”), made as of the ____ day of _____, 2018 by and between **INDIAN RIVER COUNTY HOSPITAL DISTRICT**, an independent special district created by the Legislature of the State of Florida (“**Lessor**” and “**District**”), whose address is 3730 7th Terrace, Suite 204-B, Vero Beach, Florida 32960, Attention: Chair of the Board of Trustees, **INDIAN RIVER MEMORIAL HOSPITAL, INC.**, d/b/a Indian River Medical Center, a Florida not-for-profit corporation (“**Lessee**” and “**IRMC**”), whose address is 1000 36th St., Vero Beach, Florida 32960, Attention: President and Chief Executive Officer.

RECITALS:

WHEREAS, Lessor is organized and operated to establish, construct, purchase, operate, maintain, and lease such health facilities and provide health and medical services as are necessary and desirable for the preservation of the health of the residents of the District and for the good of the public of the District;

WHEREAS, Lessor was originally created and incorporated by Chapter 59-1385 of the Laws of Florida, and as abolished, recreated and reincorporated by Chapter 61-2275 of the Laws of Florida, and which legislation was recodified in Chapter 2003-382, Laws of Florida (the “**Enabling Act**”);

WHEREAS, Lessor owns certain real property, improvements and other assets used in the operation of a general acute care hospital licensed for 332 beds and located at 1000 36th Street, Vero Beach, Florida, 32960, commonly known as Indian River Medical Center (the “**Hospital**” or “**Medical Center**”);

WHEREAS, Lessee operates the “Hospital Facilities” (as such term is defined below) and provides healthcare services to the residents of Indian River County itself and through its subsidiaries and affiliates;

WHEREAS, in response to the changing healthcare market, in 1984, the District voted to establish a community, not-for-profit corporation, Indian River Memorial Hospital, Inc. (sometimes referred to herein as “**IRMC**”), and lease the Hospital to that corporation for control of day-to-day operations. The transfer took place on May 1, 1985;

WHEREAS, the lease between the District and IRMC was amended over the years and was most recently amended and restated in 2012 pursuant to that certain Amended and Restated Lease of Hospital Facilities and Agreement for Operation of Indian River Memorial Hospital dated November 15, 2012 by and between IRMC and the District (the “**Current Lease**”). IRMC and the District have agreed to amend and restate the Current Lease as provided in this Lease pursuant to Section 155.40(23), Florida Statutes as a result of Guarantor (or an affiliate of Guarantor) becoming the Sole Member of Lessee and as mutually agreed by Lessor and Lessee;

WHEREAS, The Cleveland Clinic Foundation, an Ohio not-for-profit corporation (“**Guarantor**”) has agreed to guaranty the obligations of Lessee under this Lease pursuant to a separate Guaranty of even date herewith (the “**Guaranty**”);

WHEREAS, the District and IRMC desire to increase the availability of healthcare services to the residents of Indian River County by virtue of this Agreement, and Lessee, as a result of the Guarantor becoming the Sole Member of Lessee, has access to expertise and financial resources which, in the judgment of the Board of Trustees of Lessor, if provided and applied to the Hospital Facilities, will be in the best interests of the residents of the District;

WHEREAS, pursuant to an open, transparent and competitive process, Lessor and IRMC selected Guarantor as the best suited affiliate to achieve Lessor’s and IRMC’s objectives due to, among other factors, Guarantor’s shared set of values and mission, its passion for serving the residents of the District, its willingness to invest in the Hospital Facilities, and its desire to make the Hospital Facilities the premier health care system for the residents of the District and surrounding region;

WHEREAS, Lessor, Lessee, and Guarantor have entered into that certain Member Substitution Agreement (herein called “Definitive Agreement” and “Member Substitution Agreement”) wherein Guarantor (or an affiliate of Guarantor) will become the sole member of Lessee, establish a new Board of Directors for Lessee (“**IRMC Board**”) as provided in the Member Substitution Agreement, and make certain investments in Lessee for capital improvements to the Hospital Facilities;

WHEREAS, Lessor and IRMC have found that Lessee and Guarantor are the appropriate parties to achieve Lessor’s and IRMC’s future objectives, and that the lease contemplated under this Agreement is in the best interest of Lessor, IRMC and the District residents for the reasons set forth herein and elsewhere by Lessor;

WHEREAS, Lessor and Lessee desire to enter into this Lease to memorialize the terms upon which Lessee will lease the Premises, including the Hospital, from Lessor;

WHEREAS, this Agreement constitutes an amendment to the Current Lease all in accordance with the requirements of Section 155.40, Florida Statutes, and in order to maintain the exemption set forth in Florida Statutes Section 155.40(23);

WHEREAS, Lessee desires to lease from Lessor and Lessee desires to lease the Hospital Facilities and the Premises (as such terms are hereinafter defined), all on the terms and conditions set forth in this Agreement; and

WHEREAS, in order to comply with Florida Statutes Section 155.40, and subject to the terms hereof, this Agreement provides for the surrender and return of the Premises (including, but not limited to, the Hospital Facilities) to Lessor at the termination or expiration of this Agreement.

NOW, THEREFORE, for and in consideration of the premises, the agreements, covenants, representations and warranties hereinafter set forth, and other good and valuable

consideration, the receipt and adequacy of which are forever acknowledged and confessed, the parties hereto agree as follows:

WITNESSETH:

1. Lease of Premises.

1.1 Description of Premises. Under the terms and conditions hereinafter stated, and for the consideration hereinafter set out, and for and in consideration of the performance by the Lessee of the covenants contained herein to be kept and performed by the Lessee, the performance of each of which covenants is declared to be an integral part of the consideration to be furnished by the Lessee, the Lessor does hereby lease to the Lessee for and during the term of this Agreement the following property (collectively, the “**Premises**”): (i) the real property (the “**Land**”) which is described on Exhibit “A” attached to this Agreement, (ii) together with all improvements, machinery, equipment and fixtures now located thereon or therein (collectively, the “**Existing Improvements**”), and all other personal property now owned by the District, located at the Existing Improvements and used in the operation of the Hospital which are part of the Existing Improvements; provided, however, that any personal property which is used or disposed of during the Lease Term by Lessee shall no longer constitute a part of the Premises or otherwise be subject to the terms of this Lease and (iii) together with any future improvements, additions and extensions thereto or replacements upon the Land and/or to the Existing Improvements (including, without limitation, the Future Improvements), in all cases subject to the terms and conditions of Section 13 hereof. All Existing Improvements and any Future Improvements are hereinafter collectively referred to as the “**Improvements**” or the “**Hospital Facilities**”. “**Future Improvements**” means all buildings, structures, alleyways, connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site), parking areas, roadways and other improvements of every kind built on the Premises during the Lease Term, including all equipment, machinery, fixtures and other items of property, including all components thereof, hereafter permanently affixed to or incorporated into such improvements together with all replacements, modifications, alterations and additions thereto.

Subject, nevertheless, to the following:

(a) Conditions, restrictions, limitations and easements, if any with respect to the Land, listed on Exhibit “B” attached hereto (the “**Permitted Exceptions**”). The Lessee covenants that it will comply with all of the terms of the Permitted Exceptions;

(b) Any applicable zoning laws, building restrictions or codes, statutes or ordinances now existing, or which may exist hereafter during the term of this Agreement; and

(c) The terms and conditions of Section 13 of this Lease.

1.2 Reservation of Easements by Lessor.

(a) The parties acknowledge that the District owns two parcels of property located adjacent to the Premises which are commonly referred to as “**Hospice House**” and “**VNA Human Services Building**” and collectively referred to herein as the “**Adjacent**”

Parcels". The legal descriptions for the Hospice House and VNA Human Services Building are attached hereto as Exhibit "D".

(b) Contemporaneously herewith, Lessor and Lessee have entered into a Declaration of Easements, Covenants, Conditions and Restrictions to be recorded in the Public Records of Indian River County, Florida, with respect to the Premises and the Adjacent Parcels.

1.3 Condition of Premises. Lessee has been given full opportunity to inspect the Premises, including the presence of Hazardous Materials, as defined below, and to determine the suitability of the Premises for Future Improvements. Except as otherwise provided herein, Lessee is relying solely upon the results of its own inspections and investigations in determining to enter into this Lease.

The Premises are leased hereunder on an "AS-IS, WHERE-IS" basis without warranty or representation by Lessor of any kind except as otherwise provided herein. Lessor makes no representation or warranty concerning the condition of the Premises, any restrictions or requirements of zoning, building codes or similar laws, rules or regulations applicable to the Premises or the Future Improvements, or the suitability of the Premises for construction, ownership, operation or maintenance of the Future Improvements to be constructed upon the Premises for any purpose whatsoever.

1.4 Agreement to Lease. The Lessee, in consideration of the lease of Premises (including, but not limited to the Hospital Facilities) to it and for and during the Lease Term, does hereby lease such property from the Lessor and does hereby accept responsibility and authority for the management and operation of the Hospital subject to and in accordance with the terms and conditions of this Agreement.

1.5 Surrender of Parcel C. Subject to the applicable requirements of Section 23.1 (Surrender) of this Lease, at any time prior to expiration of the Initial Term, Lessee shall have the option, to be exercised in Lessee's sole and absolute discretion, of surrendering Parcel C to Lessor, and upon such surrender, all references to the Premises shall thereafter refer to the Premises less Parcel C. Such surrender shall be evidenced by both parties executing an amendment to the Lease, and recording an amendment to the Memorandum of Lease in the Public Records of Indian River County, Florida.

2. Initial Term and Renewal Term.

2.1 Initial Term. The term of this Agreement shall be for a period of time beginning with the "Commencement Date" as hereinafter defined, and ending at 11:59 p.m. on the last day of the thirtieth (30th) Lease Year thereafter (the "**Initial Term**"). The term "**Commencement Date**" shall mean _____, 2018. As used in this Agreement, "**Lease Year**" means a period of twelve (12) consecutive months commencing on the Commencement Date, and each successive twelve (12) month period thereafter; provided, however, that if the Commencement Date is not the first day of a month, then the second Lease Year shall commence on the first day of the month in which the first anniversary of the Commencement Date occurs. "**Lease Term**" means the Initial Term, and in the event the Lease is renewed, such term shall also include any Renewal Term.

2.2 Renewal Terms. The Initial Term of this Lease shall be automatically extended for three (3) additional terms of fifteen (15) years each (each, a “**Renewal Term**”) unless Lessee gives written notice to Lessor that Lessee has elected not to exercise its option for the applicable Renewal Term (the “**Non-Renewal Notice**”) at least thirty (30) months before the date the Initial Term or the applicable Renewal Term would otherwise expire. If Lessee fails to deliver a timely Non-Renewal Notice, subject to Lessee’s revocation rights herein, the Lease Term shall thereby be extended for the applicable Renewal Term on all the terms and provisions contained in this Lease (except that Lessee shall only have the remaining Renewal Terms). Subject to Lessee’s revocation rights herein, Lessee shall pay “Renewal Term Rental” (as hereinafter defined), on a monthly basis, commencing on the first (1st) day of the first (1st) month of the Renewal Term. Not later than twenty-seven (27) months prior to the expiration of the Initial Term or any applicable Renewal Term, Lessor and Lessee shall meet in an effort to negotiate, in good faith, the Renewal Term Rental as of the first day of the applicable Renewal Term.

(a) If Lessor and Lessee have not agreed upon the Renewal Term Rental at least twenty-six (26) months prior to the expiration of the Initial Term or any Renewal Term, the Renewal Term Rental shall be determined by appraisal, as follows: Lessor and Lessee shall attempt to agree in good faith upon a single MAI Appraiser not later than twenty-five (25) months prior to the expiration of the Initial Term or Renewal Term, as applicable. If Lessor and Lessee are unable to agree upon a single MAI Appraiser within such time period, then Lessor and Lessee shall each appoint one (1) MAI Appraiser, not later than twenty-four (24) months prior to the expiration of the Initial Term or Renewal Term, as applicable. Within ten (10) days thereafter, the two (2) appointed MAI Appraisers shall appoint a third MAI Appraiser. If either Lessor or Lessee fails to appoint its MAI Appraiser within the prescribed time period, the single MAI Appraiser appointed shall determine the applicable Renewal Term Rental. If both parties fail to appoint MAI Appraisers within the prescribed time periods, then the first MAI Appraiser thereafter selected by a party shall determine the Renewal Term Rental. Each party shall bear the cost of its own MAI Appraiser and the parties shall share equally the cost of the single or third MAI Appraiser, if applicable. The MAI Appraisers used shall have at least ten (10) years’ experience in the sales and leasing of commercial properties in the area in which the Premises is located.

(b) For the purposes of such appraisal, the annual rent for the Premises during each Renewal Term (“**Renewal Term Rental**”) shall equal the Land Value multiplied by the Cap Rate, with such terms defined as follows, and with annual escalations following the initial year of the applicable Renewal Term as determined by the appraiser:

“**Land Value**”: The Land shall be valued at its highest and best use, as vacant and unimproved, unencumbered by any mortgages and free of this Lease, without taking into account any value attributable to the Improvements, the cost of demolition of the Improvements, or the business(es) which have been or are currently being operated on the Premises by Lessee or its subtenants.

“**Cap Rate**”: The market capitalization rate (in the opinion of the appraiser) at the time of the appraisal.

If a single MAI Appraiser is chosen, then such MAI Appraiser shall determine the Renewal Term Rental. Otherwise, the Renewal Term Rental shall be the arithmetic average of the two (2) of the three (3) appraisals which are closest in amount, and the third appraisal shall be disregarded. Lessor and Lessee shall instruct the MAI Appraisers to complete their determination of the Renewal Term Rental not later than eighteen (18) months prior to expiration of the Initial Term or Renewal Term, as applicable.

(c) When the Renewal Term Rental is determined, Lessor shall deliver notice thereof to Lessee (the “**Rental Value Notice**”) and Lessee shall have the right to revoke the automatic exercise of its option for the Renewal Term by giving written notice to Lessor of Lessee’s revocation (a “**Revocation Notice**”) within thirty (30) days after the date on which Lessee receives the Rental Value Notice and this Lease shall automatically expire as of the expiration of the Initial Term or applicable Renewal Term. In the event Lessee fails to deliver a timely Revocation Notice to Lessor, the Lease Term shall thereby be extended for the applicable Renewal Term.

During the Renewal Term, if Lessee fails to pay Lessor any installment of Renewal Term Rental when such Renewal Term Rental shall become due and such default shall continue for a period of thirty (30) days after Lessee receives written notice thereof from Lessor to Lessee, then Lessee shall pay Lessor a late fee equal to five percent (5%) of such delinquent installment of Renewal Term Rental.

3. Rent.

3.1 Rent during Initial Term. The parties agree that prepayment of rent under the Current Lease, and the performance of Lessee’s other obligations under this Agreement, including but not limited to Lessee’s payment of all costs of maintenance, repairs and improvements to the Hospital Facilities, and Lessee providing indigent care as provided in Section 7 of this Agreement, constitute good and valuable consideration for the Lessor’s performance of its obligations under this Agreement during the Initial Term.

3.2 Rent during Renewal Term.

The parties agree that rent during any Renewal Term shall be determined in accordance with Section 2.2, above.

4. Taxes and Utilities. Lessee shall timely pay all applicable taxes, assessments, levies, fees, association dues, water and sewer rents and charges, and all other charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which during the Lease Term (i) are imposed or levied upon or assessed against the Premises, (ii) arise out of the operation, possession or use of the Premises or (iii) are imposed on Lessor as sales tax with respect to the Rent or other rent payable hereunder. It is acknowledged that Lessee as a tax-exempt entity under §501(c)(3) of the Internal Revenue Code of 1986 as amended (“**Internal Revenue Code**”) is not subject to all of these applicable taxes, assessment, levies and fees, however, to the extent Lessee is subject to such applicable taxes, assessments, levies, association dues, water and sewer rents, and all other charges, general and special, ordinary and extraordinary, it shall be responsible for payment as set forth herein. Lessee shall not be required to pay any franchise,

estate, inheritance, privilege, income or similar tax of Lessor. Lessee will furnish to Lessor, promptly after demand therefor, proof of payment of all items referred to above which are payable by Lessee. If any such assessment may legally be paid in installments, Lessee may pay such assessment in installments; in such event, Lessee shall be liable only for installments which become due and payable during the Lease Term. If any such assessment is for a period of time commencing before or extending beyond the Lease Term, Lessee shall be liable only for the prorated portion of such assessment as is applicable to the Lease Term. During the Lease Term, Lessee may seek a reduction in the taxable value (for purposes of computing real property taxes) on the Premises. The parties' purpose in this Section is to address the responsibility for taxes and other specified amounts that may be lawfully imposed; it shall not be deemed an acknowledgement by either party that any such amount has been or may be lawfully imposed. Lessor agrees, at Lessee's expense, that it shall cooperate with Lessee with respect to any application or petition to contest any applicable taxes, assessments or other similar charges (including, without limitation, executing any documents that are a precondition to pursuing such contest).

5. Operations; Use of Premises.

5.1 Accreditation. As long as Lessee operates the Hospital on the Premises, Lessee shall maintain an accreditation of the Hospital as an acute care hospital by the Joint Commission on Accreditation of Hospitals or another accrediting agency recognized by Medicare or the Florida Agency for Healthcare Administration ("AHCA").

5.2 Use of Premises. Lessee may use all or any portion of the Premises for the operation of a Health Facility or Health Facilities and for the providing of Health and Medical Services and for those other uses as may be permitted by Lessor in writing from time to time under the Enabling Act.

5.3 Licensure and Governmental Approval; Provision of Acute Services.

(a) Lessee will, at all times during the Lease Term, conduct its business pursuant to valid licenses issued by the State of Florida authorizing Lessee to furnish those services as are offered by Lessee from time to time.

(b) Lessee covenants that Lessee will, itself or through its parent, subsidiaries or affiliates (A) operate a general, acute care hospital on the Premises during the first ten (10) years of the Initial Term, (B) provide acute care services to the residents of Indian River County through facility(ies) located in Indian River County, Florida during the remaining twenty (20) years of the Initial Term, and (C) during the Renewal Terms (if any), provide acute care services to the residents of Indian River County through facilities located within Indian River County, Florida or located within twenty-five (25) miles of the Indian River County line.

5.4 Compliance with Laws. Lessee agrees that it will maintain and operate the Premises in material compliance with applicable Laws. Further, at such times that Lessee operates a general, acute care hospital on the Premises, Lessee will operate such hospital in compliance with applicable Laws, and will maintain all necessary Permits and Approvals required for the operation of such hospital.

5.5 Definitions.

(a) “**Laws**” means all governmental constitutions, statutes, laws, ordinances, codes, regulations and judicial and administrative orders, rulings, judgments and decrees, as the same may be amended, superseded or added during the Lease Term, which may apply to or affect the Premises, the Hospital Facilities (including Future Improvements), this Lease or the rights of any party hereto, or which otherwise governs, controls or affects the subject matter or property being addressed by the provision of this Lease in which such term is used. “Laws” specifically includes the Enabling Act.

(b) “**Approval**” means any approval, authorization, consent, notice, qualification or registration, or any extension, modification, amendment or waiver of any of the foregoing, of or from, or any notice, statement, filing or other communication to be filed with or delivered to, any Governmental Authority.

(c) “**Permit**” means any license, permit or certificate required to be issued or granted by any Governmental Authority.

(d) “**Governmental Authority**” means any government or any agency, bureau, board, directorate, commission, court, department, official, political subdivision, tribunal, special district, or other instrumentality of any government, whether federal, state or local, domestic or foreign, and any self-regulatory organization.

(e) “**Health Facility**” or “**health facilities**” means a building, structure or unit or any improvement to real property, including all necessary or usual attendant and related equipment, facilities or fixtures, or any part or parts thereof, or any combination or combinations thereof, including, but not limited to, a general hospital, psychiatric hospital, ambulatory clinic or center, chronic disease hospital, rehabilitation hospital, urgent care center, extended care and intermediate care facility, nursing home, life-care facility dispensary, laboratory, laundry, administration building, research facility, maintenance facility, storage facility, medical office buildings, conference centers, physical fitness centers or any other related facility, including parking and other facilities necessary or desirable for the orderly operation of a health facility, also including equipment and machinery and other similar items necessary or convenient for the operation of a health facility in the manner for which its use is intended, or items of equipment which are necessary or desirable for the operation of a health facility, or any combination thereof, but shall not include such items as fuel, supplies or other items which are customarily deemed to result in a current operating charge.

(f) “**Health and Medical Services**” shall mean items or services provided by or under the supervision of a physician or other person trained or licensed to render health care necessary for the prevention, care, diagnosis or treatment of human disease, pain, injury, deformity or other physical or mental condition, including, but not limited to, pre-admission, outpatient, in-patient and post-discharge care, home care, physician's care, nursing care, extended care, intermediate care, urgent care, emergency care and medical care provided by interns or residents-in-training and other paramedical care, ambulance service, bed and board, drugs, biologicals, supplies, appliances, equipment, laboratory services, x-ray, radium and radio-active-isotope therapy and billing and collection services.

5.6 Maintenance and Repair of Building and Grounds.

(a) Subject to the terms of subsection (c) of this Section 5.6, Lessee shall maintain, at its sole expense, all Hospital Facilities and Improvements, including, but not limited to all buildings, medical and surgical equipment, communication systems, electronic medical records, billing and financial systems, all equipment and fixtures in the Hospital Facilities, including but not limited to, heating, ventilating, and air conditioning (“**HVAC**”), electrical and plumbing systems, utility systems, emergency power systems (including generators), and fire (life/safety) equipment (including sprinklering systems), and all other improvements, including parking areas, exterior lighting and signage, in good condition, working order, repair and appearance in accordance with its preventative maintenance plan (herein the “**Preventative Maintenance Plan**”) developed pursuant to Florida Administrative Code Rule 59A-3.276 and Florida Statutes Section 395.1055, as applicable and as both are amended from time to time, and also in accordance with The Joint Commission Standards Concerning Environment of Care, as applicable and as amended from time to time (or any successor entity to The Joint Commission which accredits and certifies health care organizations in the United States), related to the Hospital Facilities and Improvements and their maintenance.

(b) Lessee agrees to provide to Lessor copies of all final reports issued by The Joint Commission and AHCA related to such matters set forth in this Section 5.6 within fifteen (15) days of receipt of such reports by Lessee. Lessee also agrees that not later than January 31 of each year of the Lease Term, it shall provide to Lessor a written certification of Lessee's substantial compliance with its Preventative Maintenance Plan (as applicable and as required by AHCA) for the preceding calendar year. Such certification shall include a copy of its current Preventative Maintenance Plan. Lessee also agrees that every fifth (5th) year of the Lease Term, the Lessor shall have the right, in its sole discretion, at its expense, to cause an inspection to be made of the Hospital Facilities, roof, structure, HVAC, plumbing and electrical systems, boiler (if any), parking lot and grounds (collectively, the “**Inspected Property**”). Such inspection shall be made by a Certified Acute Care Hospital Facility Inspector (or other certified building inspector) selected by Lessor from a list of three (3) such inspectors, which list shall be provided by Lessee to Lessor within sixty (60) days of such fifth (5th) anniversary date of the Lease (as provided herein) during the Lease Term. The inspector shall, in conjunction with Lessee, develop a list of recommended actions (if any) to be taken to maintain the Inspected Property in good condition, working order, repair and appearance and in accordance with all applicable Laws. A copy of such list of recommended actions shall be provided to Lessor. Thereafter, Lessee shall certify in writing to the Lessor that such recommended actions have been taken.

(c) Notwithstanding anything to the contrary, if any equipment or other component of the Hospital Facilities is not in good condition and repair as of the date of commencement of this Lease, then such equipment and component of the Hospital Facilities shall be maintained by Lessee in accordance with the Association of Equipment Manufacturers (“**AEM**”) standards until the applicable equipment or other component is repaired or replaced under Lessee's capital planning and spending program.

(d) In any instance where the Lessee, in its sole discretion, determines that any equipment or fixtures have become inadequate, obsolete, worn-out, unsuitable, undesirable

or unnecessary, the Lessee may remove such equipment or fixtures from the Hospital Facilities and may sell, trade-in, exchange or otherwise dispose of them (in whole or in part), provided that the Lessee substitutes and installs in the Hospital Facilities (subject to the provisions of the next sentence of this paragraph) other equipment or fixtures having comparable utility (but not necessarily having the same function) in the operation of the Hospital Facilities, and provided further that such removal and substitution shall not materially impair the operating viability of the Hospital Facilities. The Lessee shall not be required to install other equipment and substitute for any equipment removed pursuant to the preceding sentence if, in the reasonable opinion of the Lessee, such substitution is not necessary to preserve the operating viability of the Hospital Facilities. Lessee shall maintain the grounds of the Hospital Facilities in a good, clean and safe condition, presenting a neat appearance. The Premises shall be kept free of accumulation of trash and debris, the grass and landscaped areas shall be kept cut and trimmed at all times and all rubbish and garbage shall be disposed of in a clean and sanitary manner.

5.7 Lessor's Access. Lessor and its agents will have access at reasonable times and upon reasonable notice for the purpose of inspection of the Hospital Facilities to confirm Lessee's compliance with the terms of this Lease. Such inspection shall be made no more frequently than annually and shall be subject to such reasonable privacy and confidentiality requirements to prevent the violation of healthcare regulatory requirements, such as the Health Insurance Portability and Accountability Act ("**HIPAA**"), etc., as may be specified by Lessee. Lessor agrees not to unreasonably interfere with Lessee's operations when accessing the Hospital Facilities.

6. Service Line Maintenance. Lessee covenants that during the first ten (10) years of the Initial Term (the "**Commitment Period**") Lessee will continue to maintain and operate the following patient care services at the Hospital (each a "**Required Service**"):

- (a) Maternity care (labor, delivery and obstetrics), well baby care/pediatrics and gynecology services;
- (b) Behavioral health/mental health services;
- (c) Inpatient and outpatient cardiovascular services as provided by the Welsh Heart Center;
- (d) Inpatient and outpatient cancer care services as provided by the Scully-Welsh Cancer Center; and
- (e) Gastroenterology services as provided by the Scully Endoscopy Center.

Notwithstanding the foregoing, in the event another healthcare system or hospital operates a Required Service at a comparable level to the Hospital at a healthcare facility or hospital located within the greater of (i) Indian River County, Florida or (ii) a radius of twenty-five miles from the Hospital, then Lessee may discontinue the Hospital's provision of such Required Service after meeting with the District Board and thereafter providing a minimum of ninety (90) days' prior written notice to Lessor and to the "**Commitment Integrity Committee**", as such term is defined in the that certain Member Substitution Agreement. Moreover, the parties agree that in

the event the Lessor believes in good faith that Lessee has failed to continue to maintain and operate any one or more of the Required Services then the sole and exclusive remedy for the Lessor shall be to refer such alleged failure to the Commitment Integrity Committee and to have the remedies established under Article 3 of the Member Substitution Agreement. Such failure to maintain a Required Service shall not be deemed a default under the Lease.

7. Indigent Care. Lessee shall, throughout the Lease Term, provide for the continued treatment of low income patients and indigent patients at the Hospital Facilities which treatment shall in all cases be in accordance with the publicly announced indigent care policies of Lessee as the same may be modified from time to time. To the extent that Lessee elects, in its sole discretion, to make material changes to its publicly announced indigent care policies, Lessee agrees, solely as an accommodation to Lessor, to advise Lessor at least ninety (90) days in advance of such material changes, it being understood, however, that Lessee's failure to advise Lessor in advance of such material changes shall not be a default under the Lease. Lessee further acknowledges that in providing indigent care it shall follow and comply with any applicable requirements of the Florida Healthcare Responsibility Act and of Chapters 87-92, Laws of Florida.

8. Semi-Annual Report. At least twice annually, on or before the last day of the third month after the end of the Lessee's fiscal year, and six (6) months thereafter, during each year of the Lease Term, Lessee shall present a written or verbal report, as indicated below, to Lessor regarding the operations of the Hospital Facilities, which report shall set forth: (i) the scope of healthcare services offered or contemplated to be offered; (ii) a description of Lessee's capital spending in the last year; (iii) annual goals, benchmarks and achievement rates for quality; (iv) a report on the extent, types, and value of the indigent care provided to the citizens of Indian River County, Florida for the preceding year, and (v) the annual AHCA report, (which shall only be included in the Annual Report, as hereinafter defined) which will include Lessee's annual audited financial statements submitted to AHCA. The report delivered to Lessee on or before the third month after the end of the Lessee's fiscal year, shall be in writing and shall be hereinafter referred to as the "Annual Report". The report given every six (6) months thereafter shall be a verbal report given by representatives of Lessee.

9. Insurance. Throughout the Lease Term, Lessee will maintain insurance with respect to the Premises and Lessee's operations on and in the Premises as follows:

(a) Property. Property Insurance written on a "special form basis" with respect to the Premises, including all improvements thereon, against loss by fire, windstorm, sinkholes, flood, lightning, earthquake, vandalism, malicious mischief, terrorism and other risks which at the time are included under "extended coverage" endorsements and other forms of broadened risk perils, in an amount not less than 100% of the actual replacement value of the Premises. Lessor shall be named as a loss payee.

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

(c) Liability. Commercial general liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Premises and adjoining streets and

sidewalks, in the amounts of not less than Ten Million Dollars (\$10,000,000.00) for each claim for bodily injury and property damage, combined single limit (which may be an aggregate of primary and umbrella coverage). Lessor shall be named an additional insured under such policy(ies). If the comprehensive public liability insurance policy provided hereunder shall exclude pollution liability, Lessee shall furnish or cause to be furnished a certificate and/or endorsement evidencing separate pollution liability policy insuring against liability for bodily injury, property damage and clean-up costs.

(d) Automobile. Business automobile liability insurance including property damage with limits of not less than Two Million Dollars (\$2,000,000.00) annual aggregate.

(e) Worker's Compensation. Worker's compensation insurance and employer's liability coverage to the extent required by Laws and to the extent necessary to protect Lessor and Lessee and the Premises against worker's compensation claims.

(f) Business Interruption Insurance. Lessor acknowledges that Lessee may maintain business interruption insurance for its own protection and that any proceeds payable under any such policy will be the sole property of Lessee.

(g) Malpractice Insurance. Malpractice insurance protecting the Lessor against liability for death, injury, and/or damage occurring during an examination, diagnosis, treatment or care of any patient at the Hospital Facilities and any other healthcare facilities owned or operated by Lessee, in the minimum amount of Ten Million Dollars (\$10,000,000.00) annual aggregate (which may be an aggregate of primary and umbrella coverage). Provided, however, in no event shall Lessor being named as an additional insured under this malpractice insurance be construed as an agreement by Lessor that, as a Florida Political Subdivision, it is either (i) consenting to be sued, or (ii) is agreeing to increase its limits of liability beyond the waiver of sovereign immunity as provided in Section 768.28, Florida Statutes, as it may be amended or replaced. In no event is Lessor waiving by any provision of this Agreement its rights to sovereign immunity under the Constitution or Statutes of the State of Florida.

During the Lease Term, Lessee covenants that the insurance required herein shall be written by companies legally qualified to issue such insurance that are rated (A) "A-VII" or better by A.M. Best or (B) A or better by Standard & Poor's and A or better by Moody's.

On or before the Commencement Date, and during the Lease Term, Lessee shall be responsible for evidencing coverage to Lessor by way of: (a) ACORD certificates showing the insurance policies required hereunder are in effect and (b) endorsements to the insurance policies which (x) add the Lessor as loss payee (as to property insurance) and as additional insured (as to all liability insurance), (y) add the waiver of subrogation clause, and (z) require the insurer to provide Lessee with at least thirty (30) days prior written notice of any cancellation or substantial modification to such policies.

Each insurance policy required by this Section: (i) shall be in such forms and with such provisions (including the loss payable clause, the waiver of subrogation clause, and the designation of the named insureds) as are generally considered standard provisions for the type of insurance involved (provided that provisions superior to standard provisions shall satisfy this

requirement); and (ii) shall prohibit cancellation or substantial modification by the insurer or the Lessee without at least thirty (30) days prior written notice to the Lessor.

9.1 Self-Insurance. Notwithstanding anything to the contrary contained herein, so long as (i) no Major Event of Default exists under this Lease, and (ii) Guarantor maintains a tangible financial net worth of at least \$100,000,000.00, Lessee shall have the option, either alone or in conjunction with the Guarantor or subsidiaries or Affiliates of Guarantor, to maintain insurance and/or provide any insurance required by this Lease under blanket policies maintained by Guarantor or to provide or maintain insurance through such alternative risk management programs (including, without limitation, the use of captive insurance companies and self-insured retention programs) as Guarantor may provide or participate in from time to time (such types of insurance programs being hereinafter collectively and separately referred to as “**Self-Insurance**”), provided the same does not thereby decrease the insurance coverage or limits set forth in this Section 9. Any Self-Insurance provided in lieu of the insurance required above shall satisfy the terms and conditions as required by this Section 9. If Lessee elects to so self-insure, then, with respect to any claims which may result from the incidents occurring during the Lease Term, such self-insurance obligation shall survive the expiration or earlier termination of the Lease to the same extent as insurance required would survive. Further such Self-Insurance will not affect any waivers, releases or limitations of liability of Lessor set forth in this Lease.

If Lessee elects Self-Insurance, Lessee will deliver written notice to Lessor on an annual basis detailing the coverages being self-insured and upon request shall provide Lessor with annual audited financial statements for any captive insurance company. In addition, on an annual basis, Lessee will provide a certificate setting forth the self-insured coverages and naming (as applicable) Lessor as an additional insured and/or loss payee as its interests may appear. Further, upon any “Assignment” (as such term is defined in Section 15.1) of this Lease (other than to an Affiliate (as defined in the Member Substitution Agreement)), Lessor shall have the option on an annual basis to engage an insurance consultant, at its expense, to independently examine Lessee's Self-Insurance program(s) and provide a report to Lessor of its findings including coverages provided and financial viability. Upon any such Assignment, the successor-Lessee shall reasonably cooperate with the Lessor's insurance consultant in providing such consultant with relevant documentation with regards to the funding, capitalization, claims defense policies, and coverage provisions.

The insurance requirements set forth herein shall in no way limit Lessee's right to purchase such other insurance policies with respect to the Premises as Lessee shall desire to purchase.

If requested by Lessee or Lessor at any time during the Lease Term, Lessor shall review in good faith the types and policy limits of insurance required hereunder. Under such circumstances, the parties agree to determine in good faith whether the types and/or amounts of insurance coverage required hereby reflect the types and/or amounts of insurance as are then typical and customarily required for similarly developed properties in the Indian River County, Florida area. Based upon such review and upon the mutual consent of the parties (such consent not to be unreasonably withheld), the parties will modify the insurance requirements set forth herein to reflect the types and/or amounts of insurance as are then typical and customarily

required for similarly developed properties with similar lease arrangements in the Indian River County, Florida area and Lessee shall in good faith (provided the same are available at commercially reasonable rates as determined by Lessee) attempt to secure the types and/or amounts of insurance coverage as the parties so agree.

9.2 Mutual Releases and Waiver of Subrogation. Lessor and Lessee hereby waive any and all rights of recovery and causes of action which either has or may have or which may arise hereafter against the other, its trustees, directors, employees, agents, stockholders or members, whether caused by negligence, intentional misconduct or otherwise, for any loss or damage to any of the Hospital Facilities or to any property stored thereon or to the operations of the Hospital Facilities caused by any perils covered by property, fire and extended coverage, building, contents and business interruption insurance, or for which either party may be reimbursed as a result of insurance coverage affecting any loss suffered by it; provided, however, that the foregoing waivers and releases are in addition to all other waivers or releases contained in this Agreement and will apply only to the extent of any recovery made by a party under any policy of insurance now or hereafter issued; and further provided that the foregoing waivers and releases do not invalidate, cause the cancellation or reduction of, or permit the insurer to cancel or reduce, any policy of insurance of the parties, now or hereafter issued.

10. Hazardous Materials.

10.1 Definition of Hazardous Materials. As used in this Lease, “**Hazardous Material(s)**” includes, without limitation, any material or substance which is (a) hydrocarbon including petroleum and any petroleum distillate or by-product, (b) radioactive material or waste, (c) infectious waste, (d) designated as a “hazardous substance” pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317), (e) defined as a “hazardous waste” pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903), (f) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601), (g) regulated under the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.) or defined as a “PCB,” or (h) any other substance or material similarly classified as hazardous by any other Laws, whether now existing or hereinafter enacted during the Lease Term.

10.2 Activities on the Premises. Lessee shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Lessee, its subtenants, agents, employees, and contractors, unless such Hazardous Material is brought upon, kept or used in or about the Premises in connection with the business of any such Person and such Hazardous Material is used, kept, stored and disposed of in a manner that materially complies with all Laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises. If Lessee or its subtenants, agents, employees, or contractors breaches the obligations stated in the preceding sentence or if the presence of such Hazardous Material on the Premises or any Improvements, (which Hazardous Materials were brought upon, kept or used in or about the Premise by Lessee, its subtenants, agents, employees, and contractors,) even if present with the consent of Lessor, results in contamination in violation of Law of the Premises or any Improvements, then Lessee shall indemnify, defend and hold Lessor and Lessor’s Affiliates harmless from any and all claims, judgments, damages, penalties, fines, costs,

liabilities or losses (including, without limitation, attorneys' fees, consultant fees and expert fees) which arise during or after the Lease Term as a result of such breach or such contamination. This indemnification of Lessor by Lessee includes, without limitation, costs and reasonable attorney's fees incurred by Lessor in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work performed by any Person, to the extent such investigation or work is required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises, and shall survive the cancellation, termination or expiration of the Lease Term for two (2) years unless a claim for indemnification is then pending in which case the indemnification obligations with respect to such claim only shall survive until the then-pending claim is resolved. This indemnification of Lessor shall not, however, apply to Hazardous Materials which (i) have migrated to the Premises from adjacent property through no fault or negligence of Lessee, (ii) were present at, on or under the Premises prior to December 31, 1984, provided, however, notwithstanding the foregoing, Guarantor shall not be liable under this indemnification for Hazardous Materials which were present at, on or under the Premises prior to the Commencement Date, or (iii) were caused by Lessor or any of Lessor's Affiliates, contractors or agents ((i), (ii), and (iii) collectively referred to as "**Landlord Hazardous Materials**"). Lessee, at its expense, shall arrange for the removal and proper disposition of any infectious, hazardous or radioactive waste or other medical wastes from the Premises by qualified vendors and in accordance with applicable Laws.

As used in this Agreement "**Affiliate**" means, with respect to any Person, any Persons directly or indirectly controlling, controlled by, or under common control with, such other Person at any time during the period for which the determination of affiliation is being made. For purposes of this definition, the term "**control**" (including the correlative meanings of the terms "**controlled by**" and "**under common control with**"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of management policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

As used herein "**Person**" means any individual, corporation, trust, limited liability company, general partnership, limited partnership, limited liability partnership, association, joint stock association, joint venture, firm, business trust, land trust, cooperative, foreign association or similar legal organization.

10.3 **Notice to Lessor.** Lessee shall advise Lessor in writing of any release of Hazardous Materials on or under the Premises that requires notice to any Governmental Authority and shall provide Lessor with copies of any notices received by Lessee alleging violation of Laws relating to the presence of Hazardous Materials on or under the Premises.

11. **Net Lease.** Lessor and Lessee each state and represent that: (a) it is the intention of each of them that this Lease be interpreted and construed as an absolute net lease, with all taxes, insurance, utilities, construction, maintenance, repair and other expenses associated with the occupancy, use and operation of the Premises to be paid for by Lessee, except as otherwise specifically set forth in this Lease; (b) all rent shall be paid by Lessee to Lessor without abatement, deduction, diminution, deferment, suspension, reduction or setoff, except as

otherwise specifically provided in this Lease; (c) the obligations of Lessee shall not be affected by damage to or destruction of the Premises from whatever cause, except as otherwise specifically provided in this Lease; and (d) the obligations of Lessee shall not be affected by any condemnation, eminent domain or like proceedings, except as otherwise specifically provided in this Lease. Lessor and Lessee further expressly intend that all costs or expenses of any character or kind, general or special, ordinary or extraordinary, foreseen or unforeseen, that may be necessary or required in and about the Premises, or any portion thereof, during Lessee's possession or authorized use thereof, shall be paid by Lessee, except as otherwise specifically set forth in this Lease.

12. Indemnification.

12.1 Indemnification by Lessee.

(a) Lessee shall indemnify and save Lessor (and its officers, Trustees and employees) (collectively, "**Lessor Indemnified Parties**") harmless against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys' fees, which may be imposed upon or incurred by or asserted against Lessor Indemnified Parties by reason of any of the following occurrences during the Lease Term:

(i) any work done, in or about the Premises or any part thereof by Lessee or any other Person, except to the extent due to any negligent or intentional act or omission by Lessor Indemnified Parties or a party acting by, through or under Lessor Indemnified Parties not otherwise covered by Lessee's insurance;

(ii) any use, possession, occupation or operation of the Premises or any part thereof;

(iii) any negligent or intentional act or omission of Lessee or its agents, contractors, employees, or members of its medical staff; and/or

(iv) any accident, injury or damages to any Person or property occurring in, on or about the Premises or any part thereof, except to the extent due to any negligent or intentional act or omission by Lessor Indemnified Parties or their agents, contractors, or employees not otherwise covered by Lessee's insurance.

In case any action or proceeding is brought against Lessor Indemnified Parties by reason of any such claim, Lessee, upon written notice from Lessor, shall at Lessee's expense resist or defend such action or proceeding with the counsel of Lessee's choice. To the extent Lessor elects to retain separate and independent counsel to defend such actions, Lessor, at its sole cost, shall be responsible to pay the legal fees and related costs relating to such separate and independent counsel. If Lessee has supplied Lessor with insurance policies covering any of the aforementioned risks, no claim shall be made against Lessee under this Section to the extent of such coverage and/or policy limits unless required to obtain compensation from such insurance or unless and until (i) such insurance is not adequate to cover the alleged claim or (ii) the insurer shall fail or refuse to defend and/or pay all or any part thereof. This provision shall survive the expiration or termination of this Lease.

12.2 Indemnification by Lessor.

(a) Lessor shall indemnify and save Lessee (and its officers, directors and employees) (collectively, "**Lessee Indemnified Parties**") harmless against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including attorneys' fees, which may be imposed upon or incurred by or asserted against Lessee Indemnified Parties by reason of any failure on the part of Lessor to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Lease on its part to be performed or complied with. In case any action or proceeding is brought against Lessee Indemnified Parties by reason of any such claim, Lessor, upon written notice from Lessee, shall at Lessor's expense resist or defend such action or proceeding with the counsel of Lessor's choice. To the extent Lessee elects to retain separate and independent counsel to defend such actions, Lessee, at its sole cost, shall be responsible to pay the legal fees and related costs relating to such separate and independent counsel. This provision shall survive the expiration or termination of this Lease. Provided, however, this indemnification by Lessor shall not be construed as an agreement by Lessor, as a Florida Political Subdivision, to consent to be sued or as an increase in the limits of liability of Lessor as a Florida Political Subdivision which is subject to the sovereign immunity provisions of the Constitution of the State of Florida, beyond the waiver provided in Section 768.28, Florida Statutes, as it may be amended or replaced.

13. Additions, Alterations, Demolition and Removal.

13.1 Alterations, Additions and Removal.

(a) Additions and Alterations. Lessee may, at its expense and in its sole discretion, make additions and alterations to the Premises of any kind (including without limitation, construction of Future Improvements and/or renovation of the existing Hospital Facilities or Future Improvements), without prior consultation with or consent from Lessor.

(b) Repairs and Replacements. Lessee shall make such repairs and replacements of the Premises and Hospital Facilities, capital or otherwise, so that the same are kept safe, structurally sound (except to the extent such were not in a safe and structurally sound condition as of the Commencement Date in which case Lessee shall not be required to keep such portions of the Premises including the Hospital Facilities in a better condition than existed as of the Commencement Date) and neat and clean in appearance.

(i) Notwithstanding the foregoing, if Lessee, in its sole discretion, determines that any item of property comprising any portion of the Hospital Facilities (exclusive of any fixtures) has become inadequate, obsolete, worn out, unsuitable, undesirable, inappropriate or unnecessary for its purposes at such time (each, an "**Obsolete Improvement**"), Lessee may either (i) discontinue use of such portion of the Premises subject to Lessee's continuing obligations to keep such portion of the Premises safe, structurally sound and neat and clean in appearance, or (ii) demolish such portion of the Hospital Facilities or remove such portion of the Hospital Facilities (exclusive of any fixtures) and sell, trade in or otherwise dispose of it (as a whole or in part) without any requirement of consent from or responsibility or accountability to Lessor therefor (provided that if Lessee demolishes any Hospital Facilities, it shall promptly remove and dispose of all debris and grade the Premises on which such Hospital

Facilities were situated. Lessee shall give reasonable notice to Lessor of its intention to demolish such portion of the Hospital Facilities or remove such portion of the Hospital Facilities. Lessee shall be entitled to retain any and all proceeds from the sale or other transfer of any such property comprising a portion of the Hospital Facilities (exclusive of any fixtures). Notwithstanding anything to the contrary contained herein, Lessee may not demolish all or substantially all of the existing Hospital Facilities which comprise the Hospital on the Premises without Lessor's prior written approval, which approval may be withheld in its sole discretion; provided, however, that Lessee shall have the right to alter and improve the Premises as may otherwise be permitted pursuant to the terms of this Lease.

(ii) Notwithstanding the foregoing, if Lessee, in its sole discretion, determines that any item of property comprising any portion of the fixtures has become inadequate, obsolete, worn out, unsuitable, undesirable, inappropriate or unnecessary for its purposes at such time, Lessee may either (i) discontinue use of such fixtures subject to Lessee's continuing obligations to keep such fixtures safe, structurally sound and neat and clean in appearance, or (ii) demolish such fixtures or remove such fixtures from the Premises and sell, trade in or otherwise dispose of it (as a whole or in part) without any requirement of consent from or responsibility or accountability to Lessor therefor. Lessee shall be entitled to retain any and all proceeds from the sale or other transfer of any such fixtures. Lessor agrees, upon request of Lessee, to execute and deliver to Lessee or its assignee appropriate documents conveying to Lessee or such assignee Lessor's right, title and interest in and to any fixtures removed from the Premises pursuant to this Section.

(iii) Lessee and its subtenants may place upon the Premises any trade fixtures, machinery, equipment, materials, inventory, furniture and/or other personal property belonging to Lessee, its subtenants or third parties, whether or not the same shall be affixed to the Premises, which are used in connection with any business operations of Lessee or its subtenants on the Premises. Lessee may remove from the Premises any such property at any time during the Lease Term provided the same is in the usual, regular and ordinary course of conducting Lessee's business, from time to time.

(iv) Lessor shall cooperate with Lessee in connection with any additions and alterations to the Premises and in connection with any repairs and replacements to the Premises or Hospital Facilities (including, without limitation, execution of any permit applications or other documents (but not including notices of commencement) or applications which may be required by any Governmental Authority). Lessee agrees that if Lessor executes any such documents with respect to improvements to be performed by Lessee then Lessee shall, as set forth in Section 12.1 hereof, indemnify Lessor with respect to any claims made against, or losses incurred by Lessor with respect to any capital improvement contemplated by such notice of commencement.

(v) Lessee shall have the right to use, discontinue use of or dispose of any portion of the Premises which constitutes personal property without any obligations on the part of Lessee to account to Lessor in connection with the same, other than those expressly set forth in subsection (c) below.

(c) Removal of Personal Property Upon Surrender.

(i) Upon expiration of the Lease Term or earlier termination as provided herein, Lessee shall deliver a bill of sale to Lessor conveying Lessee's interest in all "Lessee Personal Property" (as such term is defined below), free and clear of all liens. Lessor shall also have the option to purchase all of the "Undepreciated Personal Property" (as such term is defined below) and all or any portion of the "Specialized Personal Property" (as such term is defined below) in accordance with the terms of subsection (ii) below.

(ii) Commencing upon the first (1st) day of the sixtieth calendar month prior to expiration of the Lease Term and continuing on the first (1st) day of each twelve-month period thereafter until the first (1st) day of the twelfth (12th) month immediately preceding the expiration date of the Lease Term and then continuing on the first (1st) day of each calendar month thereafter, Lessee shall provide Lessor with an itemized schedule of the Undepreciated Personal Property and the Specialized Personal Property, which schedule shall include the depreciated book value of such personal property as determined by Lessee in accordance with GAAP (or its successor standard, if applicable), but with a useful life not to exceed five (5) years, as consistently applied by Lessee (each, a "**Undepreciated/Specialized Personal Property Notice**"). No later than one hundred eighty (180) days prior to the expiration date of the Lease Term, Lessor may provide Lessee with written notice (the "**Notice of Purchase**") electing to purchase either (x) all of the Undepreciated Personal Property or (y) all or any portion of the Specialized Personal Property (or both), effective as of the expiration date of the Lease Term, for the depreciated book value for the personal property being purchased set forth in the most recent Undepreciated/Specialized Personal Property Notice (the "**Undepreciated/Specialized Personal Property Purchase Price**"). In the event Lessor (1) timely provides Lessee with the Notice of Purchase, timing being of the essence, and (2) pays Lessee the Undepreciated/Specialized Personal Property Purchase Price on or before the thirtieth (30th) day prior to the expiration date of the Lease Term, then upon expiration of the Lease Term, Lessee shall deliver a bill of sale to Lessor conveying Lessee's interest in either the purchased Undepreciated Personal Property or the purchased Specialty Personal Property (or both), free and clear of all liens. In the event Lessor fails to (1) timely provide Lessee with the Notice of Purchase, timing being of the essence, or (2) timely pay Lessee the Undepreciated/Specialized Personal Property Purchase Price, then upon expiration of the Lease Term, Lessee may remove all or any portion of the Undepreciated Personal Property and the Specialized Personal Property remaining unpurchased or surrender same to Lessor with the Premises, in Lessee's sole and absolute discretion. Within thirty (30) days following expiration of the Lease Term, Lessee and Lessor agree to reasonably cooperate to reconcile any overpayment or under payment of the Undepreciated/Specialized Personal Property Purchase Price based upon the actual depreciated book value of the Undepreciated Personal Property and Specialized Personal Property as of the date of surrender.

For purposes of this subsection (c), the following terms shall have the meanings ascribed below:

"**Lessee Personal Property**" means, to the extent transferable and assignable, all tangible and intangible personal property used or held for use exclusively in connection with the operation of the Hospital Facilities, including all equipment, computer hardware and data processing

equipment, furniture, fixtures, machinery, vehicles, office furnishings, instruments, leasehold improvements, spare parts, and, all rights in all warranties of any manufacturer or vendor with respect thereto, but expressly excluding (i) Specialized Personal Property, (ii) Proprietary Personal Property; and (iii) Undepreciated Personal Property.

“Specialized Personal Property” means all tangible and intangible personal property which Lessee reasonably determines are not required for the operational viability of a Health Facility providing acute care services or in providing Health and Medical Services, including, without limitation, those items of medical specialty equipment which represent technological advancements in the delivery of healthcare which are usually found only in specialty hospitals, as opposed to community or general hospitals, or are otherwise developed with cutting-edge technology.

“Proprietary Personal Property” means all tangible and intangible personal property which Lessee reasonably determines are proprietary to Lessee or Guarantor, including, without limitation, all patents, applications for patents, copyrights, licenses, assumed names, trade names, trademark and/or service mark registrations and applications therefor, trademarks, service marks, logos, procedures, instructions, inventions, trade secrets, know-how and all other proprietary information, software, hardware, firmware, and embedded microcontrollers in non-computer equipment.

“Undepreciated Personal Property” shall mean all tangible and intangible personal property used or held for use exclusively in connection with the operation of the Hospital Facilities and which were purchased, acquired or otherwise first utilized in the operation of the Hospital Facilities during the sixty (60) calendar month period immediately preceding the expiration of the Lease Term, as substantiated by Lessee’s records kept in the ordinary course of business.

(d) Florida Statutes, Section 713.10. Pursuant to Chapter 713, Florida Statutes (or its successor), all persons dealing with Lessee with respect to any alterations in the Premises by, through or under Lessee shall be placed on notice with respect to the provisions of this Section. All parties with whom Lessee may deal are put on notice that Lessee has no power to subject Lessor's interest to any construction, mechanics' or materialmen's lien of any kind or character, and all such persons so dealing with Lessee must look solely to the credit of Lessee, and not to Lessor's interest or assets. Lessee has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Lessee, operation of law, or otherwise, to attach to or be placed upon Lessor's title or interest in the Premises, and any and all liens and encumbrances created by Lessee shall attach to Lessee's interest only.

14. Mortgaging of Lessee’s Leasehold Interest.

14.1 Lessee’s Right to Encumber and Mortgage this Leasehold. At any time during the Lease Term, Lessee may mortgage, hypothecate or otherwise encumber Lessee’s leasehold estate under this Lease in respect to the Premises to secure indebtedness, guarantees or other obligations of Lessee under one or more credit facilities, security documents and leasehold mortgages of Lessee or its Affiliates (the **“Lessee Loan Documents”** or **“Leasehold Financing”**) and may assign this Lease as security for any obligations under such Lessee Loan

Documents. Provided, however, in no event shall (a) any such Leasehold Financing (or any pledge of this Agreement as collateral to secure any such financing) have a term which extends beyond the current term of this Lease, and (b) there exist more than one Leasehold mortgage encumbering Lessee's leasehold interest in the Land and Improvements at any one time without the written consent of Lessor, which consent may be withheld in Lessor's sole discretion. Upon expiration or termination of the Lease Term, the Premises shall be surrendered to Lessor in accordance with the provisions of Section 23 herein, free and clear of the liens of any such Leasehold Financing or pledge of this Lease. If Lessee requests that Lessor provide any documents contemplated pursuant to this Section 14 or otherwise requests Lessor's consent to any Lessee Loan Documents or Leasehold Financing, then Lessee agrees to promptly reimburse Lessor for its reasonable attorney's fees and costs in connection with Lessor's review of any such documents.

14.2 Amendments Required By Leasehold Mortgages. Lessor and Lessee shall cooperate in including in this Lease by amendment from time to time any provision which may reasonably be requested by any leasehold mortgagee ("**Leasehold Mortgagee**") under such Lessee Loan Documents for the purpose of allowing such Leasehold Mortgagee reasonable means to protect or preserve its lien upon Lessee's leasehold interest under this Lease on the occurrence of a default or Event of Default under the terms of this Lease; provided, however, notwithstanding anything in this Lease to the contrary, Lessor shall not be required to subordinate Lessor's interests in this Lease or the Premises to any lender or Leasehold Mortgagee of Lessee or amend this Lease in any manner that materially adversely impacts Lessor's rights under this Lease. Lessor and Lessee shall execute and deliver (and acknowledge, if necessary, for recording purposes) any agreement necessary to effect any such amendment.

14.3 Mortgagee's Rights. Notwithstanding anything to the contrary contained in this Lease, the rights and remedies of Lessor hereunder upon a default by Lessee under this Lease shall be subject to the provisions of this Section 14.3:

(a) Lessor, upon providing Lessee with any notice of (i) a default by Lessee shall at the same time provide a copy of such notice to every Leasehold Mortgagee who has provided Lessor with notice of its leasehold mortgage on the Premises. No notice of any default or breach by Lessee shall be deemed to have been duly given by Lessor unless and until a copy thereof has been provided to every Leasehold Mortgagee entitled thereto. From and after the date such notice has been given to Lessee and such Leasehold Mortgagees, each of such Leasehold Mortgagees shall have the same period for remedying such default or breach as is given to Lessee, plus in each instance an additional sixty (60) day period, to remedy, commence remedying or cause to be remedied the default or breach specified in any such notice. In the event that performance cannot be reasonably completed within such additional sixty (60) day period, Leasehold Mortgagee shall have such additional reasonable period as shall be necessary for Leasehold Mortgagee to cure such default or breach (including such time as shall be necessary to foreclose under the Lessee Loan Documents if a leasehold Mortgagee needs possession of the Premises to cure the default or breach). Lessor shall accept such performance by or at the instigation of any such Leasehold Mortgagee as if the same had been done by Lessee. Lessee authorizes such Leasehold Mortgagee to take any such action at such Leasehold Mortgagee's option and does hereby authorize entry upon the Premises by the Leasehold

Mortgagee(s) for such purposes. In the event of a foreclosure of the leasehold mortgage by Leasehold Mortgagee, Leasehold Mortgagee shall prosecute such foreclosure action with due diligence. Provided, however, Leasehold Mortgagee shall not be deemed to have failed to satisfy such obligation if the Leasehold Mortgagee is unable to do so as a result of the automatic stay provisions of Section 362 of the Bankruptcy Code or other stay imposed under the Bankruptcy Code or similar provisions of any other insolvency law.

(b) Lessor agrees that no Person who acquires title to, or other rights in, the Premises or this Lease solely by virtue of the provisions of a leasehold mortgage, leasehold deed of trust, mortgage, collateral assignment, security agreement, or similar security instrument shall have any liability under this Lease until such Person acquires title to or rights in the Premises or this Lease.

(c) No Leasehold Mortgagee or trustee of the rights or interests of Lessee hereunder shall be or become liable to Lessor as an assignee of this Lease or otherwise and no assumption shall be inferred from or result from foreclosure or other appropriate proceedings in the nature thereof or as the result of any other action or remedy provided for by such leasehold mortgage, leasehold deed of trust or other security instrument or from a conveyance from Lessee pursuant to which the purchaser at foreclosure or grantee shall acquire the rights and interest of Lessee under the terms of this Lease; provided, however, any such Leasehold Mortgagee, trustee, or purchaser shall be liable to Lessor for the payment and performance of Lessee's obligations hereunder accruing during the period any such Leasehold Mortgagee, trustee, or purchaser holds the leasehold estate (but not thereafter).

(d) No cancellation, surrender, amendment, or modification of this Lease shall be effective as to, or binding upon, any Leasehold Mortgagee in the Premises unless consented to in writing by such Leasehold Mortgagee.

(e) Upon request Lessor shall notify any Leasehold Mortgagee of the identity and address of Lessor's agent, if any, for receipt of notices and payments hereunder and such Leasehold Mortgagee shall be entitled to rely on such notice until such Leasehold Mortgagee is delivered a notice from Lessor changing the identity and/or address of such agent, and notices sent and payments made in accordance with such a notice by Lessor shall constitute notice and payment to all parties included within the term "Lessor."

14.4 Mortgagee Rights upon Bankruptcy or Termination of Lease. If this Lease is terminated prior to the expiration of the Lease Term (including, without limitation, if this Lease is rejected in any proceeding under the Bankruptcy Code or other insolvency law), and so long as the Leasehold Mortgagee has provided Lessor with written notice of its leasehold mortgage and its name and current address, Lessor shall provide written notice of such termination to the Leasehold Mortgagee. Upon such termination prior to the expiration of the Lease Term, the Leasehold Mortgagee shall be entitled to enter into a new Lease (the "**New Lease**") with Lessor on the same terms and conditions (including rent) as this Lease, and Lessor shall be obligated to enter into the New Lease for the Premises with the Leasehold Mortgagee, or any person, firm, corporation or entity designated by the Leasehold Mortgagee which has been

approved by Lessor pursuant to the provisions of Subsection 15.1 of the Lease. The New Lease shall have priority equal to this Lease.

The provisions of this subsection 14.4 are conditioned on and subject to the following:

(i) the Leasehold Mortgagee shall make written request for a New Lease within thirty (30) days after the receipt of notice of termination of the Lease by Lessor; and

(ii) concurrently with the execution and delivery of the New Lease, the Leasehold Mortgagee (or its designee approved by Lessor) shall: (x) pay or cause to be paid to Lessor all unpaid sums which as of the commencement date of the Lease Term would have been payable under this Lease but for such termination, and all unpaid sums which would have been due from the termination date through the commencement date of the New Lease, (y) shall cure all defaults of Lessee under this Lease which remain uncured on that date or, where a non-financial default cannot be remedied promptly, shall promptly commence and proceed with due diligence to remedy such default, and (z) pay or cause to be paid to Lessor all expenses, including reasonable attorneys' fees, court costs and disbursements and any and all transfer taxes, incurred by Lessor in connection with any such default and termination and in connection with the execution and delivery of the New Lease; and

(iii) the New Lease shall be subject to all requirements of the Enabling Act and shall be properly authorized and duly adopted by Lessor and the new Lessee; and

(iv) the New Lease shall be subject to the consent of Indian River Hospital Foundation, Inc., a Florida not for profit corporation (the "**Foundation**") or its successors or assigns, and shall be subject to an agreement by the Foundation that the New Lease does not trigger a "Repayment Obligation" as such term is defined in that certain Agreement Regarding Return of Granted Funds by and between Lessor and the Foundation and dated December 20, 2007, and as amended on _____, 2018; and

(v) the New Lease shall be subject to and shall comply with all requirements of Florida Statutes Section 155.40.

Lessor acknowledges that the agreement of Lessor to enter into a New Lease under this Section 14.4 with a Leasehold Mortgagee (or its designee approved by Lessor) shall be an independent agreement between Lessor and the Leasehold Mortgagee which is both separate and independent from this Lease and also a part of this Lease, and shall be unaffected by and survive the termination of this Lease by reason of default or by the rejection or disaffirmance of this Lease in any bankruptcy proceeding by any party.

14.5 Subordination of Lessee's Financing. Lessor and Lessee expressly agree that any financing obtained by Lessee which involves a mortgaging of Lessee's leasehold interest in the Premises to collateralize Lessee's obligations, and all modifications, amendments, renewals and extensions thereof, are, shall be and shall remain in all respects subject and subordinate to Lessor's fee ownership interest in the Premises. At no time shall Lessor's fee ownership interest in the Premises or Lessor's interest in this Agreement be subordinated in any

manner to any lender extending credit to Lessee, or to the interests of any leasehold mortgagee or any other lienholder of Lessee or any person claiming by or through Lessee (any such party is hereinafter called "Lessee's Lender"). Lessee agrees to provide Lessor with written notice of the name and address of Lessee's Lender promptly following Lessee's consummation of any financing arrangement with Lessee's Lender.

15. Assignments, Subleases, Third-Party Developers, Easements and Subdivision Plats.

15.1 Assignments and Subleases.

(a) Except as otherwise provided in Sections 15.1(b) and (c) or elsewhere in this Lease or by Law, there shall be no limits on Lessee's right (or the rights of Lessee's subtenants or assignees) to (i) assign, sell, encumber or otherwise transfer all or substantially all the assets of Lessee (or Lessee's subtenants or assignees) including its leasehold interest hereunder, (ii) assign, sell, encumber or otherwise transfer a controlling ownership interest in Lessee (or Lessee's subtenants or assignees) or merge or consolidate Lessee (or Lessee's subtenants or assignees) with and into another entity, or (iii) assign or otherwise transfer, in whole or in part, Lessee's (or Lessee's subtenants' or assignees') leasehold interest hereunder (each of the transfers contemplated in clauses (i), (ii) and (iii) are referred to herein as an "Assignment"), and unless otherwise specifically provided for in this Lease, Lessor shall have no right to consent to any such Assignment, including without limitation any Assignment by Lessee's subtenants or assignees. Any consideration received by Lessee in connection with any such Assignment shall be and remain Lessee's sole property. In each case, the assignee shall expressly assume (or partially assume, if applicable) the obligations of Lessee hereunder. No assignment of this Lease shall be deemed to release the Lessee from liability hereunder. Except as otherwise provided in Sections 15.1(b) and (c) herein, Lessee shall have the right to sublease a portion (but not all) of the Premises to any Person or entity (a "Sublease"), without Lessor's consent. Lessee acknowledges that a Sublease of all of the Premises shall constitute an Assignment hereunder and shall be subject to the terms and conditions of this Section 15 with respect to an Assignment. Any consideration received by Lessee in connection with any such Sublease or Subleases shall be and remain Lessee's sole property.

(b) Notwithstanding Section 15.1(a), during the first ten (10) years of the Initial Term, the following shall require the consent of Lessor, which may be granted or withheld in the sole and absolute discretion of Lessor: (a) any Change of Control (as defined in the Member Substitution Agreement) of Lessee and (b) any Assignment of the Lease other than to an Affiliate (as defined in the Member Substitution Agreement) of Lessee; provided, however, that if such Assignment is part of a larger transaction in which the revenues of the Hospital comprise fifteen percent (15%) or less of the revenues of all the businesses being sold by Lessee or Guarantor and/or any other Affiliate or Affiliates of Guarantor, the consent of Lessor shall not be required for such Assignment.

(c) Further notwithstanding Section 15.1(a) any Sublease that has a term that will not expire (or cannot be terminated unilaterally by Lessee) prior to the expiration of the Lease Term shall require Lessor's prior written consent. Any Sublease that has a term that will

expire (or can be terminated unilaterally by Lessee) prior to the expiration of the Lease Term may be entered into by Lessee without Lessor's consent so long as such Sublease is subject to and otherwise in compliance with all terms and conditions of this Lease, including but not limited to Section 9 herein. Lessor agrees, upon request by Lessee, to enter into a non-disturbance and attornment agreement with respect to any Sublease; provided, however, that if Lessor's consent is required with respect to any Sublease then Lessor shall have no obligation to enter into any such non-disturbance agreement unless Lessor has approved of the Sublease which is the subject for the non-disturbance agreement. Such non-disturbance agreement shall be in form and content mutually acceptable to Lessor, Lessee and such subtenant and otherwise consistent with customary non-disturbance agreements executed by commercial landlords in the Indian River County, Florida market pursuant to which the subtenant confirms it is in direct privity of contract with Lessor and that all obligations owed to Lessee (as sublandlord) under the Sublease shall become obligations owed to Lessor for the balance of the term of the Sublease.

(d) Notwithstanding anything to the contrary, Lessor acknowledges that, and consents to, Lessee entering into a management agreement with a third party with respect to behavioral health services (and other services designated by Lessee in its sole discretion) to be performed at the Premises. Lessee agrees that it shall use good faith efforts to provide Lessor with not less than ninety (90) days prior written notice of its election to enter into any such management agreement (other than for behavioral health services) and shall make its representatives available to discuss with the Lessor the party to be providing services under the management agreement; provided, however, that Lessor will not have any right to approve the entity selected to provide services under any such management agreement and if such ninety (90) day prior written notice is not given to Lessor, Lessee shall not be deemed to be in default of this Lease.

(e) **Replacement Guarantor.** Notwithstanding anything contained herein to the contrary, and so long as there are no uncured defaults under this Lease and the Guaranty beyond applicable grace periods, in the event of an Assignment or Change of Control (as defined in the Member Substitution Agreement) of Lessee, which is permitted under the Lease, Lessee shall have the right to tender a "Substitute Guarantor" (as defined below) and a "Substitute Guaranty" (as defined below), in which event Guarantor shall be released from all liability under the Guaranty and the same shall be null and void upon the effective date of the Substitute Guaranty in which the Substitute Guarantor agrees, in addition to the other obligations under the Substitute Guaranty, to be responsible for all then outstanding obligations of Guarantor. As used herein the term "**Substitute Guarantor**" shall mean an entity (i) operating a health system that has a total operating revenue (excluding investment income, extraordinary items and other non-operating gains) of at least \$1,500,000,000.00, based upon the immediately trailing twelve (12) month period; (ii) having as its headquarters a location within the United States of America; (iii) whose EBITDA (earnings before interest, tax, depreciation and amortization) represents an average annual return on total operating revenue (excluding investment income, extraordinary items and other non-operating gains) for the preceding three (3) years of at least four percent; and (iv) which executes a guaranty in substantially the form attached hereto as Exhibit "E" (the "**Substitute Guaranty**"). [**Note: Financial covenants remain under discussion**].

15.2 Third-Party Development. Without limiting the rights of Lessee, subtenants or assignees under Section 15.1 or elsewhere in this Lease, Lessee and its assigns shall have the right to sublet the Premises or any portion thereof to third-party developers for construction of new or replacement buildings on the Premises without Lessor's consent, but upon written notice from Lessee to Lessor. The use of the Premises demised under any such Sublease shall in all cases be subject to the terms and conditions of this Lease (including, without limitation, the terms of Section 5 hereof). In the event of a ground Sublease to a third-party developer, (i) Lessee, as sublandlord, shall enter into a ground Sublease with such third-party developer, as subtenant, of sufficient Premises to accommodate such new building and/or ancillary parking to serve such new building, and (ii) Lessor shall execute and deliver such written agreements (including, without limitation, a Non-Disturbance Agreement) to Lessee and such third-party ground subtenant as are reasonably requested to confirm that such building is owned by the third-party ground subtenant. In no event shall the term of any Sublease extend beyond the current Lease Term.

15.3 Easements and Replatting. If at any time during the Lease Term, Lessee determines that it is necessary or advantageous to (a) grant to any public authority or utility company easements of any kind under, over, across or connecting with the Premises or any portion thereof, (b) grant to a private party that is neither an Affiliate of Lessee nor a public authority or a utility company easements of any kind under, over, across or connecting with the Premises or any portion thereof provided that such easement has a term that will expire (or can be terminated unilaterally by Lessee) upon the expiration of the current Lease Term, or (c) subdivide or replat the Premises, Lessee shall be entitled to grant such easements and execute such subdivision or modification to existing plats with Lessor's consent, which shall not be unreasonably withheld, and so long as such grants, easements or plats do not materially diminish the value of the Premises. Lessor agrees to join in the conveyance of such easement or the execution of such subdivision or modified plats requested by Lessee upon the reasonable approval of the easement or plat by Lessor. If at any time during the Lease Term, Lessee determines that it is necessary or advantageous to grant to a private party that is neither an affiliate of Lessee nor a public authority or a utility company easements of any kind under, over, across or connecting with the Premises or any portion thereof, then any such easement that has a term that will not expire (or cannot be terminated unilaterally by Lessee) upon the expiration of the current Lease Term shall require Lessor's prior written consent, which may be withheld in Lessor's sole discretion.

15.4 Permitted Contests. Notwithstanding any provision of this Lease to the contrary, Lessee shall not be required, nor shall Lessor have the right, to pay, discharge or remove any tax, assessment, levy, fee, charge, lien or encumbrance, or to comply with any Laws applicable to the Premises or the use thereof, as long as Lessee shall contest the existence, amount or validity thereof by appropriate proceedings which shall prevent the collection of or other realization upon the tax, assessment, levy, fee, rent, charge, lien or encumbrance so contested, and which also shall prevent the sale, forfeiture or loss of the Premises, or to satisfy the same or Laws, provided that such contest shall not subject Lessor to the risk of any civil or criminal liability or any loss of title to the Premises. Lessor will cooperate with Lessee to the extent reasonably requested to facilitate any such contest by Lessee.

16. Casualty.

16.1 Notice of Damage. If any part or all of the Hospital Facilities should be damaged or destroyed by fire, storm or other casualty and the amount of damage exceeds Five Hundred Thousand Dollars (\$500,000.00), Lessee will give written notice thereof to Lessor within ten (10) days after the date the damage occurred.

16.2 Restoration. If the Hospital Facilities are damaged, in whole or in part, by fire, storm or other casualty at any time during the Lease Term then, except as otherwise provided herein, Lessee will restore the Hospital Facilities to substantially the condition they were in prior to the casualty so that the Hospital Facilities can be used to furnish substantially the same type and quality of services as were furnished in the Hospital Facilities prior to the casualty (in all cases subject to Lessee's right to make alterations pursuant to Section 13 hereof). In such event, and so long as Lessee is obligated to restore the Hospital Facilities or has otherwise elected to restore the Hospital Facilities, Lessor will make available or will pay and deliver to Lessee any insurance proceeds paid to Lessor because of the casualty loss resulting in the partial destruction.

16.3 Settlement Proceeds. So long as Lessee is obligated to restore the Hospital Facilities or has otherwise elected to restore, Lessor acknowledges and agrees that Lessee shall have the sole right to settle any insurance claims relating to damage to the Hospital Facilities or Premises and, if Lessee is obligated or has otherwise elected to restore the Hospital Facilities and the Premises, all insurance proceeds shall be payable directly to Lessee. Any excess proceeds remaining after the repair, restoration, demolition or replacement is completed shall be paid to Lessee. If Lessee is obligated to rebuild, and if the cost of the repair, restoration, demolition or replacement exceeds the amount of the casualty proceeds paid to Lessee, Lessee shall be obligated to contribute any excess amount needed to complete the repair, restoration, demolition or replacement.

16.4 Late Lease Year Substantial Destruction. In the event a total casualty (that is, the Hospital Facilities cannot be used for the purposes for which the same were being used prior to the casualty) occurs during (i) the last five (5) Lease Years of the Initial Term when Lessee has elected not to extend the Lease Term, or (ii) the last three (3) Lease Years of the Renewal Term (a "**Late Lease Year Substantial Destruction**"), then Lessor and Lessee will discuss in good faith and for a period of no less than one hundred twenty (120) days from the date of the Late Lease Year Substantial Destruction (the "**Substantial Destruction Discussion Period**") the terms of an extension of the Lease Term if Lessee was to elect to rebuild in accordance with this Section 16.4. In the event a Late Lease Year Substantial Destruction occurs, then Lessee, at any time during or at the conclusion of the Substantial Destruction Discussion Period, at its option, may elect in writing to either (a) in compliance with applicable zoning regulations or such variances or non-conforming uses as may be allowed, rebuild the Hospital buildings and any other damaged portions of the Premises to substantially the condition existing prior to such destruction so that the Hospital Facilities can be used to furnish substantially the same type and quality of services as were furnished in the Hospital prior to the substantial destruction, or (b) terminate this Agreement. In the event Lessee elects to rebuild in accordance with this Section 16.4 after a Late Lease Year Substantial Destruction, Lessor will

make available or will pay and deliver to Lessee any insurance proceeds received by Lessor because of damage to the Hospital Facilities. In the event Lessee elects to terminate this Agreement in accordance with this Section 16.4 after a Late Lease Year Substantial Destruction, Lessee shall pay to the Lessor either (x) all insurance proceeds received by Lessee on account of the Premises, including Future Improvements, plus the amount of Lessee's deductible and any self-retention limits, or (y) in the event Lessee has elected to self-insure the property coverage, the amount of insurance proceeds that would have been payable if the Lessee were not self-insuring, plus the amount of Lessee's deductible and any self-retention limits.

16.5 Obsolete Improvements. So long as Lessee is obligated to restore the Hospital Facilities or has otherwise elected to restore, if a casualty occurs with respect to any Obsolete Improvement (as such term is defined in Section 13.1(b)(i), above), then Lessee, at Lessee's option, shall have the right to raze such Obsolete Improvements and not restore the same (without terminating the Lease with respect to the remaining Improvements). In such event, all insurance proceeds allocated to the Obsolete Improvements shall be used either to restore any other portion of the Improvements damaged by the applicable casualty or shall otherwise be used by Lessee for other capital improvements to the Hospital Facilities. Notwithstanding anything to the contrary contained herein, Lessee may not demolish all or substantially all of the existing Hospital Facilities which comprise the Hospital on the Premises without Lessor's prior written approval, which approval may be withheld in its sole discretion; provided, however, that Lessee shall have the right to alter and improve the Premises as may otherwise be permitted pursuant to the terms of this Lease.

17. Condemnation.

17.1 Complete Taking. If the whole of the Hospital Facilities, or such portion thereof as will make the Hospital Facilities unsuitable for the purposes of this Agreement, as reasonably determined by Lessee, ("**Complete Taking**"), is condemned for any public use or purpose by any legally constituted authority, then in either of such events this Agreement shall cease from the time when possession is taken by such public authority and rental shall be accounted for between the Lessor and Lessee as of the date of the surrender of possession. Such termination shall be without prejudice to the rights of the Lessor or Lessee to each recover compensation from the condemning authority for their respective loss or damage caused by such condemnation. Neither the Lessor nor the Lessee shall have any rights in or to any award made to the other by the condemning authority.

17.2 Partial Taking. In the event of a taking less than a Complete Taking ("**Partial Taking**"), this Agreement shall not terminate or be affected in any way, except as hereinafter provided, and Lessor and Lessee shall each be entitled to recover compensation from the condemning authority for their respective loss or damage caused by such Partial Taking. The condemnation proceeds to which the Lessee is entitled shall be applied to the cost of restoring, repairing, replacing or rebuilding the improvements in accordance with the provisions of this Agreement. In the event of a Partial Taking, Lessee, upon receipt of the condemnation proceeds as provided above shall proceed with due diligence to restore, repair, replace or rebuild the remaining part of the improvements to their former condition as provided for in this Agreement.

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

17.4 Governmental Action Short of Physical Taking. In the case of any governmental action not resulting in the taking of any portion of the Hospital Facilities, but creating a right to compensation therefor, such as, without limitation, a change of the grade of any street, this Agreement shall continue in full force and effect. Lessor shall be entitled to receive the entire amount of compensation made with respect to any such governmental action unless such governmental action results in physical damage to the Hospital Facilities, whereupon Lessee shall be entitled to the award with respect to such damage and Lessee shall proceed with reasonable diligence to conduct all restoration, repair and replacement necessary to remedy any such physical damage, and if the amount of such compensation is not sufficient, Lessee shall provide the additional funds required.

18. Event of Default.

18.1 Major Events of Default. Upon the occurrence of any of the following events of default during the Lease Term (each, a "**Major Event of Default**"), beyond applicable grace and cure periods, Lessor may elect to exercise its rights and remedies pursuant to Section 18.3 and Section 18.4 hereof:

(a) If Lessee fails to pay Lessor any installment of Renewal Term Rental when such Renewal Term Rental shall become due and such default shall continue for a period of thirty (30) days after Lessee receives written notice thereof from Lessor of such delinquency, provided, however, prior to electing to terminate this Agreement as a result of such default, Lessor shall provide Lessee with a second (2nd) notice of such default and an additional ten (10) day cure period.

(b) Upon thirty (30) days prior written notice if either Lessee or Guarantor (or any successor thereto): (i) files a petition commencing a voluntary case under any chapter of 11 U.S.C. §§ 101 et seq. (as now in effect or as hereafter amended or re-numbered, the “**Bankruptcy Code**”); or (ii) files or consents to the filing of a petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under any present or future Law relating to bankruptcy or insolvency (including, but not limited to an assignment for the benefit of creditors under Chapter 727, Florida Statutes), or files an answer admitting the material allegations of a petition filed against it in any such proceeding.

(c) In the event that for a period of one (1) month and subject to Force Majeure Delays (as hereinafter defined), interruptions caused by casualty events under Section 16 and condemnation events under Section 17, and exercise of Lessee’s rights to make capital improvements to the Premises under Section 13, Lessee has discontinued operation of a general, acute care hospital on the Premises in violation of Section 5.3(b)(A) above as a result of Lessee’s action and Lessee has failed to recommence operation of a general, acute care hospital on the Premises within sixty (60) days after receipt of written notice from Lessor.

(d) In the event that for a period of one (1) month and subject to Force Majeure Delays (as hereinafter defined), interruptions caused by casualty events under Section 16 and condemnation events under Section 17, and exercise of Lessee's rights to make capital improvements to the Premises under Section 13, Lessee has failed to provide acute care services to the residents of Indian River through facility(ies) located in Indian River County, Florida during years ten (10) through thirty (30) of the Initial Term in violation of Section 5.3(b)(B) above as a result of Lessee’s action and Lessee has failed to recommence such services through facility(ies) located in Indian River County, Florida within sixty (60) days after receipt of written notice from Lessor.

(e) In the event that for a period of one (1) month and subject to Force Majeure Delays (as hereinafter defined), interruptions caused by casualty events under Section 16 and condemnation events under Section 17, and exercise of Lessee's rights to make capital improvements to the Premises under Section 13, Lessee has failed to provide acute care services to the residents of Indian River through facilities located in Indian River County, Florida or located within twenty-five (25) miles of the Indian River County line during the Renewal Term(s) in violation of Section 5.3(b)(C) above as a result of Lessee’s action and Lessee has failed to recommence such services through facilities located in Indian River County, Florida or located within twenty-five miles of the Indian River County line within sixty (60) days after receipt of written notice from Lessor.

18.2 Other Events of Default. Upon the occurrence during the Lease Term of any of the following events of default (“**Other Events of Default**”), beyond applicable grace and cure periods, Lessor may elect one or more of the remedies as more particularly described in Section 18.3 below, but shall not be permitted to terminate the Lease or accelerate rent as provided in Section 18.4 below:

(a) If Lessee fails to pay Lessor any monetary amount or additional rent (other than Renewal Term Rental) when such sum shall become due and such default shall continue for a period of thirty (30) days after Lessee receives written notice thereof from Lessor to Lessee.

(b) If Lessee breaches or fails to perform or comply with any of the conditions or provisions of this Lease other than the nonpayment of Rent and if the nonperformance shall continue for a period of sixty (60) days after written notice thereof by Lessor to Lessee, or, if the performance cannot be reasonably completed within the sixty (60) day period, Lessee shall not in good faith have commenced performance within the sixty (60) day period and shall not diligently proceed to completion of performance.

(c) If this Lease or the Lessee's interest hereunder shall be transferred to or shall pass to or devolve on any other person or party, except in the manner herein permitted.

18.3 Lessor's Remedies Upon an Event of Default. Upon the occurrence of a Major Event of Default or Other Event of Default (sometimes hereinafter individually and/or collectively, referred to as an "**Event of Default**") by Lessee, then Lessor at any time thereafter will have the full right, at its election, to exercise without further notice or demand any one or more of the following rights and remedies, which will not be exclusive, but cumulative, and will in no way limit any other rights or remedies available to Lessor at law or in equity (provided, however, that Lessor will under no circumstances have any right of termination):

(a) during the Initial Term, the right to collect any sums due and owing under this Agreement when they become due;

(b) during any Renewal Term, the right to collect any sums due and owing under this Agreement when they become due; and

(c) the right to seek specific performance of the defaulted obligations.

18.4 Lessor's Remedy of Termination and Acceleration Upon a Major Event of Default.

(a) *Termination.* If such event of default is a Major Event of Default only, Lessor will have the right to terminate this Agreement, and, if Lessor elects to do so, Lessor shall have a right to exclude Lessee from possession of the Premises, lease the same for the account of Lessor and retain all Rent. Upon termination of the Lease and upon request of Lessor, Lessee shall cooperate with Lessor in arranging for the orderly transfer of the Hospital Facilities and its operations and employees to the management of Lessor (or a third party management company selected by Lessor) including, but not limited to, all of its governmental approvals and licenses and permits as well as any and all contracts and agreements essential (in the opinion of Lessor and/or a court of competent jurisdiction) to the operation of the Hospital Facilities. Upon termination of the Lease by Lessor, Lessee shall have no further obligations hereunder other than to pay Rent (either as it becomes due or upon demand if it has been accelerated as provided herein) and to pay Lessor any other damages accrued hereunder through the date of termination.

(b) *Acceleration.* In the event Lessor terminates this Lease as a result of a Major Event of Default under Section 18.1(a) above, then whether or not Lessor shall have collected any monthly deficiencies on account of Renewal Term Rental, Lessor shall be entitled to recover from Lessee, in lieu of any further deficiencies on account of Renewal Term Rental, as liquidated and final damages, with respect to such Major Event of Default, the sum of:

1. the unpaid Renewal Term Rental which had been earned at the time of termination, and
2. the worth at the time of termination, of the amount by which the unpaid Renewal Term Rental for the balance of the Term (excluding any unexercised Renewal Term) after the time of termination, exceeds the product of the Land Value multiplied by the Cap Rate as determined by an appraiser as of the date of termination and taking into account market annual escalations, and
3. the worth at the time of termination, of the amount referred to in subparagraph (2) is computed by discounting such amount at the discount rate of the Federal Reserve Bank of New York at the time of award plus 1%.

If Lessor receives consideration as a result of a reletting of the Premises relating to the same time period for which Lessee has paid accelerated Renewal Term Rental, such consideration actually received by Lessor, less any and all of Lessor's actual reasonable cost of repairs, alterations, additions, redecorating, and other expenses in connection with such reletting of the Premises, shall be a credit against such accelerated sum, and such accelerated sum shall be reduced if not yet paid by Lessee as called for herein, or if Lessee has paid such accelerated sum, such credited amount shall be repaid to Lessee by Lessor (provided said credit shall not exceed the accelerated amount). Except as expressly provided in this Section 18.4(b), Lessor shall have no right to accelerate sums due under the Lease.

(c) *Right to Purchase Personal Property.* In the event Lessor terminates this Lease as a result of a Major Event of Default as defined in Section 18.1(a) above then the following provisions shall apply as to the removal of personal property:

1. Upon termination of the Lease pursuant to a Major Event of Default, Lessee shall deliver a bill of sale to Lessor conveying Lessee's interest in Lessee's Personal Property (as such term is defined in Section 13.1(c)), free and clear of all liens. Lessor shall also have the option to purchase all of the Undepreciated Personal Property (as such term is defined in Section 13.1(c)) and all or any portion of the Specialized Personal Property (as such term is defined in Section 13.1(c)) in accordance with the terms of Subsection 2. below.
2. Within fifteen (15) days of termination of the Lease pursuant to Section 18.4(a), Lessee shall provide Lessor with an itemized schedule of the Undepreciated Personal Property and the Specialized Personal Property, which schedule shall include the depreciated book value of such personal property as determined by Lessee in accordance with GAAP (or its successor standard, if applicable) as consistently applied by Lessee (a "**Major Default Undepreciated/Specialized Personal Property Notice**"). No later than fifteen (15) days after the receipt of the Major Default Undepreciated/Specialized Personal Property Notice,

Lessor may provide Lessee with written notice (the "Notice of Purchase") electing to purchase either (x) all of the Undepreciated Personal Property or (y) all or any portion of the Specialized Personal Property (or both), effective as of the termination date of the Lease, for the depreciated book value for the personal property being purchased set forth in the Major Default Undepreciated/Specialized Personal Property Notice of the personal property being purchased (the "**Major Default Undepreciated/Specialized Personal Property Purchase Price**"). In the event Lessor (1) timely provides Lessee with the Notice of Purchase, timing being of the essence, and (2) pays Lessee the Major Default Undepreciated/Specialized Personal Property Purchase Price on or before the fifteenth (15th) day after the delivery of the Notice of Purchase, then upon receipt of such purchase price, Lessee shall deliver a bill of sale to Lessor conveying Lessee's interest in either the purchased Undepreciated Personal Property or the purchased Specialty Personal Property (or both), free and clear of all liens. In the event Lessor fails to (1) timely provide Lessee with the Notice of Purchase, timing being of the essence, or (2) timely pay Lessee the Undepreciated/Specialized Personal Property Purchase Price, then on the later of the termination date of the Lease or the expiration of the time for the Lessor to provide Lessee the Notice of Purchase or the expiration of the time period within which payment of such Undepreciated/Specialized Personal Property Purchase Price is to be made, Lessee may remove all or any portion of the Undepreciated Personal Property and the Specialized Personal Property remaining unpurchased or surrender same to Lessor with the Premises, in Lessee's sole and absolute discretion. Lessee and Lessor agree to reasonably cooperate to reconcile any overpayment or under payment of the Major Default Undepreciated/Specialized Personal Property Purchase Price based upon the actual depreciated book value of the Specialized Personal Property and Undepreciated Personal Property as of the date of surrender, within a reasonable time after payment of the Major Default Undepreciated/Specialized Personal Property Purchase Price, but not to exceed sixty (60) days thereafter.

18.5 Lessor's Remedy of Indemnification Upon an Event of Default. In addition to any remedy Lessor is entitled to exercise pursuant to Section 18.3 or 18.4 above, Lessor shall also be entitled to the right to indemnification for Losses suffered by Lessor by reason of the occurrence of an Event of Default. "Losses" means any and all losses, liabilities, claims, demands, suits, causes of action, judgments, obligations, penalties, fines, damages and deficiencies, of any kind or nature whatsoever, and all costs and expenses incident thereto (including reasonable attorneys' fees and all other reasonable expenses incurred in investigating and preparing or defending any litigation or proceeding, commenced or threatened, whether such litigation or proceeding is prosecuted by a party hereto or by a third party);

18.6 Bankruptcy. If an order for relief under the Bankruptcy Code is entered with respect to Lessee, Lessee agrees that the following will apply:

(a) this Agreement will be construed as a lease of non-residential real property;

(b) Lessee's obligations under this Agreement will be continuing in nature and will be construed as arising from day to day from and after the date upon which performance of each obligation first becomes due until paid or performed;

(c) any monetary obligations of Lessee due under this Agreement constitute the fair market rental value of the Hospital Facilities for which Lessee will remain liable until Lessee vacates and surrenders the Premises;

(d) all amounts which Lessee is obligated to pay under this Agreement constitute actual, necessary and reasonable expenses of preserving Lessee's bankruptcy estate for which Lessor will be entitled to an administrative expense priority claim pursuant to 11 U.S.C. §503(b)(1)(A) should Lessor exercise its option to pay such expenses upon Lessee's default; and

(e) in the event Lessee seeks to assume and assign this Agreement, "adequate assurance of future performance" by the proposed assignee will include, at a minimum, proof that the financial condition and operating performance of the proposed assignee and its subsidiary, if any, will be similar to the financial condition and operating performance of Lessee and Guarantor as of the time that Lessee entered into this Agreement; provided, however, that this provision will not constitute consent by Lessor to any such assignment, or be deemed a waiver of Lessor's right to contest any such assignment.

18.7 Repossession of the Premises on Termination. Upon termination of this Agreement as provided by Sections 18.4 above, Lessor may proceed to enter into and repossess the Premises with process of law in such manner and in accordance with such procedures as a court of competent jurisdiction may allow, without incurring any liability to Lessee or to any persons occupying or using the Premises for any damage caused or sustained by reason of such lawful entry or removal. Provided further, on such termination of this Agreement as provided in Sections 18.4, and upon request of Lessor, Lessee shall cooperate with Lessor in arranging for the orderly transfer of the Hospital Facilities and its operations and employees to the management of Lessor (or a third-party management company selected by Lessor).

19. Lessor's Performance of Lessee's Obligations. If an Event of Default shall exist as a result of the Lessee's failure to pay the costs of maintenance and repair of the Premises or if Lessee shall fail to take out, maintain, and deliver, insurance policies as required in Section 9, or if it shall fail to pay any taxes as required herein, in each case prior to the expiration of any applicable grace period under this Lease, then the Lessor may, but shall not be obligated to do so, and upon fifteen (15) days prior written notice to the Lessee, except in the case of failure to take out or pay for insurance in which case no notice or demand is required, perform the acts omitted or failed to be performed by the Lessee. If such performance by the Lessor shall constitute in whole, or in part, the payment of monies, such monies so paid by the Lessor, together with reasonable attorneys' fees and costs incurred by the Lessor in and about the collection of the same, both at trial and appellate levels, shall be deemed additional rent hereunder and shall be payable to the Lessor upon demand, or, at the option of the Lessor may be added to any rent then due or thereafter becoming due under this Agreement and the Lessee covenants to pay any such sums with reasonable attorneys' fees as aforesaid, and the Lessor shall have, in addition to any and all other rights and remedies herein provided, the same rights and remedies in the event of non-payment as in the case of default by the Lessee in the payment of rent.

20. Dispute Resolution Procedures.

20.1 Disputes. The parties agree that all disagreements, disputes, controversies or claims between or among the parties hereto arising out of or relating to this Lease (“**Disputes**”) that cannot be resolved independently by the relevant parties, shall be resolved by arbitration in accordance with the provisions in this Section. The procedures set forth in this Section shall be the exclusive mechanism for resolving any Dispute that may arise from time to time. The foregoing, however, *shall not* preclude the parties from applying to any Court of competent jurisdiction for any injunctive remedies available under applicable laws for any purposes.

20.2 Judicial Proceedings. In connection with any claims for injunctive relief, any such party shall bring an action with respect to such claim in a court of competent jurisdiction located in Indian River County, Florida, provided, however, the parties expressly agree that such action shall, to the extent removable, be removed to the United States District Court for the Southern District of Florida. The parties expressly consent to personal and subject matter jurisdiction in the foregoing courts and waive, to the fullest extent permitted by law, any and all objections related to the same, including, but not limited to, lack of personal or subject matter jurisdiction, improper or inconvenient venue or forum, or right to seek remand or transfer to another court on any basis, including, but not limited to, *forum non conveniens*.

20.3 Arbitration. Lessor and Lessee agree to the following with respect to the arbitration of any dispute between Lessor and Lessee.

(a) Forum. The forum for arbitration shall be Indian River County, Florida.

(b) Law. The governing law shall be the law of the State of Florida.

(c) Administration. The arbitration shall be administered by the American Arbitration Association (“**AAA**”).

(d) Selection of Arbitrators; Notice.

(i) In the case of one or more Disputes for which the amount in controversy, whether for an individual Dispute or in the aggregate as to multiple Disputes, is less than Five Hundred Thousand and No/100 Dollars (\$500,000.00), the parties agree to submit such Disputes to a single arbitrator, to be chosen in the manner prescribed below. In the event the amount in controversy, whether for an individual Dispute or in the aggregate as to multiple Disputes between the parties, is Five Hundred Thousand and No/100 Dollars (\$500,000.00) or more, or, in the event the parties do not agree as to whether such amount in controversy is Five Hundred Thousand and No/100 Dollars (\$500,000.00) or more, the parties agree to submit such Disputes to a panel of arbitrators consisting of three (3) arbitrators, as set forth below (the term “**Arbitrators**” shall refer to the panel of arbitrators or the single arbitrator, as applicable). For purposes of determining the aggregate amount in controversy, multiple Disputes need not be related, and circumstances, and any counter-claims, cross-claims, third-party claims which are subject to resolution pursuant to this Section 20 may also be considered.

(ii) Where the parties use a single arbitrator, within twenty (20) days of the defendants' receipt of the demand for arbitration initiating such proceedings, the parties shall select a single arbitrator from a list of members of the AAA's National Panel of Commercial Arbitrators. Such arbitrator must be "neutral." A "**neutral**" arbitrator shall be a Person who would not be subject to disqualification under Rule R 17 of the AAA Commercial Rules. If the parties do not reach agreement on the selection of a single arbitrator within the twenty (20) day period, the AAA shall have the right to make such selection upon the request of any party to the arbitration proceeding.

Where the arbitration will be presided over by a panel of arbitrators, within twenty (20) days of the defendants' receipt of the demand for arbitration initiating such proceedings, Lessor and Lessee shall each select one qualifying arbitrator (and provide written notice of such selection to the other parties to the arbitration proceeding). A "**qualifying**" arbitrator is a person who is not and has not been (i) an Affiliate of any party to the arbitration proceeding or (ii) counsel to any such Person. If either Lessor or Lessee fails to select a qualifying arbitrator or provide such notice within the twenty (20) day period, the AAA shall have the right to make such selection upon the request of any party to the arbitration proceedings. (Such qualifying arbitrators hereafter may be referred to, respectively, as the "**First Arbitrator**" and the "**Second Arbitrator**"). Within ten (10) days following their selection, the First and Second Arbitrator shall select (and provide written notice to the parties to the arbitration proceedings) a third arbitrator (the "**Third Arbitrator**") from a list of members of the AAA's National Panel of Commercial Arbitrators. The Third Arbitrator must be "neutral."

(e) Rules. The rules of arbitration shall be the Commercial Arbitration Rules of the AAA, as modified by any other instructions that the parties hereto may agree upon at the time, provided that the discovery rules under the Florida Rules of Civil Procedure shall govern discovery in the arbitration.

(f) Award. The Arbitrators shall render a final award which shall be final and binding upon the applicable parties. Judgment upon the award may be entered in any court of competent jurisdiction of the United States. The arbitrator(s) shall award to the prevailing party, if any, as determined by the arbitrator(s), all of its costs and fees. "Costs and fees" mean all reasonable pre-award expenses of the arbitration, including the arbitrator(s)' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees, and attorneys' fees.

21. Intentionally Omitted.

22. Alienation; First Refusal.

22.1 Alienation. Except as provided in this Section 22, during the Lease Term, Lessor shall not voluntarily convey, transfer, encumber or otherwise alienate any portion of the Premises or any interest therein to any person or entity except Lessee.

22.2 Lessee's Right of First Refusal.

(a) During the Lease Term, Lessor shall, prior to any proposed, direct or indirect, sale, transfer or assignment of all or any part of its interest in all or any portion of the Premises or any Adjacent Parcel (subject to the terms of Section 22.3 with respect to the Adjacent Parcels), provide Lessee with written notice of the terms and conditions of the proposed sale, transfer or assignment, including the identity of the proposed transferee and the proposed purchase price, and a copy of any written contract or letter of intent relating to such transfer. Lessee shall have a right of first refusal for sixty (60) days from the receipt of such notice in which to deliver written notice to Lessor of the exercise of Lessee's right of first refusal to consummate such sale, transfer or assignment on the same price, terms and conditions contained in the notice. If Lessee delivers written notice of its exercise of its right of first refusal to acquire the same on such price, terms and conditions, Lessee and Lessor shall have one hundred twenty (120) days from the date on which Lessee received notice of the transaction in which to negotiate in good faith and execute a definitive agreement regarding such transaction. If Lessee fails to deliver written notice of the exercise of its right of first refusal within such sixty (60) day period or, Lessor and Lessee, after negotiating in good faith, fail to execute a definitive agreement within such one hundred twenty (120) day period, Lessor shall be entitled to proceed with the sale, transfer or assignment of the same on the terms described in Lessor's notice, provided that if Lessor does not consummate such transaction within nine (9) months after the date on which Lessor was entitled to proceed with the sale, transfer or assignment on the terms described in Lessor's notice, then the provisions hereof shall apply again to any proposed transaction. Lessor acknowledges and agrees that if Lessee exercises its right to purchase the Premises pursuant to this Section 22.2, Lessee shall be entitled to an offset against the purchase price payable for the Premises in an amount ("**Unamortized Capital Improvement Payment**") equal to the unamortized cost of any of "Lessee's New Improvements" (as hereinafter defined). As used herein, the term "**Lessee's New Improvements**" shall mean any and all capital improvements (as generally defined under GAAP, but not including normal maintenance and repair and further not including Specialized Personal Property and Undepreciated Personal Property as both are defined at Section 13(c)), expansions, additions, alterations, renovations or replacements to the Premises constructed, installed or made by Lessee or its affiliates or their respective subtenants with respect to the Premises during the Lease Term and preceding exercise of the right of first refusal by Lessee.

(b) In the event of the purchase of the Premises by Lessee as provided in Section 22.2, Lessor shall convey to Lessee or its designee by its limited or special warranty deed and bill of sale to the Premises, subject only to Permitted Encumbrances, real estate taxes which are not delinquent and liens caused or created by Lessee, but free and clear of all mortgages, security deeds, liens, encumbrances and security interests securing any indebtedness of Lessor. The purchase price shall be paid in cash by wire transfer of immediately available funds at the time of the closing. Lessee shall be obligated to pay for any title insurance obtained by Lessee in connection with the purchase of the Premises, the cost of any documentary stamps in connection with transfer of the Premises to Lessee, and the costs of recording the deed to the Premises. Each party shall be responsible for the fees of its respective counsel.

(c) Upon the completion of any such purchase by Lessee, this Lease and all obligations hereunder shall expire, provided that neither party shall be released with respect to obligations and liabilities of Lessee and Lessor, actual or contingent, under this Lease which arose on or prior to the date of the closing of the purchase, unless specific provision therefor shall be made in the instruments and agreements relating to such purchase. The parties will join in executing an instrument acknowledging the expiration of this Lease under these circumstances.

22.3 Adjacent Parcel Right of First Refusal. Lessee acknowledges that the Lease between Lessor and the Visiting Nurse Association & Hospice Foundation, Inc. contains a right of first refusal with respect to the premises demised thereunder (“**Existing ROFR**”). Lessee agrees that its rights under Section 22.2 hereof shall not be applicable with respect to a transfer by Lessor to the holder of such Existing ROFR if the transfer is made pursuant to such Existing ROFR.

22.4 Lessee Termination. In addition to any rights that Lessee may have pursuant to Section 22.2 hereof, in the event of the voluntary transfer of the Premises or any portion thereof by Lessor (or any successor to Lessor) to a third party which is not a governmental agency, Lessee shall have the right, within sixty (60) days after the date it receives written notice of the transfer to terminate the Lease on not less than one hundred twenty (120) days written notice to Lessor. In the event of any such termination, Lessee shall be entitled to receive, on the effective date of termination, from the Lessor, the Unamortized Capital Improvement Payment. Simultaneously with such payment, Lessee shall convey to Lessor or its designee, by its limited or special warranty deed and bill of sale, the Premises (together with the Lessee’s Personal Property, as defined in Section 13.1(c)), subject only to Permitted Encumbrances, real estate taxes which are not delinquent and liens caused or created by Lessee but free and clear of all leasehold mortgages, security deeds, liens, encumbrances and security interests securing any indebtedness of Lessee. In addition, in the event of any such termination, Lessor shall have the right to purchase the Specialized Personal Property and Undepreciated Personal Property in the same manner as is set forth in Section 18.4(c).

Lessor acknowledges that the obligation to pay the Unamortized Capital Improvement Payment shall survive transfer of the Premises and shall be binding on any successor Lessor hereunder.

23. Surrender of Premises.

23.1 Surrender of Premises. Subject to the terms of Section 16 (Casualty), and Section 17 (Condemnation) and Lessee’s rights under Section 13 (Additions, Alterations, Demolition and Removal, as applicable) and Section 13(c) (Removal of Personal Property), upon the expiration of the Lease Term, Lessee shall surrender the Premises to Lessor in their then existing condition without any obligation to restore the Premises to their original condition as of the Commencement Date or otherwise make alterations to the Premises. Upon the expiration of this Lease, all of Lessee’s rights with respect to the Future Improvements and any other improvements on the Premises (except to the extent that the same have been removed from the Premises by Lessee pursuant to Section 13 hereof) will automatically revert to and transfer to

Lessor, free and clear of all liens created by Lessee thereon. Lessee will execute and deliver to Lessor such instruments as reasonably requested by Lessor to evidence such reversion and transfer.

23.2 Transition Plan. During the one (1) year period prior to the expiration of the Initial Term (or any Renewal Term), Lessor and Lessee shall develop and implement a plan (the "Transition Plan") to transition the operations conducted by Lessee on the Premises (if any) at the end of the Lease Term to Lessor or its designee in a manner that maintains compliance during such transition with the operating covenants of this Lease and applicable Laws, which Transition Plan shall, among other items agreed to by the parties, (i) provide that any and all liens on the Premises or Lessee's leasehold estate under this Lease in respect to the Premises created by, through or under Lessee shall be extinguished or otherwise removed prior to conclusion of the Lease Term; (ii) provide for the continuation of the operations conducted by Lessee on the Premises (if any) upon transition, including the transition of applicable Permits and Approvals associated with such operations to Lessor or its designee; (iii) provide for Lessor's designation of a Person to facilitate implementation of the Transition Plan, which Person shall be afforded such access and informational resources reasonably necessary to oversee diligent completion of the Transition Plan, (iv) provide for the orderly transition of all licenses, permits, and other governmental approvals needed to operate the Hospital Facilities to the Lessor; and (v) provide for the orderly transfer of employees necessary to operate the Hospital Facilities to the Lessor.

23.3 Holdover.

(a) If Lessee fails to vacate the Premises and possession of the Premises is not surrendered to Lessor upon expiration of the Initial Term, in addition to any other rights or remedies Lessor may have under this Lease, Lessee shall be deemed a tenant at sufferance and shall pay as holdover rental for each day of the holdover tenancy an amount equal to: (w) \$3,801.00 per day during the first ninety (90) days of such holdover tenancy following the expiration of the Initial Term, (x) \$4,435.66 per day during the next ninety (90) days thereafter following expiration of the Initial Term, and (y) \$5,069.33 per day thereafter. Lessor and Lessee acknowledge that since no rent is payable during the Initial Term the parties have used a mutually agreed annual base rent of \$503,750.00 with an annual two (2%) percent escalations, in order to calculate the per diem amounts set forth above.

(b) If Lessee fails to vacate the Premises and possession of the Premises is not surrendered to Lessor upon expiration of any Renewal Term, in addition to any other rights or remedies Lessor may have under this Lease, Lessee shall be deemed a tenant at sufferance and shall pay as holdover rental for each day of the holdover tenancy an amount equal to: the Holdover Percentage multiplied by the Renewal Term Rental which Lessee was obligated to pay for the month immediately preceding the end of the Lease Term, divided by thirty (30). "Holdover Percentage" means (w) for the first ninety (90) days of such holdover, one hundred fifty (150%) percent, (x) for the next ninety (90) days thereafter, one hundred seventy-five (175%) percent, and (y) thereafter, two hundred (200%) percent.

The inclusion of this Section 23 (i) shall not be construed as Lessor's consent for Lessee to hold over and (ii) shall not be deemed or construed to be or constitute a renewal or extension of this Lease.

24. Liens. During the Lease Term, Lessor shall not create, incur, assume or permit to exist any Lien on the Premises. For purposes of this Lease, "**Lien**" means any mortgage, deed of trust, lien, construction lien, pledge, hypothecation, charge or security interest in, on or of the Premises or any portion thereof securing an obligation to pay money. Notice is hereby given that the Lessor shall not be liable for any labor or materials furnished or to be furnished to the Lessee, and that no construction or other lien for any such labor or materials shall attach to or affect the reversionary or other estate or interest of the Lessor in and to the Hospital Facilities and Premises herein demised.

25. Notices. Any notice, demand or communication required, permitted or desired to be given hereunder will be in writing and will be deemed effectively delivered when personally delivered, when actually received by overnight courier, or five (5) days after being deposited in the United States mail, with postage prepaid thereon, by certified or registered mail, return receipt requested, addressed as follows:

If to Lessor: Indian River County Hospital District
3730 7th Terrace, Suite 204-B
Vero Beach, Florida 32960
Fax: (____) _____
Attention: Chair of the Board of Trustees

with a copy to: GrayRobinson, P.A.
301 E. Pine St., Suite 1400
Orlando, Florida 32801
Fax: (407) 244-5690
Attention: William A. Boyles, Esq.

If to Lessee: Indian River Memorial Hospital, Inc.
1000 36th St.
Vero Beach, Florida 32960
Fax: _____
Attention: President

with a copy to: _____

Fax: _____
Attention: _____

If to Guarantor:

The Cleveland Clinic Foundation
9500 Euclid Avenue
NA-4
Cleveland, Ohio 44195
Fax: _____
Attention: _____

or to such other address, and to the attention of such other Person as any party may designate by notice delivered in like manner.

26. Estoppel Certificates. Each party shall, at its own cost and expense, at any time and from time to time, within twenty (20) business days after request by the other party, certify by written instrument, duly executed, acknowledged and delivered to the requesting party or any other Person or entity specified by the requesting party: that this Lease is unmodified and in full force and effect, or, if there have been any modifications, that the same is in full force and effect as modified and stating the modifications; whether or not there are then existing any setoffs or defenses against the enforcement of any of the agreements, terms, covenants or conditions hereof and any modifications hereof upon the part of either party to be performed or complied with, and, if so, specifying the same; the date of expiration of the Lease Term; and such other matters reasonably requested by the requesting party.

27. Attornment and Non-disturbance Agreements. Except as otherwise provided in Section 15.1(c), from time to time during the Lease Term at the request of Lessee, Lessor shall execute and deliver to Lessee for the benefit of Lessee or Lessee's subtenants attornment and non-disturbance agreements in form and substance reasonably satisfactory to Lessee and Lessor (with such approval not being unreasonably withheld) pursuant to which Lessor shall agree to recognize the lease of such subtenant and to permit such subtenant to remain in occupancy of its premises notwithstanding any default hereunder or the expiration of the Lease Term. Any such agreement shall provide that such subtenant is obligated to attorn to Lessor if this Lease expires or is terminated by mutual agreement of Lessor and Lessee and to recognize Lessor as Landlord under the lease with such subtenant covering its premises on the Premises.

28. Covenants and Representations by the Lessee. Lessee hereby represents and warrants:

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

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

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

(d) Lessee has not employed any investment banker, finder, broker, agent or other intermediary in connection with the negotiation or consummation of this Agreement or of any of the transactions contemplated hereby as to which Lessor may have any liability for a broker's, finder's, financial advisory or similar fee.

(e) To the extent that any subsidiary of Lessee (a) performs any action with respect to the Premises, which action is otherwise performable by Lessee hereunder; or (b) exercises any operational responsibility with respect to the Hospital, which responsibility is otherwise exercisable by Lessee hereunder; or (c) occupies any portion of the Premises, Lessee shall cause such subsidiary to comply with the terms of this Agreement with respect to such action, responsibility, or occupancy. Any violation of such terms by the subsidiary shall constitute a violation of this Agreement by Lessee and a default hereunder. For the purposes of this paragraph, the term "subsidiary" shall mean any entity which (a) is created by or at the instigation of Lessee, for the purpose of performing any action or exercising any responsibility, as described in the first sentence of this paragraph; (b) is owned more than fifty percent (50%) by Lessee, or one or more of its subsidiaries; (c) in the case of a not-for-profit entity, has Lessee as its sole or primary member, or Lessee has the right to approve or appoint a majority of its governing board.

(f) The Chair of the District Board of Trustees shall serve "ex officio" on the IRMC Board (or if the person serving as Chair has a conflict of interest, as defined pursuant to the Amended IRMC Governing Documents, a District Trustee selected by vote of a majority of the members of the Board of Trustees of the District shall serve on the IRMC Board). No more than one District Trustee may serve on the IRMC Board at the same time.

29. Title to Premises and Covenant of Quiet Enjoyment. Lessor covenants, represents and warrants to Lessee that:

29.1 Title to Premises. Lessor has full right and lawful authority to enter into this Lease for the Lease Term, is lawfully seized of the Premises and has good and marketable title thereto, free and clear of all liens and encumbrances except those listed on Exhibit "B" attached hereto.

29.2 Quiet Enjoyment. Lessee shall peaceably and quietly have, hold, occupy and enjoy the Premises and all the appurtenances thereto, without hindrance, disturbance or molestation from Lessor or any other Persons and other entities whatsoever.

29.3 Compliance with Enabling Act. Lessor has the right under the Enabling Act and all other laws to enter into this Lease and perform the terms and conditions hereof.

30. Lessee Articles of Incorporation. Pursuant to Florida Statutes §155.40(2)(a), the Articles of Incorporation of Lessee have been approved by the governing body of Lessor.

31. Miscellaneous Provisions.

31.1 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.

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

31.3 Counterparts; Electronic Signatures. This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. Facsimile and electronic signatures on this Lease shall be considered the same as original signatures for all purposes.

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

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

31.6 Memorandum of Lease. The parties will execute a short form Memorandum of Lease in recordable form which Lessee will record in the Public Records of Indian River County, Florida, a form of which is attached hereto as Exhibit "C".

31.7 No Partnership. The parties hereto intend the relationship created by this Lease to be that of Lessor and Lessee and do not intend for the arrangement between them to be a partnership.

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

31.9 Separate and Independent Obligations; Binding Effect; Amendments. Each provision hereof shall be separate and independent and, the breach of any such provision by either party shall not discharge or relieve the other party from its obligations to perform each and

every covenant to be performed by the non-breaching party hereunder. If any provision hereof or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforceable to the extent permitted by law. All provisions contained in this Lease shall be binding upon, inure to the benefit of and be enforceable by the respective successors and permitted assigns of Lessor and Lessee to the same extent as if each such successor and assign were named as a party hereto. This Lease may not be changed, modified or discharged except by a writing signed by Lessor and Lessee. Any such change, modification or discharge made otherwise than as expressly permitted by this paragraph shall be void.

31.10 Merger. There shall be no merger of this Lease, the leasehold estate created hereby, or the Improvements with the fee estate in and to the Land by reason of the fact that this Lease, the leasehold estate created hereby, or the Improvements, or any interest in either of them, may at any time be held directly or indirectly by or for the account of any person who shall own the fee estate in and to the Land, or any portion thereof, and no such merger shall occur unless and until all persons at the time having an interest in the fee estate and all persons having any interest in this Lease, the leasehold estate or the Improvements, shall join in a written instrument effecting such merger.

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

31.12 Limitation on Lessor's Liability. In no event will Lessor or Lessee be liable for consequential, incidental, indirect, punitive or special damages (including loss of profits or business) regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose, constructive eviction or otherwise.

31.13 Waiver of Trial by Jury. EACH PARTY HEREBY WAIVES ITS RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING IN CONNECTION WITH ANY MATTER RELATING TO THIS AGREEMENT.

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

31.15 Recitals. The Recitals at the beginning of this Lease are true and correct and are incorporated herein by reference.

31.16 Entire Agreement; Amendment. This Agreement, including all schedules and exhibits required hereunder, supersedes all previous agreements, oral or written, and, along with the Member Substitution Agreement, constitutes the entire agreement between Lessor and Lessee respecting the subject matter of this Agreement, and no party will be entitled to benefits

other than those specified herein. Each exhibit and schedule referenced in this Agreement will be considered a part hereof as if set forth herein in full. As between Lessor and Lessee, oral statements or prior written materials that are not specifically incorporated herein will not be of any force and effect. The Lessor and Lessee specifically acknowledge that in entering into and executing this Agreement, the Lessor and Lessee will rely solely upon the representations and agreements contained in this Agreement and no others, with the exception of the Member Substitution Agreement. This Agreement may be amended or modified only by an agreement in writing signed by Lessor and Lessee.

31.17 No Third Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or other third party other than the Lessor and Lessee and their respective successors and permitted assigns.

32. Lease Guaranty. Contemporaneously herewith, Guarantor is executing and delivering to Lessor the Guaranty, in the form of Exhibit "E" attached hereto.

33. Signage Rights. Any new interior and exterior signage at the Premises shall be installed at Lessee's sole expense. Lessee shall have the right, at its sole cost and expense, to replace or modify any such signage and shall have the right to erect any additional signage on or about the Premises and the Land, provided that all such signage is in compliance with all applicable Laws and provided further that Lessee shall not alter the signage currently identifying the Post Chapel. Landlord will cooperate with Lessee as needed to obtain any necessary sign variances and with respect to any permits or applications; provided, however, that such cooperation shall be at no expense to Landlord. Notwithstanding anything to the contrary, Lessee shall have all naming rights with respect to the Hospital Facilities and other portions of the Premises.

34. Tax Treatment. Lessor and Lessee agree that Future Improvements shall be capital expenditures of Lessee pursuant to Treas. Reg. §1.162-11(b) and subject to depreciation or amortization by Lessee pursuant to Section 168(i)(8)(A) of the Internal Revenue Code and Treas. Reg. §1.167(a)-4(a). Lessor and Lessee agree that (a) each will file its respective tax returns in a manner consistent with such treatment, and (b) will not take any position contrary to such treatment in any tax proceeding or in any filing with the taxing authority.

35. Waiver of Statutory Lien. Lessor hereby expressly disclaims and irrevocably and unconditionally waives any statutory or common law lien on any of Lessee's trade fixtures, furnishings, equipment and other personal property.

36. Non-Competition by Lessor.

(a) Business Interests. The Lessor acknowledges that this Agreement involves the following business interests of Lessee: (1) substantial relationships between the patients, physicians, employees, and vendors of Lessee; and (2) goodwill of patients, prospective patients, physicians, employees, and vendors associated with the Hospital and with the specific location of these services and business operations and marketing of them in Indian River County. Therefore, the restrictions in this Section 36 are reasonably necessary to protect the business interests of Lessee. Accordingly, the Lessor agrees that it shall not, directly or indirectly, in any

capacity anywhere within the current geographic boundaries of Indian River County without the express prior written approval of Lessee (which approval shall be at the sole discretion of Lessee and may be withheld for any reason):

(i) independently, or in concert with others, develop, acquire, own, manage, or engage in the business of an acute care hospital or an outpatient/ambulatory surgery center; or

(ii) unless otherwise excluded hereunder, develop, own any interest in, manage, operate, control, lend, donate money to or support the operational or capital needs of or enter into any joint venture with any health care provider not affiliated with Lessee to provide the “Prohibited Activities” defined below. Provided, this covenant shall not prohibit the Lessor from funding indigent care for residents living within the physical boundaries of Indian River County at any health care facility. The term “not affiliated with Lessee” shall mean any health care entity which is not an “Affiliate” of Lessee as such term is defined in Section 10.2 of this Agreement.

(b) For purposes of this Section 36, “Prohibited Activities” are acute care services that compete directly with Lessee, including without limitation, the operation of an acute care general hospital, a specialty hospital, an ambulatory surgical center, an emergency care center, a clinical laboratory; any facility that provides diagnostic, ultrasound, radiology (which includes magnetic resonance imaging (MRI), computerized tomography (CT), and positron emission tomography (PET)), nuclear medicine, endoscopy, mammography, respiratory therapy, or rehabilitative therapy services; or any facility that provides cardiac or cancer diagnosis or treatment. “Prohibited Activities” shall not include financial or other support for indigent or charity care services described in the Lessor’s current enabling legislation. Furthermore, notwithstanding the provisions of this Section 36, the Lessor may directly or indirectly:

(i) grant or lend money, equipment or supplies to provide any healthcare services (including, but not limited to, those considered “Prohibited Activities”) for residents of Indian River County who are indigent, uninsured or underinsured;

(ii) grant, lend money to, develop, manage, own, joint venture in, acquire or support an ambulance service, birthing center, assisted living facility, independent living facility, a substance abuse facility or program, a behavioral (mental) health facility or program, a hospice center or similar entities in the future providing substantially the same services, regardless of the provider; and

(iii) grant or lend money, equipment or supplies, including, but not limited to, supporting operational or capital needs, to nonprofit organizations providing physician services and other health care services for indigent, uninsured or underinsured residents of Indian River County including, but not limited to Lessee, Florida Department of Health Indian River, Mental Health Association in Indian River County, Inc., Mental Health Collaborative of Indian River County, Inc., New Horizons of The Treasure Coast, Inc., The Public Guardianship Program of Indian River County, Inc., Treasure Coast Community Health, Inc., University of Florida Center For Psychiatry And Addiction, Visiting Nurse Association of

The Treasure Coast, Inc., Indian River County Healthy Start Coalition, Inc., Indian River Senior Collaborative, Tykes & Teens, Inc., United Against Poverty, Inc., Whole Family Health Center, Inc., Connections Center/Mental Health Collaborative, and all of these entities' successors and assigns, and similar organizations or entities serving a similar patient population. The foregoing activities shall not be considered "Prohibited Activities" or to be in breach of this Section 36 of the Agreement. Further, Lessor may engage in any other activity allowed pursuant to its Enabling Act for the health, education, and welfare of residents of Indian River County which are not otherwise prohibited by this Section of the Agreement. The parties hereto acknowledge that the need for such activities for the health, education and welfare of the residents of Indian River County as well as those excluded from the definition of "Prohibited Activities," substantially outweigh the need to protect the business needs of Lessee.

(c) Duration. This covenant shall continue during the initial ten (10) Lease Years of the Initial Term. Provided this covenant shall terminate and be void upon the occurrence of a Major Event of Default.

(d) Injunctive Relief. The parties hereto recognize and hereby acknowledge that it is impossible to measure in money the damages which would result to Lessee (the "**Aggrieved Party**") or its successors or assigns and that irreparable injury shall be presumed to occur by reason of a failure, by the Lessor to perform any of the obligations imposed under this Section. Therefore, the Aggrieved Party and its successors or assigns shall be entitled to injunctive and other equitable relief to enforce the terms of this Section, without the necessity of showing irreparable harm and without the necessity of posting bond or security, and the defendant in such action hereby waives the claim or defense that there was an adequate remedy at law and shall not urge in any action or proceeding the claim or defense that such a remedy at law exists.

(e) Severability; Reformation. If any of the provisions, or portions thereof, of this Section are held to be unenforceable or invalid by any arbitrator or court, the validity and enforceability of the remaining provisions, or portions thereof, will not be affected and shall continue in force. If any arbitrator or court determines that the scope of any of the restrictions contained in this Agreement are unenforceable, it is the intention of the parties, if authorized under Florida law, that the restrictions and covenants shall not thereby be terminated but rather shall be amended and revised to the extent required to render them valid and enforceable.

(f) Prevailing Party. Should any party institute any action or proceeding to enforce the terms of this Section 36, the prevailing party shall be entitled to (and the losing party shall pay) the prevailing party's reasonable costs, expenses, and fees (including, without limitation, reasonable attorneys' fees) incurred in such action or proceeding or any appeal therefrom.

(g) Adjacent Parcels. Lessor and Lessee agree that the Adjacent Parcels are subject to lease agreements as more particularly described in Exhibit "F" (the "**Adjacent Parcel Leases**"). Further, Lessor is also the owner and lessor of property located at 4675 28th Court, Vero Beach, Florida 32967 (the "**Gifford Health Center Lease**") which is currently leased to the Indian River County Health Department (the "**County Health Department**"). Nothing in

this Section 36 shall prohibit the lessees under those leases from operating as currently permitted under the Adjacent Parcel Leases and the Gifford Health Center Lease. Further, it shall not be a Prohibited Activity for the Lessor to grant or lend money, equipment or supplies, including, but not limited to, supporting operational or capital needs, or otherwise providing financial or other support to the lessees under the Adjacent Parcel Leases and under the Gifford Health Center Lease, including, but not limited to providing maintenance to the premises described in the Adjacent Parcel Leases and the Gifford Health Center Lease.

37. Force Majeure. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including failure, refusal or delay in issuing permits, approvals and/or authorizations), injunction or court order, riots, insurrection, war, fire, earthquake, flood or other natural disaster or other reason of a like nature not the fault of the party delaying in performing work or doing acts required under the terms of this Lease (but excluding delays due to financial inability) (herein collectively, “**Force Majeure Delays**”), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Provided, however, this Section 37 shall not apply to the performance of any financial requirements of the parties as set forth in this Lease, and shall not excuse, extend or abate Lessee's obligations hereunder because of inadequate finances.

38. Attorney's Fees. Should any party institute any action or proceeding to enforce an arbitration award, an action for injunctive relief or specific performance, the prevailing party shall be entitled to (and the losing party shall pay) the prevailing party's reasonable costs, expenses, and fees (including, without limitation, reasonable attorneys' fees) incurred in such action or proceeding or any appeal therefrom.

[SIGNATURE PAGES FOLLOW NEXT.]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date and year first written above.

Witnesses:

LESSOR:

**INDIAN RIVER COUNTY HOSPITAL
DISTRICT**

Print Name: _____

By: _____

Name: Marybeth Cunningham

Title: Trustee and Chairman

Print Name: _____

Witnesses:

Print Name: _____

Print Name: _____

LESSEE:

**INDIAN RIVER MEMORIAL
HOSPITAL, INC.**, a Florida not for profit
corporation

By: _____

Name: _____

Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

PARCEL A: (Main Hospital)

The Northwest 1/4 of the Northwest 1/4 and the Northeast 1/4 of the Northwest 1/4 of Section 36, Township 32 South, Range 39 East, Indian River County, Florida.

LESS AND EXCEPT PARCELS 1, 2 AND 3 AS SET FORTH BELOW:

Parcel 1: That parcel described as Parcel No. 118 in Deed to the State of Florida, recorded June 20, 1977, in Official Records Book 553, Page 2835, Public Records of Indian River County, Florida and that parcel described as Parcel No. 801 in Deed to the State of Florida recorded June 20, 1977, in Official Records Book 553, Page 2837, Public Records of Indian River County, Florida.

Also described as: The North 75.00 feet thereof for 37th Street/Barber Avenue road right-of-way.

Parcel 2: The South 260.00 feet of the West 934.00 feet of said Northwest 1/4 of the Northwest 1/4 Section 36, Township 32 South, Range 39 East; and,

Parcel 3: That certain Premises including "VNA Hospice House" more particularly described as follows:

The Northeast 1/4 of the Northwest 1/4 of Section 36, Township 32 South, Range 39 East, less and except the West 520.00 feet thereof; less and except the East 275.00 feet of the South 800.00 feet thereof; less and except the South 310.00 feet thereof; and less and except the North 75.00 feet thereof.

TOGETHER WITH a non-exclusive easement in favor of Lessee, its successors in title, assigns, employees, tenants, licensees and invitees for ingress and egress over and upon the roadways now situated upon and hereinafter constructed upon said Parcel 2.

Lessor reserves to itself, its successors in title, assigns, employees, tenants, licensees and invitees a non-exclusive easement for ingress and egress over and upon the roadways now situated upon and hereinafter constructed upon Parcel A and Parcel 2.

And

PARCEL A-1: (Access Roadway to Main Hospital)

That certain access road as shown on the plat of INDIAN RIVER MEMORIAL HOSPITAL ACCESS ROAD AND EASEMENTS, according to the plat thereof, as recorded in Plat Book 10, Page 42, Public Records of Indian River County, Florida.

And

PARCEL B: (Center for Emotional and Behavioral Health)

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

Commence at the Southwest corner of said Section 25, run North along the West Section line, 55.0 feet to the North right-of-way of 37th Street; thence run Easterly, parallel with the South Section line, along said right-of-way 30.00 feet to the Point of Beginning. From the Point of Beginning, run North, parallel with aforesaid West Section line 660.0 feet; thence run Easterly, parallel with aforesaid South Section line, 528.0 feet; thence run South, parallel to aforesaid West Section line 660.0 feet to the North right-of-way of 37th Street; thence run Westerly along said right-of-way, parallel to aforesaid South Section line, 528.0 feet to the Point of Beginning.

And

PARCEL C: (82nd Avenue Property)

That portion of Tracts 7 and 8, in Section 11, Township 33 South, Range 38 East, INDIAN RIVER FARMS COMPANY SUBDIVISION, according to the Plat thereof, recorded in Plat Book 2, Page 25, of the Public Records of St. Lucie County, Florida, now lying and being in Indian River County, Florida, described as follows:

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

And

That portion of Tract 7 in Section 11, Township 33 South, Range 38 East, INDIAN RIVER FARMS COMPANY SUBDIVISION, according to the Plat thereof, recorded in Plat Book 2, Page 25, of the Public Records of St. Lucie County, Florida, now lying and being in Indian River County, Florida, described as follows:

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

seconds East for 876.65 feet to the East line of said Tract 7; thence run South 00 degrees 12 minutes 19 seconds East along the East line of said Tract 7 for 267.19 feet; thence run South 89 degrees 23 minutes 59 seconds West for 876.64 feet to the Point of Beginning; said Premises lying and being in Indian River County, Florida.

EXHIBIT "B"

List of Permitted Exceptions

PARCEL A:

1. Easement grant in favor of Indian River County, recorded September 27, 1978 in Official Records Book 573, Page 2079.
2. Easement grant in favor of the City of Vero Beach, Florida, recorded September 27, 1978 in Official Records Book 573, Page 2081.
3. Agreement by and between the Indian River County Hospital District and Vero Med, a Florida partnership, dated February 15, 1978, and amended by amendment thereto dated February 15, 1978 and attached to and affected by that assignment by Vero Med, a partnership, to Indian River Medical Associates, a Florida general partnership, recorded June 20, 1979 in Official Records Book 586, Pages 2451 through 2457.
4. Easement grant in favor of the City of Vero Beach, Florida, recorded May 22, 1991 in Official Records Book 623, Page 933.
5. Easement grant in favor of the City of Vero Beach, Florida, recorded May 22, 1981 in Official Records Book 623, Page 935.
6. Easement grant in favor of the City of Vero Beach, Florida, recorded October 16, 1981 in Official Records Book 632, Page 595.
7. Easement grant in favor of the City of Vero Beach, Florida, recorded July 22, 1982 in Official Records Book 646, Page 2158.
8. Easement grant in favor of the City of Vero Beach, Florida, recorded August 16, 1982 in Official Records Book 647, Page 1634, as affected by resolution vacating a portion thereof, recorded October 10, 2013 in Official Records Book 2710, Page 258.
9. Easement grant in favor of the City of Vero Beach, Florida, recorded August 16, 1982 in Official Records Book 647, Page 1636.
10. Easement grant in favor of the City of Vero Beach, Florida, recorded August 16, 1982 in Official Records Book 647, Page 2061.
11. Lease by and between the Indian River County Hospital District, as landlord and Indian River Memorial Hospital, Inc., a Florida not for profit corporation, a memorandum of which lease was recorded January 3, 1986 in Official Records Book 725, Page 1042 and the rights of tenant, as tenant only under such lease, as amended by this Lease, a memorandum of which is recorded, or will be recorded, in the Public Records of Indian River County, Florida.

12. Deed of Easement and Bill of Sale of Utility Facilities to the City of Vero Beach, Florida, recorded January 10, 1986 in Official Records Book 725, Page 2150, as affected by Resolution Vacating a portion thereof recorded October 10, 2013 in Official Records Book 2710, Page 258.
13. Easement grant in favor of the City of Vero Beach, Florida, recorded February 25, 1988 in Official Records Book 791, Page 1356.
14. Easement grant in favor of Indian River County, recorded January 8, 1990 in Official Records Book 852, Page 2364.
15. Easement grant in favor of Visiting Nurse Association of the Treasure Coast, Inc. recorded July 15, 1998 in Official Records Book 1221, Page 941.
16. Easement grant in favor of Vero Professional Properties, Inc., recorded January 13, 1999 in Official Records Book 1251, Page 2911.
17. Easement Grant in favor of the City of Vero Beach, Florida, recorded December 17, 2002 in Official Records Book 1546, Page 2720.
18. Easement Grant in favor of Health Systems of Indian River, Inc., a Florida non-profit corporation and 36th Street Medical Building, LLC, a Florida limited liability company, recorded December 17, 2002 in Official Records Book 1546, Page 2724 as amended by Amended and Restated Deed of Easement recorded April 11, 2003 in Official Records Book 1582, Page 940.
19. Affidavit of Road Maintenance responsibilities recorded February 14, 2003 in Official Records Book 1564, Page 1660.
20. Easement grant in favor of Health Systems of Indian River, Inc., a Florida not-for-profit corporation and 36th Street Medical Building, LLC, a Florida limited liability company, recorded November 11, 2003 in Official Records Book 1657, Page 970.
21. Easement Grant in favor of Health Systems of Indian River, Inc., a Florida not-for-profit corporation and Alchope of the Treasure Coast, Inc., a Florida not-for-profit corporation, recorded November 11, 2003 in Official Records Book 1657, Page 993.
22. Easement Grant in favor of the City of Vero Beach, Florida, recorded January 8, 2004 in Official Records Book 1680, Page 719.
23. Agreement by and between Indian River Memorial Hospital, Inc., a Florida non-profit corporation, as licensor and T-Mobile South, LLC, a Delaware limited liability company, as licensee, memorandum of which was recorded March 10, 2008 in Official Records Book 2248, Page 1519.
24. Utility Easement Grant in favor of the City of Vero Beach, recorded January 30, 2013 in Official Records Book 2640, Page 1683.

25. Bill of Sale of Utility Facilities to the City of Vero Beach, Florida, recorded January 30, 2013 in Official Records Book 2640, Page 1693.
26. Utility Easement Grant in favor of the City of Vero Beach, Florida, recorded March 14, 2013 in Official Records Book 2651, Page 1032.
27. Utility Easement Grant in favor of the City of Vero Beach, Florida, recorded June 28, 2013 in Official Records Book 2683, Page 107.
28. Bill of Sale of Utility Facilities to the City of Vero Beach, Florida, recorded June 28, 2013 in Official Records Book 2683, Page 115.
29. Deed of Utility Easement and Subordination of Leasehold Estates thereto, by and between Indian River County Hospital District, as grantor, and the City of Vero Beach, Florida, as grantee, recorded June 6, 2000 in Official Records Book 1336, Page 2520.
30. That certain unrecorded Gift Letter Agreement dated December 12, 2012, by and among the District, IRMC, Indian River Hospital Foundation, Inc. and Richard Post and Helen Post regarding the chapel and garden located on Parcel A and commonly known as the "Post Chapel."
31. Declaration of Easements, Covenants, Conditions and Restrictions dated [_____] to be recorded in the Public Records of Indian River County, Florida.

PARCEL A-1:

32. Restrictive covenant and reverter as set forth in that Warranty Deed recorded April 5, 1974 in Official Records Book 461, Page 626.
33. Dedications on the Plat of INDIAN RIVER MEMORIAL HOSPITAL ACCESS ROAD AND EASEMENTS, recorded in Plat Book 10, Page 42.
34. Bill of Sale of Utility Facilities to the City of Vero Beach, Florida, recorded June 28, 2013 in Official Records Book 2683, Page 115.

PARCEL B:

35. Deed of Easement and Bill of Sale of Utility Facilities to Indian River County, Florida, recorded January 30, 1987 in Official Records Book 758, Page 2626.

PARCEL C:

36. Phosphate, Minerals, Metals and Petroleum Reservations and Reservation of Road Right of Way in favor of the State of Florida, as set forth in Deed from the Trustees of the Internal Improvement Fund recorded in Deed Book 35, Page 443.
37. Easements, dedications and matters on Plat of Indian River Farms Company subdivision recorded in Plat Book 2, Page 25 of the Public Records of St. Lucie County, Florida.

38. Matters on the Replat of VERO BEACH MANORS recorded in Plat Book 2, Page 10.
39. Easement in favor of Florida Power and Light Company, recorded April 18, 1972 in Official Records Book 406, Page 565.
40. Notice of Adoption of Development Order recorded May 15, 1992 in Official Records Book 934, Page 544.

EXHIBIT "C"

FORM OF MEMORANDUM OF LEASE

This instrument prepared by and return to:
Paul S. Quinn, Jr., Esq.
GrayRobinson, P.A.
301 East Pine Street, Suite 1400
Orlando, Florida 32801
Phone: (407) 843-8880

MEMORANDUM OF LEASE
AND AMENDMENT TO PRIOR MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is dated this _____ day of _____, 2018 by and between **INDIAN RIVER COUNTY HOSPITAL DISTRICT**, an independent special district created by the Legislature of the State of Florida ("**Lessor**"), whose address is 3730 7th Terrace, Suite 204-B, Vero Beach, Florida 32960, and **INDIAN RIVER MEMORIAL HOSPITAL, INC.**, a Florida not for profit corporation, d/b/a Indian River Medical Center ("**Lessee**"), whose mailing address is 1000 36th St., Vero Beach, Florida 32960.

Lessor has granted, demised and leased the premises ("**Premises**") described below to Lessee upon the following terms:

1. Date of Lease: _____, 2018 (referred to as the "**Lease**").
2. Description of Premises:

See Exhibit A attached hereto.

The Premises includes the Hospital Facilities, as that term is more particularly defined in the Lease.

3. Lease Commencement Date: _____, 2018.
4. Initial Term: Thirty (30) years.
5. Renewal Options: Three, fifteen (15) year renewal options.
6. Notice under Section 713.10, Florida Statutes. The Lease provides that no construction or mechanics' liens shall be placed against the Lessor's title in the Premises for or on account of the construction of any improvement upon the Premises or any repair, alterations, demolition, or removal of such improvement, or for any other purpose, by any laborer, contractor, materialman, or other person contracting with Lessee. All laborers, mechanics,

materialmen, contractors, subcontractors, and others are called upon to take due notice of this clause, it being the intent of the parties hereby to expressly prohibit any such lien against the Lessor's title or interest by the use of this language as and in the manner contemplated by Section 713.10 of the Florida Statutes.

7. Purpose of Memorandum. The purpose of this Memorandum is to give notice to third persons of the existence and effect of the Lease without recording the entire Lease. It is acknowledged that the complete, detailed terms, covenants and conditions of the Lease appear in the Lease itself, copies of which are in the possession of the parties hereto; it is agreed that all of the terms, covenants and conditions of the Lease are deemed by this reference to be included in this Memorandum of Lease as if fully set forth herein. Nothing herein contained shall in any way, manner or means modify, amend, change, or supersede the terms, covenants and conditions of the Lease and if there exists a conflict between the terms, covenants and conditions of this Memorandum and the terms, covenants and conditions of the Lease, then and in such event the terms, covenants and conditions of the Lease shall take precedence and priority, and shall govern.

8. Replacement of Prior Memorandum of Lease. This Memorandum of Lease shall supercede, amend and replace that certain Memorandum of Lease of Hospital Facilities and Agreement for Operation of Indian River Memorial Hospital dated November 21, 1985, and recorded in Official Records Book 725, Page 1042, Public Records of Indian River County, Florida.

[SIGNATURE PAGES FOLLOWS NEXT.]

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease as of the date set forth above.

Signed, sealed and delivered
in our presence:

(Signature of Witness #1)

(Printed name of Witness #1)

(Signature of Witness #2)

(Printed name of Witness #2)

LESSEE:

**INDIAN RIVER MEMORIAL HOSPITAL,
INC.,**
a Florida not for profit corporation

By: _____

Name: _____

Title: _____

STATE OF FLORIDA
COUNTY OF _____

THE FOREGOING INSTRUMENT was acknowledged before me this ____ day of _____, 2018, by _____, as _____ of **INDIAN RIVER MEMORIAL HOSPITAL, INC.**, a Florida not for profit corporation, on behalf thereof, who is (check one) ____ personally known to me, or ____ produced _____ as identification.

[AFFIX NOTARY SEAL]

Notary Public Signature

Print Notary Name: _____

My commission expires: _____

Signed, sealed and delivered
in our presence:

LESSOR:

**INDIAN RIVER COUNTY HOSPITAL
DISTRICT**

(Signature of Witness #1)

By: _____

(Printed name of Witness #1)

Name: Marybeth Cunningham

Title: Trustee and Chairman

(Signature of Witness #2)

(Printed name of Witness #2)

STATE OF FLORIDA
COUNTY OF _____

THE FOREGOING INSTRUMENT was acknowledged before me this ____ day of _____, 2018, by Marybeth Cunningham, Trustee and Chairman of **INDIAN RIVER COUNTY HOSPITAL DISTRICT**, who is (check one) ____ personally known to me, or ____ produced _____ as identification.

[AFFIX NOTARY SEAL]

Notary Public Signature

Print Notary Name: _____

My commission expires: _____

EXHIBIT "A" TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION

PARCEL A: (Main Hospital)

The Northwest 1/4 of the Northwest 1/4 and the Northeast 1/4 of the Northwest 1/4 of Section 36, Township 32 South, Range 39 East, Indian River County, Florida.

LESS AND EXCEPT PARCELS 1, 2 AND 3 AS SET FORTH BELOW:

Parcel 1: That parcel described as Parcel No. 118 in Deed to the State of Florida, recorded June 20, 1977, in Official Records Book 553, Page 2835, Public Records of Indian River County, Florida and that parcel described as Parcel No. 801 in Deed to the State of Florida recorded June 20, 1977, in Official Records Book 553, Page 2837, Public Records of Indian River County, Florida.

Also described as: The North 75.00 feet thereof for 37th Street/Barber Avenue road right-of-way.

Parcel 2: The South 260.00 feet of the West 934.00 feet of said Northwest 1/4 of the Northwest 1/4 Section 36, Township 32 South, Range 39 East; and,

Parcel 3: That certain Premises including "VNA Hospice House" more particularly described as follows:

The Northeast 1/4 of the Northwest 1/4 of Section 36, Township 32 South, Range 39 East, less and except the West 520.00 feet thereof; less and except the East 275.00 feet of the South 800.00 feet thereof; less and except the South 310.00 feet thereof; and less and except the North 75.00 feet thereof.

TOGETHER WITH a non-exclusive easement in favor of Lessee, its successors in title, assigns, employees, tenants, licensees and invitees for ingress and egress over and upon the roadways now situated upon and hereinafter constructed upon said Parcel 2.

Lessor reserves to itself, its successors in title, assigns, employees, tenants, licensees and invitees a non-exclusive easement for ingress and egress over and upon the roadways now situated upon and hereinafter constructed upon Parcel A and Parcel 2.

And

PARCEL A-1: (Access Roadway to Main Hospital)

That certain access road as shown on the plat of INDIAN RIVER MEMORIAL HOSPITAL ACCESS ROAD AND EASEMENTS, according to the plat thereof, as recorded in Plat Book 10, Page 42, Public Records of Indian River County, Florida.

And

PARCEL B: (Center for Emotional and Behavioral Health)

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

Commence at the Southwest corner of said Section 25, run North along the West Section line, 55.0 feet to the North right-of-way of 37th Street; thence run Easterly, parallel with the South Section line, along said right-of-way 30.00 feet to the Point of Beginning. From the Point of Beginning, run North, parallel with aforesaid West Section line 660.0 feet; thence run Easterly, parallel with aforesaid South Section line, 528.0 feet; thence run South, parallel to aforesaid West Section line 660.0 feet to the North right-of-way of 37th Street; thence run Westerly along said right-of-way, parallel to aforesaid South Section line, 528.0 feet to the Point of Beginning.

And

PARCEL C: (82nd Avenue Property)

That portion of Tracts 7 and 8, in Section 11, Township 33 South, Range 38 East, INDIAN RIVER FARMS COMPANY SUBDIVISION, according to the Plat thereof, recorded in Plat Book 2, Page 25, of the Public Records of St. Lucie County, Florida, now lying and being in Indian River County, Florida, described as follows:

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

And

That portion of Tract 7 in Section 11, Township 33 South, Range 38 East, INDIAN RIVER FARMS COMPANY SUBDIVISION, according to the Plat thereof, recorded in Plat Book 2, Page 25, of the Public Records of St. Lucie County, Florida, now lying and being in Indian River County, Florida, described as follows:

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

seconds East for 876.65 feet to the East line of said Tract 7; thence run South 00 degrees 12 minutes 19 seconds East along the East line of said Tract 7 for 267.19 feet; thence run South 89 degrees 23 minutes 59 seconds West for 876.64 feet to the Point of Beginning; said Premises lying and being in Indian River County, Florida.

EXHIBIT "D"

**LEGAL DESCRIPTIONS OF ADJACENT PARCELS - HOSPICE HOUSE AND VNA
HUMAN SERVICES BUILDING**

Legal Description for Hospice House:

(Note: Lease contains less property than described below.)

The Northeast 1/4 of the Northwest 1/4 of Section 36, Township 32 South, Range 39 East, less and except the West 520.00 feet thereof; less and except the East 275.00 feet of the South 800.00 feet thereof; less and except the South 310.00 feet thereof; and less and except the North 75.00 feet thereof.

Legal Description for VNA Human Services Building:

(Note: Lease contains less property than described below.)

The South 260.00 feet of the West 934.00 feet of said Northwest 1/4 of the Northwest 1/4 Section 36, Township 32 South, Range 39 East.

EXHIBIT "E"

FORM OF SUBSTITUTE GUARANTY

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT ("Guaranty"), made this ____ day of _____, and given by _____ ("Guarantor"), whose address is _____, Attention: _____, in favor of INDIAN RIVER COUNTY HOSPITAL DISTRICT, an independent special district created by the Legislature of the State of Florida, as Lessor ("Lessor"), whose address is 3730 7th Terrace, Suite 204-B, Vero Beach, Florida 32960, Attention: Chair of the Board of Trustees, as to that certain Amended and Restated Lease Agreement dated _____, 2018, *[describe any subsequent amendments or assignments]* ("Lease") originally with INDIAN RIVER MEMORIAL HOSPITAL, INC., d/b/a Indian River Medical Center, a Florida not-for-profit corporation, as Lessee *[list any subsequent Lessees, if any]* ("Lessee"), whose address is 1000 36th St., Vero Beach, Florida 32960, Attention: President and Chief Executive Officer.

For valuable consideration, the receipt and sufficiency of which is acknowledged, it is agreed:

1. The Guarantor, absolutely and unconditionally guarantees to the Lessor, its successors and assigns, the payment of rent when due, whether by acceleration or otherwise, and performance of the covenants in the Lease to be made and performed by Lessee, together with all attorneys' fees, including reasonable attorneys' fees on appeal, costs and expenses of collection incurred by the Lessor, in connection with any matter covered by this Guaranty, in the enforcement of the Lessee's obligations under the Lease, and/or this Guaranty.

2. The liability of Guarantor shall continue until payment is made for rent now due or hereafter to become due and/or the performance of every obligation in the Lease is completed including those arising during any and all renewal terms, and including those arising during the time that any prior guarantor served as guarantor of the Lease (even if such prior guaranty was subsequently terminated), and until payment is made of any loss or damage incurred by the Lessor with respect to any matter covered by this Guaranty.

3. The Guarantor consents, and without affecting the Guarantor's liability to the Lessor hereunder, that the Lessor may, without notice to or consent of the Guarantor (but with the consent of Lessee), upon such terms as it may deem advisable: extend, modify, renew and/or terminate, in whole or in part, the Lease; extend or modify the time of payment of rent or the performance of the covenants in said Lease; modify or add to the terms of the Lease during the term thereof or any extension or renewal terms; release, surrender, exchange, modify, impair, or extend the period of duration, or the time for performance or payment, of any collateral securing any obligation of the Lessee to the Lessor; settle or compromise any claim of the Lessor against the Lessee, or against any other person, firm or corporation, whose obligation is held by the Lessor as collateral security for any obligation of the Lessee to the Lessor; apply any security and direct the order or manner of sale as Lessor in its discretion may determine. The Guarantor

hereby ratifies and confirms any such extension, renewal, release, surrender, exchange, modification, addition, impairment, settlement, compromise or termination; and all such actions shall be binding upon the Guarantor, who hereby waives all defenses, counterclaims, or offsets which the Guarantor might have by reason thereof (other than the defense of payment or performance).

4. The Guarantor hereby consents, without affecting Guarantor's liability to Lessor hereunder, but subject to the terms of the Lease, to the assignment of the Lease and/or the subletting of the leased premises without notice to or consent of Guarantor.

5. The Lessor may, without notice to or consent of the Guarantor, but subject to any terms and conditions of the Lease, assign or transfer the Lease or any part of the obligations and liabilities due or to become due pursuant to said Lease, and each and every immediate and successive assignee or transferee of the Lease or any of the obligations or liabilities pursuant thereto shall, to the extent the interest of such assignee or transferee in the Lease, obligations, or liabilities be entitled to the benefits of this Guaranty to the same extent as if such assignee or transferee were the Lessor; provided, however, that Lessor shall have an unimpaired right, prior and superior to that of any such assignee or transferee to enforce this Guaranty for the benefit of Lessor as the Lessor's interest in the Lease and obligations and liabilities of Lessee which Lessor has not assigned or transferred.

6. The Guarantor expressly waives: (i) notice of acceptance of this Guaranty and of presentment, demand and protest; (ii) notice of any default hereunder or under the Lease and of all indulgences; (iii) demand for observance, performances, or enforcement of any terms or provisions of this Guaranty or the Lease.

7. In the event of a Major Event of Default under the Lease which entitles Lessor to accelerate amounts due under the Lease pursuant to Section 18.4(b), then Guarantor shall also be liable for payment of such accelerated amounts under Section 18.4(b), in addition to all other rights and remedies available to Lessor under the Guaranty and Lease.

8. Payment by the Guarantor of any amount pursuant to this Guaranty shall not in any way entitle the Guarantor to any right, title or interest (whether by way of subrogation or otherwise) in and to any of the rights or remedies the Lessor may have against the Lessee, unless and until all of the obligations of the Lessee under the Lease have been performed.

9. The Guarantor represents that, at the time of the execution and delivery of this Guaranty, nothing exists to impair the effectiveness of the liability of the Guarantor to the Lessor hereunder, or the immediate taking effect of this Guaranty as the sole agreement between Guarantor and the Lessor with respect to guaranteeing the Lessee's obligation to the Lessor.

10. The Lessor may at its option proceed in the first instance against the Guarantor to collect any obligation covered by this Guaranty, without first proceeding against the Lessee, or any other person, firm or corporation and without first resorting to any property at any time held by the Lessor as collateral security. This Guaranty is a primary obligation of the Guarantor.

11. The whole of this Guaranty is herein set forth and there is no verbal or other written agreement, and no understanding or custom affecting the terms hereof. This Guaranty can be modified only by a written instrument signed by the party to be charged therewith.

12. Guarantor agrees to pay reasonable attorneys' fees at both trial and appellate levels, and in arbitration, and all other costs and expenses which may be incurred by Lessor in the enforcement of the Lessee's obligations and/or of this Guaranty, including all costs of arbitration.

13. Where any one or more of Lessees are corporations, limited liability companies or partnerships, it is not necessary for Lessor to inquire into the powers of Lessees or the officers, directors, partners, members, managers or agents acting or purporting to act in its behalf and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

14. The Guarantor warrants that, where applicable, it has full and complete corporate authority to enter this Guaranty and bind the corporation for all purposes to its terms.

15. This Guaranty is delivered and made in, and shall be construed pursuant to the laws of the State of Florida, and is binding upon the Guarantor and its legal representatives, and shall inure to the benefit of the Lessor, its successors and assigns. Subject to the terms of the Lease, in the event that any obligation of the Lessee is assigned, transferred or participated, the joint and several liability of the Guarantor shall inure to the benefit of any such assignee, transferee or participant.

16. All disagreements, disputes, controversies or claims arising out of or relating to this Guaranty, that cannot be resolved independently by the relevant parties, shall be resolved by arbitration in accordance with the provisions of Section 20 of the Lease.

17. Notwithstanding anything contained herein to the contrary, and so long as there are no uncured defaults under the Lease or this Guaranty beyond applicable grace periods, in the event of an Assignment or Change of Control (as defined in the Member Substitution Agreement dated _____, 2018) of Lessee, which is permitted under the Lease, Guarantor shall have the right to tender a "Substitute Guarantor" (as defined below) and a "Substitute Guaranty" (as defined below), in which event the undersigned shall be released from all liability under this Guaranty and the same shall be deemed null and void upon the effective date of the Substitute Guaranty in which the Substitute Guarantor agrees, in addition to the other obligations under the Substitute Guaranty, to be responsible for all then outstanding obligations of Guarantor. As used herein the term "Substitute Guarantor" shall mean an entity (i) operating a health system that has a total operating revenue (excluding investment income, extraordinary items and other non-operating gains) of at least \$1,500,000,000.00, based upon the immediately trailing twelve (12) month period; (ii) having as its headquarters a location within the United States of America; (iii) whose EBITDA (earnings before interest, tax, depreciation and amortization) represents an average annual return on total operating revenue (excluding investment income, extraordinary items and other non-operating gains) for the preceding three (3) years of at least four percent; and (iv) which executes a guaranty in substantially the form attached as Exhibit "E" to the Lease (the "Substitute Guaranty"). **[Note: Financial covenants remain under discussion].**

IN WITNESS WHEREOF, the Guarantor has signed this agreement as of the date first indicated above.

GUARANTOR:

By: _____

Name: _____

Title: _____

EXHIBIT “F”

ADJACENT PARCEL LEASES

Hospice House Lease:

Lease Agreement for Hospice House, dated December 19, 1996, as amended, by and between Indian River County Hospital District, as landlord and Visiting Nurse Association & Hospice Foundation, Inc., as tenant.

VNA/Human Services Building Lease:

Amended and Restated Lease Agreement which began on June 1, 2017, as amended by First Amendment dated October 20, 2017, with Visiting Nurse Association of the Treasure Coast, Inc., a Florida not-for-profit corporation, as tenant.