

Marion County Hospital District

Board of Trustees Special Meeting Minutes

June 18th, 2018 @ 5:00 p.m.
Rich Bianculli, Chairman

Call to Order

Richard Bianculli called the June 18, 2018 regular meeting of the Munroe Regional Health System, Inc. Board of Directors to order with a quorum present at 5:05 p.m.

Board Members Present

Ken Marino (arrived at 5:16), Rich Bianculli, Randy Klein, Ram Vasudevan, Sam McConnell

Board Members Absent

Larry Strack

Present by Phone

David Cope

District Attorney Present

Joe Hanratty

Others Present:

Curt Bromund, Brianna Liles, Heather Wyman, Debbie Cooper, Michelle Stone, Carlos Medina

Public Comment (3 minutes)

None

Lease and Purchase Agreement with Florida Hospital – discussions were held in regard to matters relating to the Assignment of Lease and Purchase Agreement from HMA Munroe, LLC to Florida Hospital Ocala, LLC. After some discussion motions were made on the following documents as presented:

Acknowledgment Waiver and Consents The four Joint Ventures, Medical Imaging Center, Munroe Homecare, Surgery Center of Ocala, Ambulatory Resources Centers Investment Co., TimberRidge Imaging Center will automatically be transferred over to the lease with Florida Hospital. These documents are to be signed by the Joint Venture Partners so that Florida Hospital Ocala can assume HMA Munroe's position in the Joint Ventures. **No Motion needed.**

Minor Lease Modifications - Florida Hospital requested two minor modifications to Section 14.8 pertaining to Self-Insurance and Section (19.2c) dealing with Financing. The **Self-Insured** for Hospital Professional Liability and General Liability under lease was modified to limit actuarial consultants recommendations to funding while additional protections were added. Florida Hospital agreed to the modification to their proposed language by including "NOT INSOLVENT". The **Financing Provisions** were amended to allow AHS to access low cost financing by removing the 80% FMV of leasehold interest limitation. Florida Hospital will not encumber the property or Leasehold, but only the income stream. A **Motion** was made by Randy Klein to approve the two agreements as presented with the minor change made above. The **Motion** was seconded by Sam McConnell. The **Motion** passed unanimously.

Certificate of Resolution- Florida Hospital's agreeing to be Guarantor of the assigned lease. The resolution by Adventist Health System Sunbelt Health Care Corporation agrees to Guarantee performance of the lease by Florida Hospital Ocala, LLC. A **Motion** was made by Randy Klein to approve the resolution as presented subject to Joe Hanrattys' confirmation that Sunbelt is the parent company of AHS. The **Motion** was seconded by Sam McConnell. The **Motion** passed unanimously.

Community Benefits Agreements. This Community Benefit Agreement between Marion County Hospital District and Florida Hospital Ocala, Inc. will be for the purposes of joint collaboration to ensure the availability of certain health care services to the County's employees and citizens. It is the agreement and Exhibits A: "Possible Community Benefit Options for Marion County" and B: "Community Health Impact Council". This is to help address loss in ad valorem taxes. A **Motion** was made by Randy Klein to approve the Community Benefits agreements as presented. The **Motion** was seconded by Sam McConnell. The **Motion** passed unanimously.

Tenant Estoppel Certificate that we want CHS to sign. It addresses that there are no breaches in the lease and it will provide the final amounts of the Section 7.7 (a) & (b) Capital Improvements expenditures as well as identify any construction liens that are outstanding on the work that is currently being done. The funds remaining due currently include \$4,968,944 in Cap EX of the 75MM section 7.7 (a) expenditures and \$131,094,922 in Cap Ex of the 150MM section 7.7(b) expenditures. CHS made contextual changes that Mr. Hanratty found acceptable. A **Motion** was made by Randy Klein to approve the Estoppel Certificate as presented subject to confirmation of the lease requirements for capital and that it does not include the Sumter County property. The **Motion** was seconded by Sam McConnell. The **Motion** passed unanimously.

Acknowledgement, Waiver and Consent to Assignment of Lease to Florida Hospital Ocala, LLC with Release of CHS as Guarantor of Lease. This would release CHS as the existing guarantor and their obligations for the remainder of the lease term. Marion County Hospital District does not want to release CHS of their guarantor obligations. A **Motion** was made by Randy Klein to approve the Guarantor Agreement as presented subject to changes being made (i.e. The word "New" needs to be replaced with "Additional", under Recitals Paragraph C, the line "and the release of Lessee's and Existing Guarantor obligations under the lease" needs to be removed. Paragraph E. "as well as its full release of Lessee's and Existing Guarantors obligations under the lease" needs to be removed, Paragraph 3 needs to be removed completely. The **Motion** was seconded by Sam McConnell. The **Motion** passed unanimously.

Sumter County ER Property - discussion were held regarding 2.11 Acres purchased in Sumter County for \$2.1 million by CHS for an acute care facility. CHS wants to count this \$2.1 million towards its Cap ex spend. It does not fit into either category. A **Motion** was made by Randy Klein to approve that the Sumter County ER property not be included in the Cap Ex and is not transferred to the lease. The **Motion** was seconded by Sam McConnell. The **Motion** passed unanimously.

There being no further business, Rich Bianculli adjourned the meeting at 5:45p.m.


Richard Bianculli, Chairman