SUMMARY OF VOLUME IV:

1. Kennedy Drive Investors, Ltd. is a limited partnership of which Roberto Sanchez is the General Partner. There are two classes of Limited Partners, Class I and Class II. Relator Boros is a Class II limited partner.

2. Boros' Schedule K-1 for the year 2008 shows that he receives approximately $10,000 per year. It is his recollection that, except for one year, he has received approximately $10,000 each year that he was a partner. He believes he purchased his interest in 1985. He owns one-half of one percent (.5%) of the partnership

3. Roberto Sanchez is a Class I partner who owns 20% of the partnership. According to the Second Amendment to Original Certificate of Agreement of Limited Partnership of Kennedy Drive Investors, Ltd., Boros paid $750 for his one-half of one percent (he shares a one-percent interest with another physician, Richard Berger) and is paid $10,000 each year therefor. It is his recollection that, rather than costing $1,500, the one percent cost between $10,000 and $15,000. Boros has requested documents from his accountant to show what he invested and what his K-1's show. The Government should also be able to acquire the K-1's in the event the accountant does not have all of the documents.

4. The Second Amendment also shows that, after payment to the Class II partners, the Class I partners "divide the remaining distributions according to their percentage interest. The amount paid to the Class I partners in 1999 is believed to have been a substantial payment because two of the Class I physician partners immediately retired from the practice of medicine and became wealthy men. They are John Kreinces (10.78%) and Robin Lockwood (9.68%). Robin Lockwood was on the System Board at the time of the lease to HMA, pushed very hard for approval by the District Board, and is currently on the Governing Board of LKMC. (A Class II partner-physician, John Lockwood, has also retired but it was due to being a successful relator in a Qui Tam action, not due to being a KDI partner.)

5. A full listing of the current partners, Class I and Class II, is contained on Schedule "A" to the Second Amendment.

6. Immediately following payment from HMA, KDI satisfied its $1.5 million mortgage. It also satisfied its bond debt which was due for payment on or before May 1, 1999 (the date of the lease). KDI leases the ground on which dePoo hospital sits from Florida Keys Medical Center, Inc. in a lease that expires when the HMA lease expires. Robin Lockwood is the President of Florida Keys Medical Center.

7. Florida Keys Medical Center, Inc. assigned its lease of the Medical Office Building which is adjacent to dePoo, to Kennedy Drive Investors, Ltd. on May 1, 1999. There was also an Amendment to Lease Agreement concerning the same property from Southernmost Development, Inc. and Key West Professional Plaza, Inc. to Florida Keys Medical Center, Inc., dated April 28,1999 (presumably so that it could then lease it to KDI).

8. The bond debt was paid and a Release of its lien was recorded on May 10, 1999.

9. An Affidavit by Roberto Sanchez, recorded in the public records and dated April 30, 1999, shows some of the the KDI debts being paid.

10. The bonds purchased by KDI in 1986 were for $4,450,000 and a Parity Note was given for $180,250. The debts were personally guaranteed by the Class I partners of KDI.

11. There was also a Term Note for $1,100,000 dated April 1, 1985 and a Promissory note for $438,362.45 dated April 24, 1992.

12. On May 3, 1999, a document terminating the Sublease of dePoo from Kennedy Drive to Key West Medical Association, Inc. was recorded in the public records although it is dated May 8, 1990.

13. The Officers and Directors of Key West Medical Association, Inc. are the Kennedy Drive Class I partners.

14. The Shareholders of Key West Medical Association, Inc. are all of the Kennedy Drive partners (Class I and Class II).

15. On November 14, 2001, Florida Keys Medical Center quit claimed to itself and KDI the dePoo property until the expiration of the HMA lease on April 30, 2029, and then gave title solely to Roberto Sanchez thereafter.

16. On July 6, 1999, the lease between Florida Keys Medical Center, Inc. and Kennedy Drive Investors, Ltd. for the Medical Office building adjacent to dePoo was amended. It now expires when the HMA lease for the hospitals expire.

17. A mortgage on dePoo was satisfied soon after the HMA lease and a Satisfaction of this $1.5 million mortgage was recorded in the public records on Sept. 2, 1999.

18. OTMC (Old Town Medical Center) has been an inactive corporation since 2003. It was the owner of a medical practice group. It's officers and directors are Sanchez, Jack Murray (from the District Board) and Robin Lockwood (System Board, KDI Class I, etc.)

19. Lower Keys Professional Services, Inc. is another inactive corporation that owned medical practices. It's Board included Sanchez and Jerry Dean (District Board).

20. Southernmost Development, Inc. is the active corporation which appears solely owned by Roberto Sanchez. It seems to own all of the ground under dePoo and its adjacent office building, which is then leased to KDI and/or Key West Medical and then sub-leased to HMA.

21. Lower Florida Keys Health System, Inc. (of which District was to be the sole owner) sold a medical office building in Big Pine Key to HMA as part of the lease transaction for $500,000. It goes back to System (which is one-half KDI, somehow) at the conclusion of the HMA lease without payment by System or KDI or District.

22. Memoranda of the Leases (HMA and District; HMA and KDI) were recorded in the Public Records on May 3, 1999.

23. The Enabling Act for the Lower Florida Keys Hospital District was amended in 1989 to allow the District to form a not-for-profit corporation, of which it would be the sole member, and to lease the hospital to that corporation. The Lower Florida Keys Health System, Inc. was formed. As was required by the Enabling Act, it became a 501(c)(3) corporation. Two KDI partners/physicians (Robin Lockwood and John Calleja) are on its Board. One District Board member, Neil Call, is on its Board. It remains an active corporation. Presumably, it is so that it may receive the properties back whenever the HMA lease terminates.

24. The Financial Statements of System for the years 1997 and 1996 state that they are for the "parent company only." It might be that this means that it does not include the corporations formed to own the medical practices. The Statement shows that, in 1997, the District owed System $108,276 for indigent care (not the $3.8 million falsely stated to the Attorney General). Also, that for 1996, District owed System $1,243,750 which is also much less than the $3.8 million falsely stated to the Attorney General and the public. This is the "net" payment to System after deduction of rent. However, the gross amount was less than $2.8 million in 1997 and less than $2.6 million in 1996. The one-half of the Medicare differential that System had not paid to KDI due to lack of funds to do so, was $11,077,802 by the end of 1997. This "debt" was paid by HMA to KDI at closing and was listed as a payment to System rather than a payment to KDI in documents submitted to the public and to the Attorney General.

25. The Financial Statement shows that in 1997, KDI was to receive $1,004,349 in "excess" Medicare funds (one-half of $2,008,698) and in 1996, KDI was to receive $1,167,573.50 in "excess" Medicare funds (one-half of $2,509,662). However, because System could not afford to pay that, it was on the books as a debt from System to KDI and it was paid when the lease to HMA occurred.

25. An attachment to the District Board's minutes in 1996 showed that the net paid to System by the District in 1991 was $625,000. The District received a profit of $129,000 in 1992. The District paid $995,000 in 1993, $382,000 in 1994, $760,000 in 1995, $1,040,000 in 1996 and $108,272 in 1997. Thus, the statement to the public and Attorney General that the District was paying $3.8 million per year is a false statement. During those six years, in addition to receiving all of its debt service from System as Base Rent, KDI received $7,947,000 in excess Medicare funds, plus $4,001,000 in the profits of the hospital, for a total of $11,948,000. That is approximately $2 million per year in rent for a 37,000 square foot building. That is approximately $54 per square foot. That is three to four times the fair market value of commercial space in Key West during those years paid by System, which was run by Sanchez, who also ran all of the other relevant entities. He did not "officially" run the District, but he did run that also.

26. The Board members of the District are citizen/volunteers. John Padget who strongly opposed the lease to HMA is now on the Board. Lewis Fishman has been the District's attorney since 1978. He made false statements to the Attorney General and the public at the time of the HMA lease in 1999.

27. According to the District's Financial Statement for the period ending 2008, HMA's cost for indigent care was $7,300,374 resulting in a "cost savings of $5,800,374" to the District for that year. In addition to paying HMA $1.5 per year thru 2009, the District pays between $475,000 and $500,000 to HMA each year for the length of the lease (30 years) for a primary care clinic.

28. The Minutes of the District Finance Committee meeting held on May 26, 2009 showed that the District had nearly $10 million in its accounts.

29. Health Management Associates, Inc. is a Delaware corporation. There is another Health Management Associates formed in Michigan which does business in Florida, so the Florida Secretary of State lists our HMA's name as Health Management Associates, Inc. of Delaware.

30. The Form 10-K filed by HMA with the SEC for 2008, shows that it is profitable. Its revenue is stated as 32% from Medicare and 8% from Medicaid. It states at page 12 that "As a result of our settlement of a class action lawsuit that involved billings to uninsured patients, we began discounting our gross charges to uninsured patients for non-elective procedures by 60% in February 2007. This may have resolved one of the items complained about in the previously drafted, but not filed, Proposed First Amended Complaint, of Relators. Thus, it is being omitted from the Second Proposed First Amended Complaint. At page 13 it is stated that HMA is self-insured. At page 30, it is stated that since 2002 it has been "using our wholly owned captive insurance subsidiary, which is domiciled in the Cayman Islands." Net revenue each year is more than $4 billion.

31. In 2008, Key West HMA, Inc. converted to Key West HMA, LLC. Its Manager is Hospital Management Associates, Inc. The officers/directors of the Manager corporation are all from "HMA corporate" in Naples.

32. Upon information and belief, there are a total of 18 Florida Hospital Districts. Each has its own Enabling Act with which it must comply. Of all of the Districts, ours is the only one that leases to a for-profit corporation when its enabling act does not allow that. A summary of the provisions is provided as well as each enabling act, AHCA license information and records from the Division of Corporations.