

## LEASE AGREEMENT AMENDMENT

**THIS AMENDMENT** (the "Amendment"), entered into this 15<sup>th</sup> day of April, 2002 to have been effective as of October 1, 2001, by and between **THE LOWER FLORIDA KEYS HOSPITAL DISTRICT**, a body politic and corporate organized under the law of the State of Florida ("Lessor"), acting through its Board of Commissioners, and **KEY WEST HMA, INC.**, a Florida for-profit corporation ("Lessee").

### RECITALS

**WHEREAS**, the parties hereto have previously entered into that certain Lease Agreement dated as of May 1, 1999 (the "Lease Agreement"); and

**WHEREAS**, pursuant to Section 15.6 of the Lease Agreement, the Lease Agreement may not be modified or amended except by an agreement in writing signed by both parties; and

**WHEREAS**, the parties hereto desire to amend and clarify certain aspects of the Lease Agreement as regards the operations of the Clinic (as described in Section 4.1(i) of the Lease Agreement) and the funding obligations of the Lessor thereon;

**NOW, THEREFORE**, in consideration of the foregoing, and the mutual covenants and agreements herein contained, Lessor and Lessee hereby agree as follows:

1. Section 2.1(h). of the Lease Agreement shall be deleted, and the following Section 2.1(h) placed in its stead:

"Provided that the Lessor has Three Million Dollars (\$3,000,000) in cash or investment assets, or by virtue of the payment set forth herein does not cause its cash or investment assets balance to fall below said \$3,000,000, amount, the Lessor agrees that during each year of the thirty (30) year Lease term, the Lessor shall fund an amount up to Five Hundred Thousand Dollars (\$500,000) per year to pay participating physicians practicing in the Lower Florida Keys Hospital District, and

who maintain adequate professional liability insurance as determined by Lessee, for either (x) services provided to indigent patients of the Clinic (as described in Section 4.1(i) hereof), including Clinic visits, surgeries and outpatient procedures scheduled as a result of such visits to the Clinic, or (y) services provided to indigent patients seeking medical care and treatment at the Emergency Room of the Hospitals and as a result thereof are referred to a participating physician as an emergent inpatient. For purposes of this Section, the term "investment assets" is not intended to include either unrealized gain, or accrued but unpaid interest, or earned interest in the Escrow Account not swept to the Custodial Account. In the event that the space for the Clinic and administrative support is terminated by the Lessee, then, effective upon termination, all physician services provided after termination shall not be eligible for payment, whether for services provided as a result of referral from the Clinic or the Emergency Room. All payments to participating physicians made pursuant to this covenant, which covenant is a material and significant representation and covenant of the Lessor to Lessee and a material inducement for the Lessee to enter into this Lease Agreement, shall be made in four (4) quarterly installments during each year of the term of the Lease. Payment for the first three (3) quarters of any fiscal year shall not exceed the sum of One Hundred Twenty Five Thousand Dollars (\$125,000) per quarter, regardless of the actual amount of participating physician indigent care provided. Payment for the fourth quarter of each fiscal year shall be made in accordance with Exhibit E, Section Reimbursement, Paragraph C of the Clinic policies and procedures. Lessee agrees to provide Lessor with administrative accounting and billing services (at Lessee's

cost) for the payments to participating physicians for so long as Lessor continues such funding. Notwithstanding the foregoing, the District shall be credited the amount of \$25,000/year, until the earlier of ten (10) years or the date the District's cash or investment assets reach the three million dollars (\$3,000,000) floor, as reimbursement for disputed reimbursement from the inception of the Lease Agreement through the date hereof, such that the District's obligation hereunder shall not exceed Four Hundred Seventy Five Thousand Dollars (\$475,000) per year."

2. Section 4.1(i) of the Lease Agreement shall be deleted, and the following Section 4.1(i) placed in its stead:

"(i) Primary Care Clinic. For a minimum of one (1) year following the Commencement Date and, thereafter so long as adequate physician coverage is readily available, Lessee shall maintain space for a primary care clinic ("Clinic") at the District Hospital or dePoo Hospital, or such other location as Lessee shall designate from time to time. The Clinic shall provide a broad range of primary care health services with an expanded operating schedule to all Residents regardless of the Resident's ability to pay. The policies and procedures for the parameters of the operation of the Clinic shall be as set forth in Exhibit "E, attached hereto and made a part hereof. All administrative and non-physician allied health professional staff will be provided by Lessee. The physician coverage for the Clinic will be provided by participating physicians (at no cost to Lessee) practicing in the Lower Florida Keys Hospital District and who maintain adequate professional

liability insurance as determined by Lessee. Initially, it is the intent of Lessee to delegate to the Physician/Hospital Alliance of the Keys (the "PHA"), the duties and responsibilities of coordinating and encouraging the availability of participating physician services. Notwithstanding the foregoing, a physician does not need to be a member of the PHA in order to be deemed a participating physician eligible for District reimbursement provided that said physician meets the adequate professional liability insurance as determined by Lessee. Lessee shall be obligated to maintain the space for the Clinic for the Lease Term and may only discontinue providing such space and administrative support prior to expiration of the Lease Term with the approval of the Lessor, which approval shall not be unreasonably withheld. However, if the services provided for by the Clinic are replaced by other programs and/or if the Clinic becomes economically impractical to operate as determined by the Lessee, then the Lessor shall approve the request for closure of the Clinic made by Lessee. Lessee agrees to provide Lessor with at least a sixty (60) day notice of its intention to discontinue support for the Clinic."

3. A new exhibit, identified as "Exhibit E" Clinic Policies and Procedures, shall be appended to the Lease Agreement, in exactly the form as appended hereto.
4. All the remainder of the terms of the Lease Agreement not otherwise modified herein shall remain in full force and effect.

