



Indian River Memorial Hospital, Inc. d/b/a

Indian River Medical Center

May 06, 2015 at 12:00 PM - 01:00 PM

IRMC Boardroom

1000 36th Street

Vero Beach, FL

This meeting may be recorded

Meeting Book - Board of Directors

Board of Directors

Call to Order

Wayne T. Hockmeyer, Ph. D.

For Information

Indigent Care Agreement

Wayne T. Hockmeyer, Ph. D.

For Action

Indigent Care Agreement

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Public Comment



STEWART EVANS
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Rebecca F. Emmons
Ralph L. Evans
Patricia L. Reid
John Mitchell Stewart
William J. Stewart
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To: Board of Directors of the Indian River Medical Center

From:  William J. Stewart, Esq.

Date: May 4, 2015

Re: Second Amended and Restated Indigent Care Agreement

I have attached a proposed revision to the Indigent Care Agreement which I believe represents a fair resolution of the issues between the Medical Center and the District regarding reimbursement for indigent care. You will recall that the Executive Committee of the Board approved a prior draft of this agreement at its meeting of March 9, 2015.

The document that the Medical Center submitted to the District was never really considered despite Mr. Jones' efforts. At the suggestion of the Chairman of the District Board, a majority of the Board decided it would be best to redraft the agreement from scratch. That being said, you will find that many of the provisions of the redrafted Indigent Care Agreement will look very much like provisions found in the Agreement submitted to the District by the Medical Center.

I will highlight the provisions in the proposed Indigent Care Agreement which I believe are significant:

1. **Article II C.** The Policy and Procedures Manual for Determining Eligibility for Indigent Care has been incorporated. This is the policy and procedure manual that both the District and Medical Center staff have used for decades to process applications for indigent care. The incorporation of this Policy and Procedures Manual preserves the status quo for determinations of indigency.

2. **Article II D.** The non-federal rate is identified for the purpose of calculating the rate used for reimbursement and the reimbursement methodology which is defined in Article II E. The obligation of the Medical Center to provide indigent care to District indigents beyond that already required by law is measured by the District's annual appropriation.

3. **Article V.** This Article sets forth the parameters and mechanics for determining the appropriation by the District to the Medical Center for rendering indigent care. The District expresses its intent to annually appropriate a sufficient amount to fund the Medical Center's

treatment of indigent patients based upon the agreed upon reimbursement methodology. It should be clearly understood, however, that under Florida law, the District cannot be compelled to make any appropriation as taxation is solely within its discretion. The Agreement does provide that in the event that the cost to the Medical Center providing indigent care exceeds the amount appropriated by the District, the District will consider making up the difference. As the District cannot be forced to levy taxes and as its tax revenues are not subject to levy, there is a limitation to the remedies available to Medical Center in the event that the District does not adequately provide reimbursement for the cost of indigent care. Despite assurances from the District that such an event would not occur, there is always that possibility, and the remedy, for all practical purposes, is to equate the services rendered to the appropriation made. This dilemma is not new as the law on this subject has not changed since 1984, the inception of the Indigent Care Agreement.

The new methodology for determining indigent care reimbursement will remain in effect until the next confirmation which is scheduled to occur in May/June, 2017 for the fiscal year ended 2018.

4. **Article VI.** A provision has been added which provides that in the event that the District determines that there is no necessity for a new or changed program or service or that such new or changed program or service is not desirable, it may elect not to provide funding for indigent residents of the District for that new or changed program or service.

The reconfirmation provisions of the original Agreement have been largely transferred into this new document and a mediation provision has been added. Reconfirmation of the Agreement is to occur every three (3) years commencing in the calendar year 2017. Also, a provision has been added which incorporates a review of quality of care and quality metrics in the reconfirmation process.

The term of the Agreement remains consistent with the term of the Lease.

5. **Article IX.** In the event of a default by either party, the party not in default may exercise such remedies as are available to it in either law or equity.

6. **Article XVII.** The Hospital's right to assign all or a portion of its rights under the Agreement has been limited so as to require the consent of the District.

7. **Article XIV.** The provisions relating to access to records have been consolidated in one Article and clarified. The Medical Center has reserved the right to decline to provide documents as further identified in the Agreement.

8. The Indigent Care Agreement makes no provision for the Partners' Program. The current fiscal year's budget for the Partners' Program is \$1 million with the understanding that a collaborative group will be formed to discuss the scope of the Partners' Program going forward and the appropriate method for reimbursement.

During the negotiations the Medical Center requested that two other collaborative groups be formed, the first to discuss compensating hospital employed physicians who render services to indigents and the second, to develop methodologies for providing indigent care

outside of the hospital setting. To date, I am unaware of any progress on these issues. There is vocal resistance from some of the District Trustees to reimburse physicians.

9. The provision for attorneys' fees has been deleted.

In summary, the new formula for calculating reimbursement for indigents appears to be reasonable and not that far removed from the formula in the current agreement. The District has considerable flexibility with respect to the amount of its appropriation although it has expressed the interest to fully fund based on the formula. The Acknowledgment has been added which facilitates the District's review of Medical Center documents. The rights of the Medical Center to decline to provide sensitive documents are clarified. The right of the District to access Medical Center's documents has been clarified as well and could be considered as being broader than the current agreement.

**SECOND AMENDED AND RESTATED
AGREEMENT FOR INDIGENT CARE SERVICES BETWEEN
INDIAN RIVER COUNTY HOSPITAL DISTRICT
AND
INDIAN RIVER MEMORIAL HOSPITAL, INC.**

THIS AGREEMENT FOR INDIGENT CARE SERVICES (“Agreement”), is made this ____ day of _____, 2015 by and between **INDIAN RIVER COUNTY HOSPITAL DISTRICT**, an independent special taxing district of the State of Florida, hereinafter referred to as **DISTRICT**, and **INDIAN RIVER MEMORIAL HOSPITAL, INC.**, a Florida not-for-profit corporation, hereinafter referred to as **MEDICAL CENTER** (collectively, “Parties”).

WHEREAS, **DISTRICT** and **MEDICAL CENTER** have entered into the Amended and Restated Lease of Hospital Facilities and Agreement for Operation of Indian River Memorial Hospital, dated as of November 15, 2012 (the “Lease”), wherein **MEDICAL CENTER** leased the facilities of Indian River Memorial Hospital from **DISTRICT** and agreed to manage and operate such facilities during the term of the Lease; and

WHEREAS, pursuant to Chapter 61-2275, Laws of Florida, as amended and as codified at Chapter 2003-382, Laws of Florida ("Special Act"), **DISTRICT** has, inter alia, an obligation to prudently assess and raise taxes in order to support medical care to the indigent sick of **DISTRICT**, many of whom are treated by **MEDICAL CENTER**; and

WHEREAS, **DISTRICT** wishes to assure that the indigent sick of **DISTRICT** receive proper medical care, health care, hospitalization, emergency care, and similar medical and hospital services as are customarily provided by a full service general acute care hospital; and

WHEREAS, **DISTRICT** has determined that it is in the best interest of the citizens and taxpayers of Indian River County to enter into this Agreement with **MEDICAL CENTER**; and

WHEREAS, commencing on December 13, 1984, the Parties entered into an agreement regarding the provision of indigent care services by **MEDICAL CENTER** and the payment thereof by the **DISTRICT**, which agreement has been amended on numerous occasions; and

WHEREAS, the Parties have resolved all claims that either may have against the other for indigent care provided by **MEDICAL CENTER** through September 30, 2014; and

WHEREAS, the Parties, by the adoption of this Agreement, are amending and completely restating said prior agreements, and all amendments thereto.

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement, the sufficiency of which is acknowledged, the Parties intending to be legally bound, agree as follows:

I. Incorporation of Whereas Clauses.

The Whereas clauses are incorporated herein.

II. Definitions.

A. **Acknowledgment** means the Acknowledgment Governing Review and Maintenance of Documents entered into by the Parties contemporaneously with this Agreement.

B. **Charges** means charges assigned to services provided each qualifying Indigent Resident using MEDICAL CENTER's chargemaster consistently applied to all patients but excluding any physician or physician extender charges

C. **Indigent Resident** means, for the purpose of payment for medical care under this Agreement, those individuals eligible for receipt of medical care at reduced charge or at no charge, as determined by MEDICAL CENTER in accordance with the eligibility determination standards adopted by DISTRICT, set forth in the Policy & Procedures Manual for Determining Eligibility for Indigent Care, attached as Exhibit "B" (hereinafter "Eligibility Manual").

D. Non-Federal Rate means:

1. Using the most recently filed Medicare cost report, the Non-Federal rate is determined separately for inpatients and outpatients by taking the cost assigned to the respective reimbursable cost centers from Worksheet C and subtracting the cost assigned to Medicare and Medicaid patients for inpatient, outpatient and inpatient psychiatric services to arrive at non-federal cost in each cost center and then totaling the cost centers.
 - a) The non-federal inpatient per diem is the sum of non-federal inpatient cost divided by non-federal days (Total days minus Medicare days and Medicaid days).
 - b) The non-federal outpatient ratio is the sum of non-federal outpatient cost divided by non-federal patient charges.
 - c) Psychiatric non-federal per diem is the same as the Medicare per

diem for inpatient psychiatric services

E. **Reimbursement Methodology** means:

1. For inpatient services provided to Indigent Residents by MEDICAL CENTER, 95% of the Non-Federal Inpatient Per Diem for FYE 2014, multiplied by the actual number of inpatient days for Indigent Residents that MEDICAL CENTER experienced during the applicable fiscal year, adjusted annually for inflation of 3%.

2. For outpatient services provided to Indigent Residents by MEDICAL CENTER, 95% of the Non-Federal Outpatient Ratio for FYE 2014, multiplied by the actual outpatient charges for Indigent Residents that MEDICAL CENTER experienced during the applicable fiscal year. Increases in MEDICAL CENTER's Charges shall not exceed 3% annually.

3. For inpatient psychiatric services provided to Indigent Residents by MEDICAL CENTER, 95% of the Non-Federal Psychiatric Per Diem for FYE 2014, multiplied by the actual number of inpatient psychiatric days for Indigent Residents that MEDICAL CENTER experienced during the applicable fiscal year, adjusted annually for inflation of 3%.

F. **Third Party** means any individual, entity or program that is or may be liable to pay all or a part of MEDICAL CENTER's cost of care, treatment or maintenance of an ill or injured person for whom MEDICAL CENTER has received payment pursuant to this Agreement, including, but not limited to, an insurance company, health maintenance organization, self-funded employer, multiple employer trust, union trust, workers compensation carrier, tortfeasor, insurer of a tortfeasor, or government entity, including Medicare and Medicaid.

G. **Third Party Payment or Benefit** means any funds available at any time through contract, court judgment, settlement agreement, or any other arrangement between the Third Party and the person for whom MEDICAL CENTER has received payment under this Agreement for MEDICAL CENTER's cost of care, treatment or maintenance arising out of illness or injury to such person.

III. Indigent Care Obligations.

In consideration for the reimbursement to MEDICAL CENTER by DISTRICT for medical care rendered by MEDICAL CENTER to Indigent Residents of DISTRICT under

Article V below, MEDICAL CENTER, within the limits of its equipment, facilities, medical staff and DISTRICT's Annual Appropriation as defined in Article V below, shall provide Indigent Residents of DISTRICT with medical care in a manner and to an extent which is at least consistent with the obligations of DISTRICT under Section 19 of Chapter 61-2275, Laws of Florida, as amended and codified at Chapter 2003-382, Laws of Florida (the "Act"), with respect to a hospital established under the Act, and which conforms to the provisions of the Florida Healthcare Responsibility Act, Sections 154.301 through 154.316, Fla. Stat., as amended. Except as may otherwise be required under applicable federal or state law, it is understood that MEDICAL CENTER has the right to refuse admittance of patients because of lack of facilities or services or to protect the welfare of patients already admitted and to adopt and amend from time to time appropriate rules respecting admission of patients. MEDICAL CENTER has no responsibility to incur costs or charges for medical care rendered to Indigent Residents by other health care providers.

IV. Indigent Residents of DISTRICT.

The determination of whether an individual qualifies as an Indigent Resident of the DISTRICT for the purpose of receiving medical care at reduced charge or at no charge to the patient shall be made by MEDICAL CENTER based upon the Eligibility Manual and applicable laws that exist from time to time. **Such** standards may be modified by DISTRICT in a reasonable manner from time to time but shall not be made more restrictive without the written consent of MEDICAL CENTER, which consent shall not be unreasonably withheld. MEDICAL CENTER shall be notified of any intent to modify the Eligibility Manual at least thirty (30) days prior to the effective date of the modification. The Eligibility Manual shall not be altered so as to take effect upon any date other than the first day of MEDICAL CENTER's fiscal year without the written agreement of MEDICAL CENTER.

V. Payment for Indigent Care.

A. In consideration of MEDICAL CENTER's provision of services to Indigent Residents under Article III, it is DISTRICT's intent, effective with the fiscal year commencing October 1, 2015, to annually appropriate a sufficient amount to fund MEDICAL CENTER's treatment of indigent patients based on the agreed-upon Reimbursement Methodology set forth

herein (the “Medical Center Funding”). The amount appropriated annually shall be hereinafter referred to as the “Annual Appropriation”. On or before April 30 of each year, MEDICAL CENTER shall develop and present to DISTRICT its proposed budget for indigent care. MEDICAL CENTER shall include an explanation of the methodology and assumptions upon which the budget is based and shall be available to meet with DISTRICT to discuss any questions or concerns that DISTRICT may have regarding the budget. DISTRICT shall be entitled to participate in MEDICAL CENTER’s annual budget process related to MEDICAL CENTER’s obligation under this Indigent Care Agreement. MEDICAL CENTER’s budget shall be based on the Reimbursement Methodology and shall include a requested appropriation based on the mid-point of the upcoming fiscal year’s high and low projected indigent care expenditures. In the event that DISTRICT, after review and consideration of MEDICAL CENTER’s proposed budget, intends to appropriate less than the amount requested in MEDICAL CENTER’s budget, it shall so advise MEDICAL CENTER, in writing, specifying its reasons for appropriating a reduced amount and shall provide MEDICAL CENTER with an opportunity to respond prior to DISTRICT’s adoption of its budget. Should the cost of the services provided to Indigent Residents by MEDICAL CENTER, as calculated under the Reimbursement Methodology, exceed the amount appropriated by DISTRICT for any fiscal year, MEDICAL CENTER may request reimbursement for the additional amount. Any such request must be received by DISTRICT no later than the October 31st following the end of the fiscal year during which the services were rendered. DISTRICT shall consider MEDICAL CENTER’s request, and may choose to pay MEDICAL CENTER all or part of the additional amount from available funds or to consider MEDICAL CENTER’s request in its annual appropriation for the next fiscal year. It is understood that the Special Act authorizes DISTRICT to address indigent care needs within DISTRICT more generally than to MEDICAL CENTER.

B. Subject to the annual appropriations by DISTRICT, DISTRICT shall, on a monthly basis, reimburse MEDICAL CENTER based on the Reimbursement Methodology and in accordance with the Eligibility Manual for health and medical services provided for Indigent Residents by MEDICAL CENTER in rendering services pursuant to this Agreement. Each calendar month during the fiscal years contemplated by this Agreement, MEDICAL CENTER shall submit an indigent care analysis based on qualifying indigent care rendered by MEDICAL

CENTER during the preceding calendar month. All requests for reimbursement based on an indigent care analysis submitted by MEDICAL CENTER must be accompanied by the appropriate supporting documentation as prescribed by DISTRICT. Monthly indigent care analyses are due to DISTRICT by the second Wednesday of the next month. DISTRICT will not reimburse MEDICAL CENTER for any expenditure of the prior fiscal year that is submitted after the October 31st following the end of the fiscal year during which the services were rendered.

C. Payments shall be made by DISTRICT to MEDICAL CENTER from the resources of DISTRICT from time to time available and shall not be deemed to constitute a lien or claim upon the tax revenue of DISTRICT or obligate DISTRICT to levy a tax.

D. For the fiscal year commencing October 1, 2015, and each fiscal year through the Term, MEDICAL CENTER shall pay any assessment levied or to be levied against MEDICAL CENTER under the Public Medical Assistance Act, §395.701 et. seq., Florida Statutes, or any similar law now in effect or hereinafter enacted imposing assessments against hospitals to defray the expense of rendering health care to indigents in the State of Florida.

E. MEDICAL CENTER shall use best efforts to ascertain if each patient is eligible for any Third Party Payment or Benefit of any kind and, if so, MEDICAL CENTER shall attempt to collect in full the amounts eligible for expenses incurred by MEDICAL CENTER in treating Indigent Residents. Additionally, if any Third Party Payment or Benefit becomes available at any time through contract, court judgment, settlement agreement or any other arrangement between a Third Party and a person for whom MEDICAL CENTER has received payment pursuant to the terms of this Agreement, MEDICAL CENTER shall use best efforts to recover the amount due for MEDICAL CENTER services from the Third Party. Third Party Payments or Benefits for MEDICAL CENTER services shall be the primary source of payment. MEDICAL CENTER acknowledges and agrees that DISTRICT is the payor of last resort. The Eligibility Manual shall determine the accounting for collections from Third Parties, the credit to DISTRICT from such collections, and the requirements for an individual to qualify as an Indigent Resident for collections purposes.

F. Except as specifically stated in this Agreement, payments made by DISTRICT to MEDICAL CENTER shall be for the use and benefit of MEDICAL CENTER and no other party

shall have any claim thereto, nor shall such payments reduce the liability of any Third Party to DISTRICT or MEDICAL CENTER for services rendered to a resident of DISTRICT by MEDICAL CENTER. Therefore, should MEDICAL CENTER receive any Third Party Payment or Benefit toward services rendered to a patient, DISTRICT shall not be required to reimburse MEDICAL CENTER for the amount of that Third Party Payment or Benefit. Amounts paid to MEDICAL CENTER pursuant to this Agreement are in furtherance of DISTRICT's mission to provide medical care to the Indigent Residents and thus they are limited to the amounts owed by Indigent Residents after payment of any Third Party Payments or Benefits.

G. On or before March 1 of each year, MEDICAL CENTER shall at MEDICAL CENTER's sole cost and expense, provide to DISTRICT a copy of its audited financial statement, inclusive of all management letters for the prior fiscal year, and render a complete report to DISTRICT of all charges to and collections from Indigent Residents for the prior fiscal year and collections of Third Party Payments and Benefits for the prior fiscal year. The auditor's report and opinion on the consolidated financial statements of Indian River Memorial Hospital, Inc. and Subsidiaries shall be addressed to MEDICAL CENTER and DISTRICT. The report shall include MEDICAL CENTER's obligation to cause its auditor to be available to DISTRICT and to respond to any and all questions of DISTRICT.

H. Throughout each fiscal year, MEDICAL CENTER shall keep DISTRICT advised of the financial status of MEDICAL CENTER including, without limitation, the status of charges for indigent care and of MEDICAL CENTER's budget process for the next fiscal year in order that DISTRICT may anticipate its own budget requirements on a timely basis. MEDICAL CENTER shall, provide the following information and materials to DISTRICT, as said information and materials become available to MEDICAL CENTER:

1. the monthly financial statements of MEDICAL CENTER;
2. the minutes of all meetings of the Finance Committee and of the Board of Directors of MEDICAL CENTER;
3. the schedule adopted by MEDICAL CENTER for each fiscal year's budget process; and
4. each written, proposed budget as it is developed by MEDICAL CENTER from time to time during its budget process and the final budget and supporting material.

Prior to the adoption of the annual budget by MEDICAL CENTER, MEDICAL CENTER shall present to DISTRICT its approval, at a regularly scheduled meeting of DISTRICT, its detailed program for the rendering of medical and health services to Indigent Residents of DISTRICT. At that meeting DISTRICT shall advise MEDICAL CENTER of any programmatic changes which it desires which shall be implemented by MEDICAL CENTER if lawful and consistent with good health care practices.

I. In the event that MEDICAL CENTER intends to add a new program or service for the diagnosis, treatment or care of sick or injured persons, or to change materially an existing program or service, MEDICAL CENTER shall initially determine whether said new or changed program or service will have a significant impact on the cost to MEDICAL CENTER of rendering health care to the Indigent Residents of DISTRICT. In the event that MEDICAL CENTER makes such a determination, it shall so advise DISTRICT and provide to DISTRICT an opportunity, prior to the implementation of such new or changed program or service, to comment on any aspect of such program or service, including comment on the necessity for or the desirability of such new or changed program or service before its implementation. In the event that DISTRICT determines that there is no necessity for the new or changed program or service or that such new or changed program or service is not desirable, it may elect not to provide funding, or it may condition funding, for Indigent Residents for that new or changed program or service.

J. DISTRICT shall cooperate with MEDICAL CENTER to appropriately maximize MEDICAL CENTER's collection of other government payments such as, but not limited to, Medicare and Medicaid. To the extent that tax revenues are available to DISTRICT, DISTRICT may participate in the special exception payment process authorized by Florida Statutes Section 409.908 or any successor provision in each fiscal year under this Agreement, and shall pay funds received by DISTRICT and/or direct the payment of funds under such special exception payment process ("Special Exception Payment") to MEDICAL CENTER. If the Special Exception Payment to MEDICAL CENTER exceeds MEDICAL CENTER Funding for any given year, MEDICAL CENTER agrees to fund other DISTRICT Programs as directed by DISTRICT in accordance with law. Such funding by MEDICAL CENTER shall not exceed the difference between the Special Exception Payment to MEDICAL CENTER and MEDICAL

CENTER Funding for that year. Neither DISTRICT's decision not to participate in the special exception process set forth above in any given year, nor DISTRICT's receipt of funds via such process in an amount that is less than MEDICAL CENTER funding for any given year, shall release DISTRICT of its obligation to provide MEDICAL CENTER with reimbursement for services rendered to Indigent Residents as set forth in Article V above.

VI. Term of Agreement.

This Agreement shall remain in full force and effect during the entire term of the Lease (the "Term"), subject to the provisions of this section for confirmation and renegotiation as follows:

A. The various elements of this Agreement and any matter which shall impact the quality, delivery or cost, and payment for medical care provided hereunder shall be reviewed and renegotiated, if required, at least once every three (3) years during the Term of this Agreement in accordance with the following procedure:

1. Between May 1 and June 30 beginning in Calendar Year 2017 and continuing every three (3) years thereafter (i.e. 2020, 2023, et seq.) during the entire remaining Term of this Agreement, DISTRICT and MEDICAL CENTER, through their duly authorized representatives, shall meet and shall bargain and negotiate in good faith with one another to obtain an equitable and mutually satisfactory confirmation of the continuance of this Agreement, which confirmation shall be in writing, executed by DISTRICT and MEDICAL CENTER, and which shall be appended to and shall become a part of this Agreement, with the same force and effect as if originally included herein ("Confirmation"). Each Confirmation shall take effect on the October 1 following the Confirmation period and shall apply to all fiscal years thereafter unless and until amended pursuant to the terms of this Agreement.

2. In negotiating for such Confirmation, each of the Parties shall bargain in good faith with the other to agree upon and adopt and incorporate into such Confirmation such changes, additions to, deletions from, clarifications of, or amendments to the terms and provisions of this Agreement as are then reasonably or equitably required to avoid the imposition of unanticipated or onerous duties or expenses or risks of loss upon either of the parties hereto, and as are then reasonably or equitably required to maintain substantially the same relationship between the Parties as existed at

the time of execution of this Agreement, in view of changes in external medical, social, governmental, legal or economic conditions, or in view of new information obtained through the experiences of the Parties in performing this Agreement. As part of the Confirmation process, MEDICAL CENTER and DISTRICT shall meet to review the quality of care provided to Indigent Residents and shall agree upon periodic reporting of such quality metrics by MEDICAL CENTER to the DISTRICT during the period of the Agreement. The metrics provided shall be those reasonably selected by DISTRICT in order to present a comprehensive view of such quality.

3. After six months of negotiation for Confirmation, if the Parties fail to obtain a Confirmation, then either party may demand in writing that the Parties participate in non-binding mediation. Within ten (10) days of receipt of a written demand for mediation, the Parties shall select a Florida Supreme Court Certified Circuit Civil Mediator who is a Florida Bar Board Certified Specialist in Health Law. If, after ten (10) days, the Parties fail to agree upon a mediator, then the Parties shall refer the dispute to the American Health Lawyers Association for appointment of a mediator. Within thirty (30) days of a party's initial demand for mediation, mediation shall be held in either Vero Beach, Florida or in another location mutually selected by the Parties. The Parties shall share equally all mediation costs, which may include the cost to use the designated location and any fee the mediator charges. The mediation process itself, and any information or disclosures either party reveals to the mediator or to the other party during the mediation process, shall be confidential and shall not be referred to in any testimony evidence offered in any subsequent proceeding.

4. Each such Confirmation, when executed by both Parties and appended to this Agreement, shall be effective to amend this Agreement in the respects expressly stated in the Confirmation, and otherwise shall constitute an affirmation by the Parties that this Agreement then does and shall remain in effect according to the terms and provisions hereof as amended by such Confirmation and by any previous Confirmation executed by the Parties under the provisions of this Article VI.

5. Failure on the part of either MEDICAL CENTER or DISTRICT to meet, bargain and negotiate in good faith for such Agreement of Confirmation, or failure on the part of either MEDICAL CENTER or DISTRICT to execute a reasonable, equitable, and fair Agreement of Confirmation containing amendments to this Agreement which are reasonable, equitable and

fair viewed in the light of the provisions of this Agreement and the circumstances of the Parties at the time of such Confirmation, or any or all such failure or failures on the part of either Party hereto, shall constitute a default on the part of such party. In such event, the party not then in default shall have the right and option, at such party's election, to declare the other party in default by giving notice of default as herein provided. If the defaulting party shall fail to cure or remedy such default within the time herein provided for the curing of such default, then the party not in default shall be entitled to pursue the remedies provided for in Article XI hereof.

B. The Term of this Agreement is at all times subject to and conditioned upon the continuation of governmental regulation of MEDICAL CENTER at its current level, and upon a continuation of the operation of state and federal programs which aid in and provide reimbursement for the rendering of health care services to the aged, disabled and medically indigent in a form and manner substantially similar to such programs' present form and manner of operation; and, in connection therewith, should such programs be altered or should legislation be enacted, either at local, state or federal level, which significantly affects or materially alters the operations of MEDICAL CENTER or DISTRICT or significantly impacts the burdens of either with respect to this Agreement, then, in that event, MEDICAL CENTER or DISTRICT in its sole discretion shall have the right to seek renegotiation of this Agreement in the same manner as provided for a periodic Confirmation of this Agreement.

VII. Covenants and Representations of MEDICAL CENTER.

MEDICAL CENTER represents and covenants that it is a not-for-profit charitable organization skilled in the operation and management of a full-service general acute care hospital. MEDICAL CENTER represents and warrants that it shall meet the qualifications and standards set forth in this Agreement throughout the Term.

A. MEDICAL CENTER is a not-for-profit corporation duly organized and existing under and by virtue of the laws of Florida.

B. MEDICAL CENTER is organized and operated as a charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. MEDICAL CENTER shall conduct its business and activities in a manner that will at all times maintain and preserve its existence as a not-for-profit corporation with authority to do business in the State of Florida and as a tax-exempt hospital facility recognized as tax-exempt under Section 501(c)(3) of the

Internal Revenue Code of 1986, as amended, and all corresponding regulations now or hereafter enacted, and will take no action or suffer any action to be taken by others which will alter, change or destroy its status as a corporation recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

C. MEDICAL CENTER is presently certified as a provider of services under the Medicare and Medicaid programs and will continue to be organized and operated so as to keep in effect its provider agreements with both the Medicare and Medicaid programs and to maintain such certification. In this regard, MEDICAL CENTER shall use its best efforts to comply with all applicable Medicare and Medicaid laws, regulations, rulings, and judicial or administrative interpretations of same.

D. MEDICAL CENTER is presently certified by the Joint Commission f/k/a the Joint Commission on Accreditation of Healthcare Organizations and the Joint Commission on Accreditation of Hospitals and will continue to be organized and operated so as to maintain such certification.

E. MEDICAL CENTER is presently licensed to operate a hospital pursuant to Chapter 395, Florida Statutes, and will continue to be organized and operated so as to maintain such licensure.

F. In consideration of payment for indigent care in accordance with Article V above, MEDICAL CENTER, within the limits of its equipment, facilities and medical staff shall operate a full service hospital providing a level and variety of major services, as required by the Lease,.

G. MEDICAL CENTER is empowered to provide hospital services under the Laws of Florida and is duly incorporated and in good standing under the Laws 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 carry out the obligations it has agreed to perform. By proper corporate action of its Board of Directors, MEDICAL CENTER has duly authorized the execution and delivery of this Agreement.

H. MEDICAL CENTER shall use its best effort to maintain and operate the facilities through which it delivers medical care to District Indigents in full compliance with applicable State and Federal laws and regulations promulgated pursuant thereto.

VIII. Covenants and Representations of DISTRICT.

DISTRICT represents and covenants that the person or persons executing this Agreement for or on behalf of DISTRICT are authorized and empowered to enter into this Agreement for and on behalf of DISTRICT.

IX. Default.

The failure by either DISTRICT or MEDICAL CENTER to do or perform any substantial act required of such party by the terms of this Agreement, the breach of either party of its covenants and representations made under this Agreement, or the failure of DISTRICT to make any payment required hereunder on or before its due date, time being of the essence, shall constitute a default of the obligations of such party under this Agreement. If any proceedings in bankruptcy or insolvency are filed against MEDICAL CENTER or if any writ of attachment or writ of execution is levied upon MEDICAL CENTER and such proceedings or levies are not released or dismissed within sixty (60) days thereafter, or if MEDICAL CENTER makes an assignment for the benefit of creditors or voluntarily institutes bankruptcy or insolvency proceedings, then any such act shall constitute a default on the part of MEDICAL CENTER under this Agreement.

X. Curing of Defaults.

Whenever MEDICAL CENTER or DISTRICT takes an action or fails to act and such action or failure to act constitutes a default of the obligations of such party under this Agreement, the party not in default shall give the defaulting party written notice of such default and shall grant the defaulting party a period of ninety (90) days from and after receipt of such notice within which to cure such default. If the default specified is not the failure to pay money and it is not possible to correct such default within such ninety (90) day period, then such period shall be extended from time to time as long as the defaulting party exercises and continues to exercise due diligence to remedy such default. The giving of such written notice of default and the granting of such period within which to cure such default shall be a condition precedent to the exercise of any other right or remedy by the party not in default.

XI. Remedies.

In the event that either party shall become in default of its obligations under this Agreement, and in the further event that such party shall fail to cure such default within the time provided therefor by the provisions of Article X of this Agreement, then upon the expiration of

the period provided therein for the curing of such default, the party not then in default under this Agreement may, at its option, exercise such remedies as are available to it in either law or equity.

XII. Continuing Obligation to Keep DISTRICT and MEDICAL CENTER Informed.

The Parties agree that their relationship will be enhanced and the possibility of misunderstandings or disputes will be reduced if they communicate on a regular basis. In particular, MEDICAL CENTER acknowledges the importance in keeping DISTRICT informed relative to the services it is providing. MEDICAL CENTER will promptly notify DISTRICT prior to any significant change(s) in the delivery of the services. Significant changes that would require notification to DISTRICT would include, without limitation, the commencement or conclusion of employment of key staff, such as the chief executive officer or a Vice President. DISTRICT, similarly, shall keep MEDICAL CENTER informed with regard to any of the DISTRICT's operations related to the health and medical care of Indigent Residents that affect MEDICAL CENTER.

XIII. Books and Records.

MEDICAL CENTER agrees during the Term of this Agreement to the following:

A. To maintain books, records, and documents (including electronic storage media) in accordance with standard accounting procedures and practices which reflect all payments to MEDICAL CENTER by DISTRICT under this Agreement.

B. To maintain records pertaining to this Agreement or payments received by MEDICAL CENTER from DISTRICT for a period of four (4) years after the termination of this Agreement.

C. Pursuant to Section 1861(v)(1)(I) of the Social Security Act (the Act) and to the extent applicable to this Agreement, until the expiration of four (4) years after termination of this Agreement, Medical Center shall make available, upon written request of the Secretary or upon request of the Controller General or any of their duly authorized representatives, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the costs of the services provided by Medical center under this Agreement. If Medical Center carries out any of its duties under this Agreement through a subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, such

subcontract shall contain a provision that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the subcontractor shall make available, upon written request, to the Secretary, the Controller General or any of their duly authorized representatives, a copy of the subcontract and such books, documents and records as are necessary to verify the nature and extent of the costs of providing the services pursuant to the subcontract. The terms and conditions of this Section XII C. 1. shall survive expiration or other termination of this Agreement, regardless of the cause of such expiration or termination

D. To include the aforementioned audit and record-keeping requirements above in all approved sub-contracts and assignments of MEDICAL CENTER's rights under this Agreement.

XIV. Access to Records. Access by the Board of Trustees of DISTRICT to MEDICAL CENTER's records shall be governed by the following provisions:

A. MEDICAL CENTER shall retain and provide to DISTRICT, upon written request by the Board of Trustees of DISTRICT, a copy of any document, form or other information which MEDICAL CENTER used to make its determination of indigency and residency.

B. MEDICAL CENTER shall keep its books, documents and records related to health and medical services provided by it to Indigent Residents available for inspection and review by DISTRICT at the request of the Board of Trustees of the DISTRICT or a representative authorized by the Board of Trustees of DISTRICT at all reasonable times and places.

C. DISTRICT recognizes that MEDICAL CENTER participates in Third Party payments programs including but not limited to Medicare, Medicaid, Blue Cross/Blue Shield and other commercial insurance which are essential to the financial viability of MEDICAL CENTER. In that regard, DISTRICT upon request shall cooperate with MEDICAL CENTER in its efforts to meet applicable requirements for participation in and payment under such Third Party Payment programs.

D. To the extent permitted by law, MEDICAL CENTER shall make and maintain available for review by DISTRICT Board of Trustees or representatives authorized by Board of Trustees of DISTRICT, complete and accurate records regarding health and medical services provided by MEDICAL CENTER to Indigent Residents.

E. MEDICAL CENTER shall provide to the Board of Trustees of DISTRICT or a

representative authorized by Board of Trustees of DISTRICT upon reasonable written request by the Board of Trustees of the DISTRICT and given reasonable advanced notice, copies of documentation and records to confirm the MEDICAL CENTER's compliance with the covenants and representations set forth in Article VII.

F. MEDICAL CENTER's obligation to provide documents to the DISTRICT for review does not include Documents which the MEDICAL CENTER is prohibited by State or Federal law from providing or Documents which relate to matters of patient care, compliance, audit or strategic planning which, if disclosed, would violate an individual's right to privacy, impede or compromise compliance or audit processes, expose either strategic or proprietary information detrimental to the competitive position of the MEDICAL CENTER, or be protected for public policy reasons recognized by State or Federal law.

G. MEDICAL CENTER will, to the extent required by Law and the Lease, comply with the Public Records Law (Chapter 119, Florida Statutes) and the Sunshine Law (Chapter 286, Florida Statutes). In the spirit of cooperation and transparency, the Parties have, on even date herewith, entered into the Acknowledgment. The Acknowledgment provides a framework to facilitate the provision of documents that are exempt and/or confidential under the Public Records Law from MEDICAL CENTER to DISTRICT.

XV. Non-Waiver.

The failure of either party to insist upon strict performance of any of the terms, conditions and covenants hereunder by the other shall not be deemed to be a waiver of any rights or remedies that such party 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 such party in writing

XVI. Applicable Law, Venue and Remedies.

This Agreement shall be interpreted and construed in accordance with the Laws of Florida and venue for any litigation commenced relating to this Agreement shall be in Indian River County, Florida.

XVII. Amendments.

This Agreement may only be amended by a signed agreement of the Parties.

XVIII. Assignment.

MEDICAL CENTER shall be prohibited from sub-contracting, selling, assigning, or otherwise transferring its interest in this Agreement to any other person, governmental entity, firm or corporation except upon prior written agreement of DISTRICT, which DISTRICT may withhold in its sole discretion.

XIX. Severability.

In the event that any one or more of the provisions or the terms of this Agreement shall for any reason be held to be unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such unenforceable provision had never been contained herein.

XX. Sovereign Immunity.

This Agreement shall not be construed as constituting a waiver of any rights to sovereign immunity granted to DISTRICT under the Laws or Constitution of Florida. This Agreement shall not be construed as granting or extending the sovereign immunity to which DISTRICT is entitled to MEDICAL CENTER or any other third-party.

XXI. Notices.

All notices, including changes in the following addresses, required to be given pursuant to this Agreement shall be given by mail, certified or registered, and return receipt requested, or by personal delivery, evidenced by a receipt signed by the recipient of such personal delivery, and shall be effective when received. If to DISTRICT, then address to the Executive Director of the DISTRICT at 3730 Seventh Terrace, Suite 204-B, Vero Beach, Florida 32960. If to MEDICAL CENTER, then address to the President/Chief Executive Officer at 1000 36th Street, Vero Beach, Florida 32960.

XXII. Waiver of Jury Trial And Remedies.

To encourage prompt and equitable resolution of any litigation, each party hereby waives its rights to a trial by jury in any litigation related to this Agreement. No remedy provided for in this Agreement and conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy in law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy shall preclude any other or further exercise thereof.

XXIII. Public Entity Crimes.

MEDICAL CENTER shall promptly advise DISTRICT if it becomes aware of a violation of section 287.133, Florida Statutes, by one of its agents, officers, directors, executives or employees who are active in the management of MEDICAL CENTER.

XXIV. Time.

Time is of the essence in all respects under this Agreement.

XXV. Entire Agreement.

This Agreement contains all the terms and conditions agreed upon by the Parties with respect to the subject matter of this Agreement. No other agreements regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the Parties hereto.

XXVI. Effective Date.

This Agreement shall be effective as of the fiscal year commencing October 1, 2014.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officials, on the date first written above.

**INDIAN RIVER COUNTY HOSPITAL
DISTRICT**

Witness

By: _____
Chairman

Witness

Dated: _____

(SEAL)

ATTEST:

By: _____
Secretary

**INDIAN RIVER MEMORIAL
HOSPITAL, INC.**

Witness

By: _____
Chairman

Witness

Dated: _____

ATTEST:

(SEAL)


By: _____
Secretary



THE LAW FIRM OF
STEWART EVANS
STEWART & EMMONS
A PROFESSIONAL ASSOCIATION

Rebecca F. Emmons
Ralph L. Evans
Patricia L. Reid
John Mitchell Stewart
William J. Stewart
www.stewartevans.com

To: Board of Directors of the Indian River Medical Center

From:  William J. Stewart, Esq.

Date: May 4, 2015

Re: Acknowledgement Governing Review and Maintenance of Documents

I have attached a proposed agreement between the Medical Center and the District entitled Acknowledgement Governing Review and Maintenance of Documents. Exchange of documents between the Medical Center and the District has been inhibited by the concern that by disclosing a document to the District that document might lose its privilege or exemption under State or Federal law or under the Lease. There are court decisions which hold that if two entities have a common interest then the delivery of documents which are, in the hands of the entity delivering the documents, confidential and/or exempt to the other in whose hands the documents would ordinarily not be confidential and/or exempt, will not cause those documents to lose their exemption or confidentiality. Those decisions have been rendered by Florida Courts of Appeal. The issue has not been addressed by the Supreme Court. In the event that this legal theory remains intact, then the exchange of documents between the Medical Center and the District will be facilitated.

The Acknowledgment sets forth a process and is not meant to grant rights independent of those that exist under the Indigent Care Agreement, the Lease or the Public Records Act. You will note that the Medical Center is not required to provide access to all documents requested; however, if the Medical Center elects not to provide a document it must explain the rationale for its decision. The Medical Center's decision has to be founded on the exemptions or protections provided under the Florida Public Records Act, the Lease or Federal or State law. This reservation by the Medical Center must be in place as there are some records that are simply not available under the law because of privacy issues. There are other records, the disclosure of which would either stifle the Hospital's compliance or audit efforts or impair strategic initiatives and potentially compromise proprietary information. There are also valid public policy reasons supported by law which support the withholding of certain documents. It will be up to the Medical Center to exercise its best judgment on these issues and only exclude those documents that fit within these boundaries.

As you know, Florida Statutes provide an avenue for the Medical Center to be relieved of the requirements of the Public Records Act and the Sunshine Law. Currently, provisions of the

Lease prohibit enjoying these exemptions in full. While the Lease does render certain exemptions from the Public Records Act, there is the additional concern regarding agreements entered into by the Medical Center which include confidentiality provisions. In the event that these agreements do not fit within the confines of the exemptions available to the Medical Center, the party with whom the Medical Center is contracting must be advised that the confidentiality provision may not be enforceable. The concern is that once entities understand that, in some cases, information provided to the Medical Center is not confidential, those entities will tend to avoid including the Medical Center in strategic discussions simply to avoid the risk of public disclosure.

ACKNOWLEDGEMENT GOVERNING REVIEW AND MAINTENANCE OF DOCUMENTS

This Acknowledgement Governing Review and Maintenance of Documents (sometimes hereinafter referred to as the "Acknowledgement") is made this ___ day of _____, 2015, by and between Indian River County Hospital District, a special taxing district created by the Legislature of the State of Florida, hereinafter referred to as "District," and Indian River Memorial Hospital, Inc., a not-for-profit corporation organized under the laws of the State of Florida, hereinafter referred to as "Medical Center." (The District and the Medical Center may also be referred to herein as a "Party" or collectively referred to as the "Parties.")

WHEREAS, District and Medical Center have entered into various agreements, including a Lease of Hospital Facilities and Agreement for Operation of Indian River Memorial Hospital ("Lease") and an Indigent Care Agreement ("Indigent Care Agreement"), as each may be subsequently amended and restated from time to time; and

WHEREAS, the Medical Center is responsible for the operation and management of the Indian River Medical Center (the "Medical Center Facilities"), subject to the terms of the Lease and the Indigent Care Agreement; and

WHEREAS, the District is responsible for the long-term preservation of the Medical Center Facilities, subject to the terms of the Lease, and responsible for payments for medical care provided within District territory by, inter alia, the Medical Center to indigent patients pursuant to the terms of the Lease and the Indigent Care Agreement; and

WHEREAS, pursuant to the terms of the Lease and the Indigent Care Agreement, District is entitled to review certain documents, books and records ("Documents") of Medical Center, financial or otherwise, in order to carry out its responsibilities; and

WHEREAS, certain Documents provided by Medical Center to District may be exempt and/or confidential and, therefore, not subject to disclosure under Florida law; and

WHEREAS, District and Medical Center seek to create a framework to facilitate the exercise of District's right to review Documents while ensuring the protection of exempt and/or confidential Documents from disclosure; and

WHEREAS, the District and the Medical Center believe that this Acknowledgement is in their respective best interests and the best interests of the communities served by the District and the Medical Center.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, District and Medical Center agree as follows:

1. **Coordination of Document Requests.** The Board of Trustees of District will provide notice to the Medical Center's legal counsel, or his/her authorized designee (Medical Center's Designated Legal Counsel), of specific Documents it seeks to review in the exercise of its express rights under the Lease and Indigent Care Agreement. Upon receipt of notice from District, Medical Center will determine the status of Documents requested and, within a reasonable time,

either: i) provide to District all requested Documents not deemed by Medical Center to be exempt, privileged and/or confidential, and ii) if certain Documents are deemed exempt, privileged and/or confidential by Medical Center, in whole or in part, pursuant to sections 395.3035 or 395.3036, Florida Statutes, the Lease, or any other provision of law, notify District's General Counsel of its determination that:

a) certain Documents, in whole or in part, are exempt and/or confidential along with the specific authority upon which the determination is based and will be provided to District

b) certain Documents, in whole or in part, are exempt and/or confidential along with the specific authority upon which the determination is based, including but not limited to the following reasons:

i) the Medical Center is prohibited by State or Federal law from providing the Documents by law; or

ii) the Documents relate to matters of patient care, compliance, audit or strategic planning which, if disclosed, would violate an individual's right to privacy, impede or compromise compliance or audit processes, expose either strategic or proprietary information detrimental to the competitive position of the Medical Center, or is protected for public policy reasons recognized by State or Federal law; or

iii) are subject to the reservations in Article XIV of the Indigent Care Agreement.

2. Provision of Documents. If District's General Counsel agrees with Medical Center's determination that the Documents which the Medical Center is offering to make available are exempt, privileged and/or confidential, in whole or in part, it will notify Medical Center's Designated Counsel of such agreement and Medical Center shall provide such Documents to District's General Counsel within a reasonable time. Prior to tendering Documents to District's General Counsel, Medical Center shall mark and label any and all exempt and/or confidential Documents, or portions thereof.

3. Treatment of Exempt and/or Confidential Documents. In the event Medical Center tenders to District Documents, or portions thereof, deemed to be exempt and/or confidential under Florida law, such Documents shall be tendered directly to District's General Counsel. District's General Counsel shall maintain custody of all such Documents and shall limit review and inspection of Documents exempt and/or confidential under either State or Federal law or the Lease to members of the Board of Trustees of District and individuals designated by the Board of Trustees of District to have access to such Documents. District's General Counsel shall secure confidentiality agreements from those individuals to whom he/she allows review and inspection. Documents provided for review and inspection under this paragraph shall not be removed from the District General Counsel's office; however, District's General Counsel may release copies of such Documents to persons authorized by the Board of Trustees of District.

District's General Counsel shall maintain an inventory of Documents as well as a log of those persons who have been allowed to review and inspect said Documents.

4. Document Requests. In the event a request is made to District to review, inspect or copy Documents which the District and the Medical Center have agreed are exempt, privileged or confidential, by anyone other than the persons described in paragraph 3 of this Acknowledgement, District shall notify Medical Center's Designated Counsel of said request. Medical Center will have a reasonable time, but not more than three (3) business days, from receipt of District's notification, to advise of its position on the request. In the event that the Medical Center does not respond within the three (3) business day period, the Medical Center shall be deemed to have objected to the release of such Documents. District shall not produce or allow review, inspection or copying of any Documents which District and Medical Center have agreed is exempt or confidential prior to the delivery of such Document by the Medical Center to the District absent Medical Center's written consent.

5. Third Party Disputes. In the event District receives a request from someone other than those persons described in paragraph 3 of this Acknowledgement to review, inspect or copy Documents, or portion thereof, which District and Medical Center have agreed are exempt and/or confidential, and District's refusal to provide access for review, inspection or copying results in a dispute with such Third Party, Medical Center, at its own expense, shall defend, indemnify and hold harmless District and its employees and agents, from and against damages, losses, and expenses, including but not limited to reasonable attorney's fees and other reasonable legal costs such as those for paralegal, investigative, legal support services, and the actual costs incurred for witness testimony whether or not litigation is commenced and, if so commenced, through all trial and appellate proceedings. Attorneys retained by Medical Center for District's benefit shall be subject to the District's approval which shall not be unreasonably withheld. Nothing herein shall be deemed to affect the rights, privileges, and immunities of District as set forth in Section 768.28, Florida Statutes.

6. Termination. In the event that it is determined by a court with jurisdiction or the Assistant Attorney General of the State of Florida responsible for such determinations, that documents which are exempt or confidential in the hands of the Medical Center are, when in the hands of the District, subject to the Public Records Act, Florida Statutes Chapter 119, then either party shall have the right to terminate this Acknowledgment upon written notice to the other.

7. Governing Law. This Acknowledgment will be governed and construed in accordance with the laws of the State of Florida.

8. Enforcement of Agreement. In the event either the District or Medical Center breaches this Acknowledgement, the Parties acknowledge that the dollar value of such breach will be difficult, if not impossible, to identify and that there may not be an adequate remedy at law. Accordingly, each Party hereby additionally consents to equitable relief in the form of, inter alia, an injunction or specific performance in order to enforce the terms of this Acknowledgment. Notwithstanding the foregoing, any such dispute under this Acknowledgement shall first be mediated in accordance with the mediation procedure set forth in Section VI A.3. of the Indigent Care Agreement. Each party shall bear its own costs, including but not limited to attorneys fees, in enforcing any provision of the Acknowledgment.

9. Execution of Agreement. The Parties may execute this Acknowledgment in several counterparts, each of which so executed and delivered constitutes an original. All such counterparts together constitute one and the same instrument.

10. Modification. Except by written amendment jointly executed, the Parties will not amend, vary or supplement this Acknowledgment.

11. Binding Effect. This Acknowledgment is intended to bind and benefit the Parties, their agents, legal representatives, assigns, and successors in interest.

12. Entire Agreement. This Acknowledgement contains the entire understanding between the Parties.

13. Term. The term of this Agreement is coexistent with the term of the Lease unless sooner terminated under the provisions of paragraph 6 hereof.

14. No Third Party Beneficiaries. This Acknowledgment will inure to the benefit of the Parties and will not be deemed to be made for the benefit of any other persons not so specified.

IN WITNESS WHEREOF, the Parties caused this Acknowledgment to be executed on their behalf by their proper officers on the day and year first above written.

**INDIAN RIVER COUNTY HOSPITAL
DISTRICT**

By: _____
Chairman

ATTEST:

By: _____
Secretary

(SEAL)

**INDIAN RIVER MEMORIAL
HOSPITAL, INC.**

By: _____
Chairman

ATTEST:

By: _____
Secretary

(SEAL)