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Confidential

June 9, 2025

Lower Florida Keys Hospital District Board
P.O. Box 5403
Key West, FL 33045

Dear Lower Florida Keys Hospital District Board:

We continue to appreciate the honor of being considered for this very important work and the generational implications of the process you are about to initiate and respectfully present this final clarifying proposal. Our firm, Juniper Advisory, does nothing other than assist boards, like the Lower Florida Keys Hospital District (District), with expert advice on navigating decisions just like the one you are facing. We have chosen work like this as both our professional passion and our mission and believe we are uniquely qualified to advise the District on this important process.

After being invited to present during the Board meeting on March 4th, where we both presented and fielded thoughtful questions, we have made several refinements and supplemental submissions to our original proposal to clarify and address important issues raised by the District's Commissioners and other community members. This letter is intended to summarize our proposal, review our recommendations as to how the District approaches this important decision for the future of the Lower Keys Medical Center (LKMC) and clarify why Juniper Advisory is the right firm to assist you.

We agree with thoughts expressed during District Board meetings to the effect that this decision will impact the Lower Keys and surrounding areas in the hundreds of millions of dollars over the expected lease term in healthcare investments, expenditures, lease payments and overall correlated economic impact. What has not been discussed enough in our opinion is that the District faces a very complicated generational decision, including the below steps:

- The design and implementation of a custom process to engage partners and expand the pool of prospects
 - The important positioning of the LKMC in the best light and associated professional explanation to suitors of opportunities and needs of the overall Lower Keys communities
 - The choice of a sophisticated health system to operate LKMC over the next 30 plus years
 - The navigation of issues with respect to Kennedy Drive Investments, Ltd. (Kennedy Drive Ltd.) investors and important considerations required to reach consensus and contractual agreement moving forward
 - The compilation of data necessary for any health system to review in order make a 30+ year informed decision likely involving hundreds of millions of dollars, including creation of a virtual data room and handling back and forth exchanges
 - The evaluation of the significant financial components (expected to exceed well over \$100M for the lease term) of proposals and equally important non-financial (i.e., quality initiatives, physician recruiting, service line commitments, etc.)
 - The negotiation and refinement of proposals with participating health system suitors and comparison of such proposals against industry norms for such a transaction (Juniper uses public databases and its own proprietary data on behalf of its clients)
 - The reverse diligence of those third-party health systems to ensure financial wherewithal and an operational track record to measure whether such systems can live up to the substantial financial, clinical and other commitments that will be made
 - The formulation of initial terms on which to compare the finalist suitors and back and forth necessary to maximize the terms for the benefit of all stakeholders, including the District; which may include the entering into of a Letter of Intent
 - Selecting a finalist and participating in the important confirmatory diligence process that will be required prior to a binding agreement being entered into by relevant parties
 - Coordination of various work streams that will be necessary, including legal, accounting, communications and other
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- The negotiation and finalization of a long-term lease agreement and other definitive agreements with multiple parties, including the health system finalist, Kennedy Drive Ltd., the District and any other necessary parties
- The navigation of all regulatory processes necessary to effectuate the potential complicated transaction prior to closing

We have listed below under the heading Project Design how Juniper would recommend moving this process forward in order to meet the goals and objectives of the District. We would hope the above recitation appropriately reflects the need of the District to hire a professional advisory firm that has extensive experience in these matters. Whether or not you choose Juniper, we strongly encourage the District to hire an experienced and well-referenced advisory firm to work on a broad scope engagement to address this generational opportunity and not settle for a narrowly focused consulting project.

Specifically, during the May 6 meeting, we understood from our review of the available video that there exist several open issues. The below contains our observations related to some of those ‘open issues’ that we wanted to provide in advance of the District making its final decision.

RESPONSE TO MAY 6TH BOARD MEETING

Scope and Strategic Significance Demand Specialized Expertise

There was some discussion as to whether the scope of this project warrants a full strategic advisory engagement. We strongly believe it does. The decision you face has generational consequences affecting healthcare access, economic development, service lines, capital investment, and facility replacement for decades to come. As was noted during the March meeting, the economic value of the District's healthcare enterprise to the community over time could be as much as \$300–400 million, confirming the gravity and scale of this process. The overall decision process followed by the equally important execution phase (e.g., negotiation, structuring, diligence, definitive agreement and regulatory process) requires an experienced and independent advisory firm. We strongly encourage the District to hire an experienced advisory firm. Juniper was formed and uniquely staffs its engagements with senior bankers to successfully navigate these types of generationally important engagements. We invite you to review our references and case studies, including Indian River, for evidence of the kind of value we consistently deliver.

Law Firms are Critical Partners, but not Substitutes for Experienced Advisors

We have worked closely with nearly all of the major law firms involved in large healthcare transactions including those with and without a Florida presence. While legal counsel plays a vital role in structuring agreements and ensuring regulatory compliance, law firms typically do not have the tools, experience, or resources to lead the kind of controlled, competitive process required to evaluate and optimize strategic options and both financial and non-financial value. Our proprietary database of comparable financial and non-financial commitments, national experience, and client advocacy allow us to create leverage and secure favorable terms. Just as LKMC should not hire a cardiologist to provide orthopedic services, the District should not rely on an attorney to fill the role of an investment banker.

We are Ready to Move Swiftly and Confidently on Your Timeline

We understand the time sensitivity raised by several Board members and are confident in our ability to move quickly while preserving process integrity. We have provided a graphic of an accelerated process timeline below and will further customize a disciplined, transparent, and efficient process designed specifically to meet the District's needs. Our “controlled competitive process” approach involves steps to ensure you receive optimal terms from qualified partners, and we provide frank, professional guidance every step of the way to help you make the best possible decision for your community. While meeting your fiduciary obligations to the community and also navigating what we believe to be a reasonably complex situation, we have outlined below a timeline that allows you to complete your decision-making during the 2025 calendar year and, subject to external and other conditions, be in a position to close a new lease transaction by the first quarter of 2026.

Clarifying Our Role at Indian River and the Value We Delivered

During the May 6th Board meeting, the District heard that both Juniper and Stroudwater were considered “competent” regarding their respective work for the Indian River County Hospital District. However, that framing omitted critical context. Stroudwater assisted Indian River in assessing its position and determining that it needed a larger partner. Juniper

was then brought in to replace Stroudwater and we led the process resulting in a transformative outcome for Indian River. This included financial and non-financial terms such as a significant capital investment, an unprecedented commitment by the Cleveland Clinic to expand free access to elective health care procedures for the region's underserved population and important governance rights. Through our proprietary process and hands-on leadership, we navigated a highly complex landscape and delivered a superior outcome that aligned stakeholders and resulted in a partnership that gained national attention. While it is correct that both Stroudwater and Juniper advised Indian River, the omission of the fact that Indian River first worked with Stroudwater on consulting services before hiring Juniper for the important work the District is contemplating here is significant. Our detailed case study related to this successful engagement with Indian River is below.

Compensation Structure: Alignment, Flexibility, and Transparency

Success fees are customary in our industry and are designed to align our efforts with your goals. Our structure allows fees to be deferred and typically paid from transaction proceeds, easing the burden on clients before a partnership closes. Despite believing that this will be a very complex transaction for the reasons outlined above, we have capped our fee at one of the lowest levels in Juniper's history. As we describe below, our transaction fee with Indian River was capped at \$3,200,000, more than 4x the \$750,000 cap we are offering the District. We are significantly discounting our fees here due primarily to two factors. First, the certainty of a transaction is high given the expiration of your lease. Second, we are sincere when we say that this is our life's work and that we are attracted by the complexity of your situation and our belief that we can have a meaningful impact on healthcare services and the economy of the Lower Keys. However, if you would prefer an alternative approach to a success fee, we are open to structuring our compensation around clearly defined milestones such as delivery of the information memorandum, signing of a letter of intent, signing a definitive agreement and a successful closing, but this will front-load some of those fees. Our passion, sector knowledge, and results consistently outperform our competitors whether they be generalist consultants, bankers, or other firms that only occasionally operate in this transactional space. While we believe in being measured by the outcomes we deliver vs. the time and materials we invest getting there, it is important for the District to understand the senior team that Juniper would bring to this engagement and how it varies from our competition for this work. Not only will you have several career bankers working side by side assisting you, the depth of our team offers additional, harder to quantify, value for the District. If something were to happen to any one of us, there are redundancies built into the Juniper team and other resources readily available at the firm.

Our Approach Reflects Objectivity and a Commitment to Independence

We would also like to address any concern that our compensation structure might create a misalignment. As noted above, success fees are customary in our industry and designed to align client goals with their advisors. Importantly, nearly half of our engagements result in a decision to remain independent, underscoring our dedication to helping clients reach the outcome that best serves their mission and community. While moving away from a larger lease partner to a local solution is an unlikely outcome for the District, the fact that other clients regularly affirm their historical standalone structures demonstrates that success fees are not driving how we provide services and advise our clients. We know this process will be judged publicly, which only reinforces our commitment to excellence. We are driven not by volume or fees but by quality and impact and that is why we are selective about the engagements we take on as a firm. Please feel free to check our references if you desire further comfort.

JUNIPER OVERVIEW

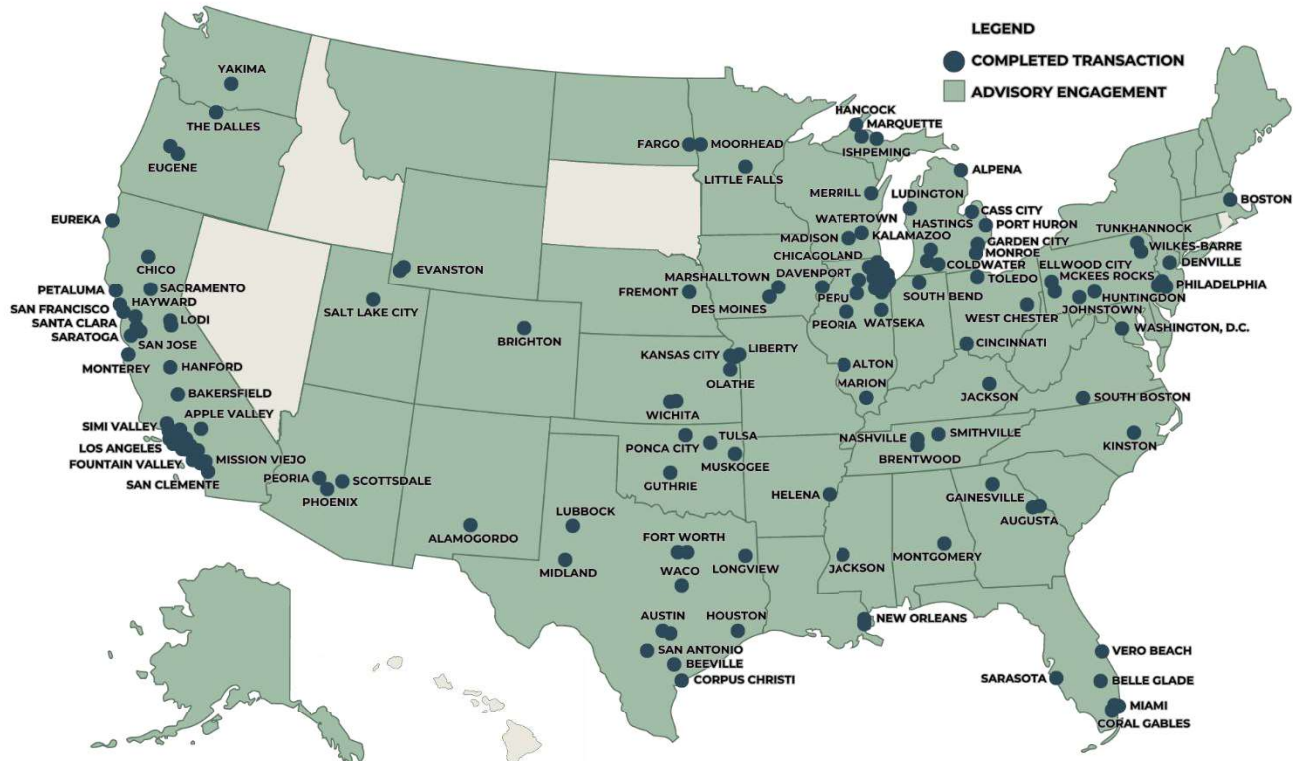
Juniper's team has been a trusted source of merger and acquisition (M&A) and other partnership advisory services to the hospital industry for over 35 years. We are the only firm that focuses exclusively on providing nonprofit health systems, including governmental, community 501(c)3 and religiously sponsored organizations, with expert advice on partnerships; we have no other businesses. Juniper is owned by its employees, which, when combined with our singular focus, results in our firm having no conflicts of interest. This ensures that our clients receive impartial, objective, and expert advice. Unlike our competitors, ***we can confirm here that we are not currently working for, have not recently worked for, are not interested in working for and have no other conflicts with potential lessees for LKMC.*** In fact, our independent advisory firm was created, in part, to avoid these conflicts inherent to our competitors and allow us to focus without distraction on assisting our clients in achieving their objectives.

We have completed more than 300 assignments in which we assisted nonprofit health systems consider various strategic options and execute superior outcomes. This includes many of the most complicated and noteworthy partnerships in the industry over the last three and a half decades. Our team developed what is now the industry standard method to evaluate partnership alternatives. We have devoted our professional lives to helping Boards, like the District, make thoughtful, well-reasoned decisions regarding the strategic futures of their organizations.

Our firm is unique in a number of ways:

- We spend *all* of our time advising nonprofit and governmental hospital systems. This is not a sideline business for us, nor does it compete for resources or senior management attention.
- We have no structural conflicts of interest (e.g., ongoing engagements with potential lessees), cross-selling pressures (e.g., integration consulting services to offer the lessee post-transaction), or shareholder expectations (e.g., a private equity parent). All of our attention is on fulfilling client objectives.
- We staff our engagements with multiple senior advisors with years of experience to provide redundancy and depth.
- We understand the vital role hospitals play in their communities. Beyond meeting healthcare needs, our clients play pivotal roles as employers, economic engines, and attractors of industry. Getting this right for the District will have decades of positive implications for the community.
- The financial outcomes we realize for our clients exceed industry benchmarks by ~50%. This translates into hundreds of millions of value to communities and tens of thousands of jobs.

In the last decade, our team has advised ~40 local government hospital systems, i.e. those sponsored by Cities, Counties, Districts, and other political subdivisions on business combinations. We have worked with elected and appointed officials across the country to navigate decision making in transparent public settings and we are intimately familiar with Florida's Sunshine Law. Below is a map of Juniper's assignments.



JUNIPER TEAM

JUNIPER ADVISORY

Our firm is the largest and most experienced team in the industry in advising nonprofit hospital systems on partnerships on a full-time basis. Unlike our multi-service competitors that shift work to their junior teams once a project has been sold, Juniper relies on seasoned professionals with decades long track records of achieving superior outcomes for their clients. This work requires the focus of experienced professionals and that is what Juniper is designed to provide. Juniper's dedicated project team would consist of Jordan Shields (Partner), Brent McDonald (Managing Director), Mike Hemsley (Senior Advisor), and Nina Leutz (Associate). In addition, Juniper meets weekly as a firm to discuss all live engagements, ensuring that clients have access to the full resources and intellectual capital of the team.



Brent McDonald, Managing Director (c. 214.505.4961) - - Brent has over 25 years of experience leading development, strategy, investment banking and legal teams to accomplish the strategic goals of national, regional, and community-based healthcare organizations. Prior to joining Juniper in 2021, he was Head of Healthcare Strategic Advisory at Bank of America Merrill Lynch, with responsibility for all not-for-profit healthcare M&A coverage at the firm. Before joining BofAML, Brent led the Acquisition & Development department at Tenet Healthcare Corporation, serving as a key member of Tenet's executive team, advising on strategic direction and responsible for execution of the company's strategic transactions, including leases. Earlier in his career, Brent practiced law at Norton Rose Fulbright. Brent earned a B.B.A. (Accounting) from Baylor University, a J.D. from Baylor School of Law and an LL.M. (Taxation) from New York University School of Law. He also completed the Harvard Business School Executive Education Program in Managing Healthcare Delivery.



Jordan Shields, Partner (c. 773.490.6729) - - Jordan has over 25 years of experience advising hospitals and health systems, including many of Juniper's governmental clients, like Indian River County Hospital District in Vero Beach, Florida which entered into a lease with the Cleveland Clinic in December 2018. Prior to joining Juniper in 2011, Jordan was a member of the hospital advisory groups at Guidehouse (formerly Navigant) and Ernst & Young. Jordan holds an MBA with honors from the Kellogg School at Northwestern where he was named Outstanding Student in Health Industry Management by the faculty.

Jordan graduated magna cum laude from Bowdoin College where he earned honors for his work measuring the value of tax exemptions for not-for-profit institutions.



Michael Hemsley, Senior Advisor (c. 610.761.2555) - - Before joining Juniper, Mike was Deputy General Counsel for Trinity Health, one of the largest health systems in the US. Prior to its 2014 merger into Trinity, Mike served as General Counsel for Catholic Health East. His practice involved him deeply in the structuring and execution of over 20 corporate health system strategic corporate acquisitions, leases and divestitures. Prior to joining CHE, Mike spent more than 20 years in private practice, last as Chair of the Health Law Department at Wolf, Block. He was a principal drafter of Corporate Responsibility and Corporate Compliance and two subsequent companion publications, each sponsored by the American

Health Lawyers Association and the Office of Inspector General of the U.S. Department of Health and Human Services. Mike has served as a member of the adjunct faculty at his alma mater St. Joseph's University, received a Master of Arts in Legislative Affairs from George Washington University, and his law degree from Villanova University School of Law.



Nina Leutz, Associate (c. 224.216.9623) - - Nina started her career in hospital strategy consulting working with leading healthcare providers. As an Associate at Juniper Advisory, she supports the firm's clients from end to end, including data and financial analysis as well as management presentation development. Prior to Juniper, she was a Senior Associate in the Strategy and Business Transformation group at Kaufman Hall, where she focused on assisting executives from hospitals, health systems, and health payers nationwide address complex problems in order to grow their businesses. Nina earned her Bachelor of Science degree

in Science-Business from the University of Notre Dame.

Our firm's full roster of bankers will be available for this project and the depth of our team brings forth a wide range of experiences that benefit our clients.







 Rex Burgdorfer Partner • 20 yr financial services • Morgan Stanley • Northwestern MBA	 Jordan Shields Partner • 25 yr health system advisor • Navigant, E&Y • Bowdoin, Kellogg MBA	 James Burgdorfer Principal • Corporate finance 1980 • Hospital M&A 1992 • AG Becker, Citigroup • U Michigan MBA	 David Gordon Principal • 30 yr healthcare investment banker • Piper Jaffray, J. Nuveen • Notre Dame MBA
 Chris Benson Managing Director • 25 yr at Mayo Clinic • Strategic partnerships • U Iowa	 Brent McDonald Managing Director • 25+ yr health system advisor • BAML, Tenet • Baylor BBA/JD, HBS	 Farley Reardon Managing Director • 25+ yr development & capital markets • Lifepoint VP • Vanderbilt MBA	 Casey Webb Managing Director • 10 yr health system advisor • Huron • DePaul
 Adam Davis Executive Director • 10 yr healthcare • Fitch Ratings, Cain Bros., Moody's • Bowdoin, Mt. Sinai SoM	 George Brown Senior Advisor • Legacy Health CEO • MultiCare COO • BU School of Medicine • US Army	 Ray Grady Senior Advisor • 40 yr hospital executive • NorthShore, Aurora, Methodist Indiana • OSU	 Michael Hemsley Senior Advisor • Trinity Health Deputy General Counsel • USciences Board • Villanova
 John Kosanovich Senior Advisor • 20 yr Pres. & CEO at Watertown Regional MC • UW Madison	 Karen Teitelbaum Senior Advisor • Sinai Chicago CEO • 30 yr hospital executive • Kellogg	 Jay Harris Senior Advisor • King & Spalding • 40+ yr healthcare transaction lawyer • Vanderbilt	 Ansley Geary Associate • Ernst & Young • UGA BBA, MAcc • CPA
 Nina Leutz Associate • Analysis, Material Development • Kaufman Hall • Notre Dame	 Joseph Cerisano Analyst • Analysis, Research • BGX Advisory • ASU, Georgetown MSF	 Alexander Norton Analyst • Analysis, Research • Edgewater Funds • University of Chicago	 Angela Adams Director of Operations • Operations, logistics • Software development • Northern Illinois










Projects like the one Lower Florida Keys Hospital District is considering require the close attention of a senior team. As you can tell from our bios, Juniper is intentionally top heavy, consisting of senior bankers with decades of experience. We will be intimately involved in every aspect of the project with Lower Keys Florida Hospital District from start to finish. In addition to providing skill and expertise, we will bring practical experience in how this type of business combination is best achieved. Our senior bankers would attend all meetings and carefully guide every step of the process.

In addition to our practice experience, we also write and speak frequently on trends in the hospital industry and have published a range of articles on governmental hospital considerations, partnership processes and other topics of interest to the District. These can be found on our website: www.juniperadvisory.com. In 2020, we published the definitive guide to health system partnerships, *A Healthcare Leader's Guide to Successful Mergers & Acquisitions*, which we shared at the March 4th meeting and can be downloaded on our website and ordered from Amazon. We are faculty members of the Governance Institute and presented at their annual meeting with our client, the Indian River Medical Center, and The Cleveland Clinic. A case study of this transaction is included below.

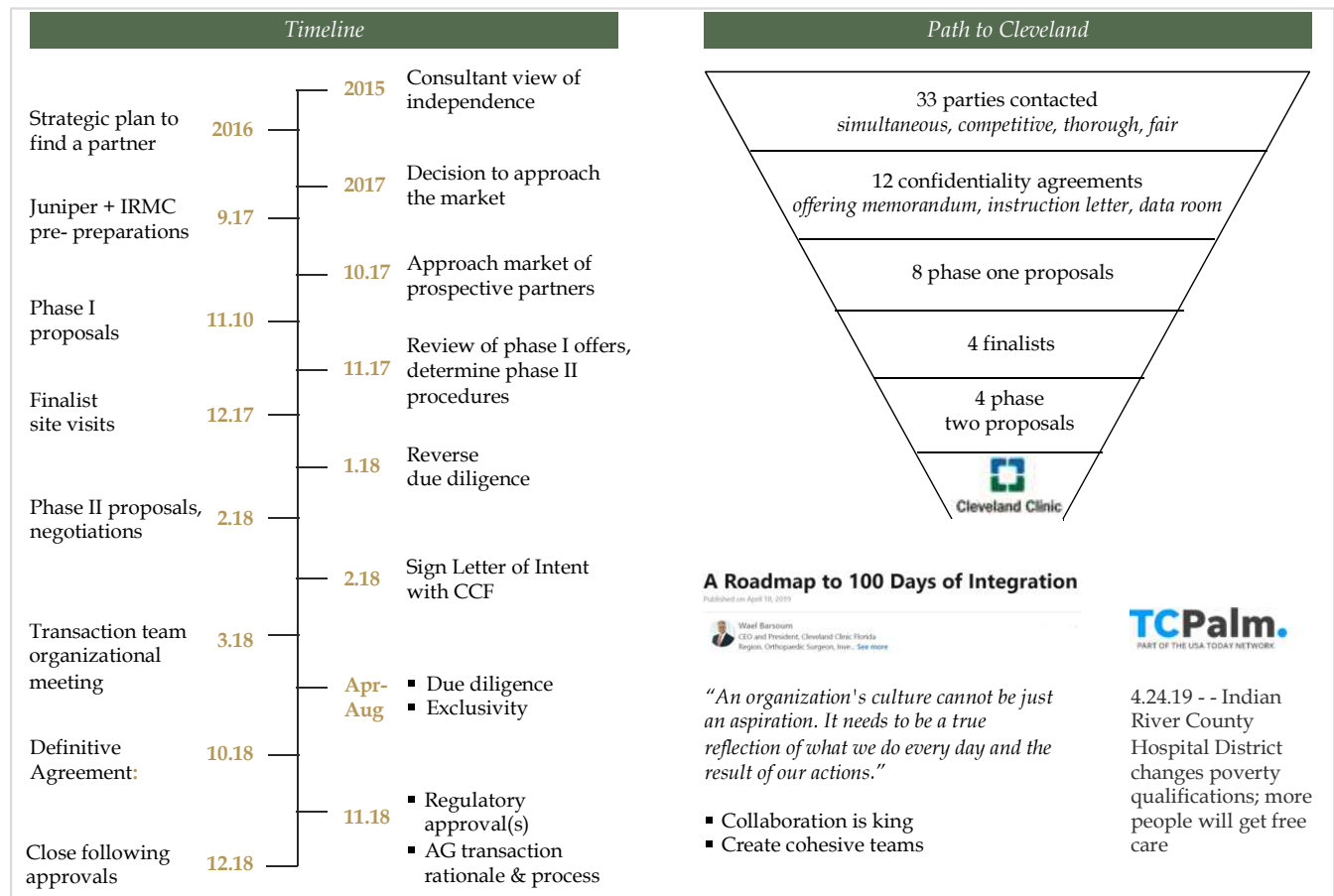
COMPARABLE ASSIGNMENTS & REFERENCES

Below are select rural and public hospitals in comparable settings to LKMC that Juniper has advised and that can provide references.

Client	Assignment	Reference
 Indian River Medical Center Indian River County Hospital District, FL	 Cleveland Clinic <ul style="list-style-type: none"> Hired <i>after</i> the District and hospital completed initial work with Stroudwater and came to the conclusion that Juniper was best positioned to assist them in achieving their objectives. Advised District & hospital on ~\$325m lease transaction with the Cleveland Clinic 	 Marybeth Cunningham Board Chair t.772.567.4311 e. mbcharles1@aol.com
 LIBERTY HOSPITAL New Liberty District, MO Video: Press Conf. w/ KU	 THE UNIVERSITY OF KANSAS HEALTH SYSTEM Entered a ~\$400m long-term lease June 30 th despite material financial losses	 Dr. Raghu Adiga Chief Executive Officer t. 816.792.7001 e. adigaraghu@libertyhospital.org

 Blount Memorial Hospital Blount County, TN	 <ul style="list-style-type: none"> Advising County & board on partnership process Analyzing phase two finalist proposals in July Proposals each total ~\$350m	photo n.a. 	Randy Vineyard Chief Administrative Officer (ret.) t. (865) 254-3188 e. randyanddale5474@gmail.com
 MCMC MID-COLUMBIA MEDICAL CENTER The Dalles, OR	 <ul style="list-style-type: none"> First rigorous competitive process in the state ~\$170m partnership in the face of acute operational distress First to navigate new regulatory environment		Dennis Knox Former CEO t. 602.315.3779 e. knoxdm@ah.org
 Gerald Champion Regional Medical Center Alamogordo, NM Video: Describing Foundation	 <ul style="list-style-type: none"> Proactive consideration of partnerships ~\$430m transaction that created the ~\$250m Sacramento Mountains Foundation to address issues on the US/Mexico border		Jim Heckert CEO Christus South NM t. 575.415.0943 e. jheckert@gcrmc.org

Indian River Hospital District's partnership with The Cleveland Clinic is a particularly relevant assignment. The below visuals pertain to the Indian River - Cleveland Clinic project. These illustrate the timing, sequence of events, and distillation that occurs in a controlled competitive process. The bar chart shows: (1) the forms of consideration, (2) the way in which proposals evolve from phase one to phase two of the process (here they increased an average of \$117 million), (3) how competition is useful to cause some of the less acquisitive or experienced lessees (e.g., Cleveland Clinic) to be commercially reasonable, and (4) that Juniper's goal is to generate outcomes (not just financial) that are as high as possible and as uniform as possible so the District can choose who they believe the best partner for the community will be.



Overview

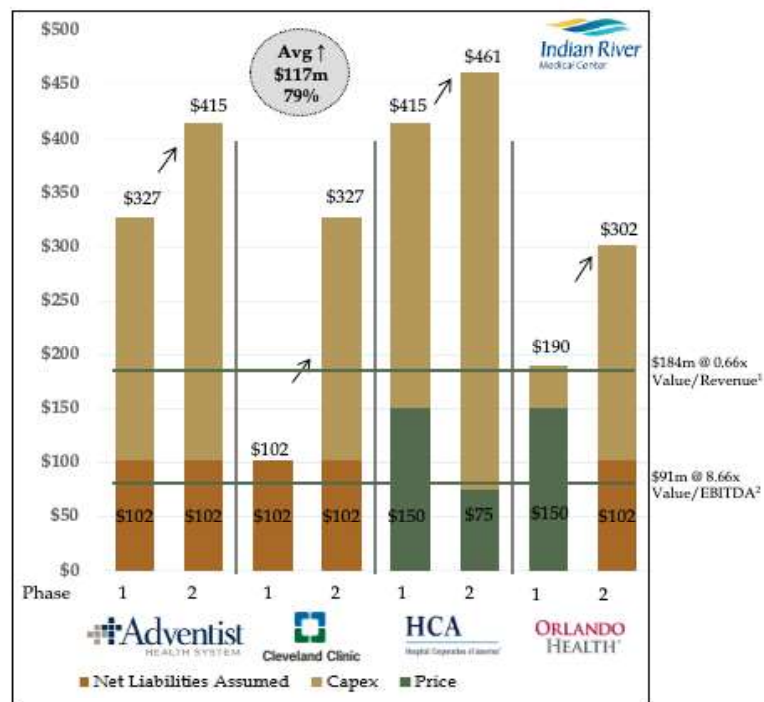
- 501(c)(3) Hospital leased real assets from Health District (HD)
- Tax revenue via HD supports indigent care
- Both operate under Florida's Sunshine Law
 - Disparate views regarding partnerships
 - Historical discord
 - Illegal for boards to communicate privately under Sunshine Law

Juniper's Role

- Designed process to achieve optimal partner and transaction outcome
- Worked to satisfy goals of both HD and Hospital
- Assuage suitor concerns regarding public process due to Sunshine Law

Outcome

- Cleveland Clinic (CCF) chosen as partner
- CCF standards and quality initiatives
- CCF assumed debt and committed to capital improvements via membership substitution with Hospital
 - Entered into long-term lease with HD
- Vero Beach benefits from economic invigoration and improving property values

**PROJECT DESIGN**

We originally understood your desire for a short-term focused engagement designed to educate the District Board in connection with its supervisory and governance authority with respect to services at LKMC. Based on discussions at the March 4, 2025 public meeting and the corresponding partner presentations, we appreciate your appropriate desire to accelerate this work and simultaneously conduct a process to identify alternatives. The following is our proposed approach to assist the District in realizing a lease transaction that best supports your full range of objectives. We have developed a suggested approach to assist the District in three phases: (1) Situational Assessment; (2) Partner Input; and (3) Transaction.

(1) Situational Assessment

During the initial phase of the project, Juniper would provide education on M&A topics including hospital industry structure, national and regional system development, competitive landscape, case studies of hospital systems similarly situated to LKMC, reimbursement and operating trends, valuation, financial and non-financial terms typical and atypical of hospital lease transactions, forms of financial consideration and other topics. We will also explore governance in hospital transactions, discussing the role of the District board under various alternatives, types of reserve powers and their implications and related governance topics.

While these topics will assist the Board in understanding models available for LKMC, it is Juniper's strong view, based on decades of experience, that the District can achieve the very best outcome by thoughtfully articulating your objectives and designing a process to generate ideas from the market to meet those objectives. In other words, while we believe that Juniper's valuation database is among the most, if not the most, sophisticated and complete in the industry and that our knowledge of what service offerings can be successfully achieved in lease negotiations is unmatched, we also believe that financial and nonfinancial value are maximized by a rigorous process that pulls alternatives from the market.

During this phase, Juniper will develop a thorough understanding of the District's objectives, needs, and preferences, including clinical, community, and financial factors.

- Develop and document the District's objectives and LKMC's needs, including clinical, community, and financial factors
- Compile preliminary clinical, market, financial, operating and other data
- Interview stakeholders (i.e., District board members, key medical staff, community members, hospital leadership)
- Perform S.W.O.T. (Strengths, Weaknesses, Opportunities, Threats) analysis of LKMC
- Obtain an informed view of existing hospital services, potential or future anticipated gaps in services, and opportunities to enhance or expand services.
- Evaluate appropriate and available data to understand community needs for hospital services, outmigration, hospital utilization, outpatient and other clinical services
- Review Juniper proprietary research as to service line commitments made by organizations that have leased or otherwise taken long-term control over hospitals similarly situated to LKMC.
- Ensure an understanding of the expectations of the Kennedy Drive Ltd. owner / lessor and joint and, as part of process, determine mutually acceptable pathways forward and develop potential areas of joint agreement
- Review of current lease terms (expiring April '29) and industry shifts in standard lease terms over the last 30 years; Importantly, we have recent experience in assisting with determining the value of a long-term lease
- Develop approach for end of current lease term with CHS and work with District and counsel to mitigate issues that customarily arise at lease expiration or renewal
- Work with District to address appropriate communications for key stakeholders and District constituents
- Address other priorities established by the District to prepare for the CHS lease expiration and develop next steps to best position the District to achieve its documented objectives.
- Work collaboratively with counsel and any other professionals

The Situational Assessment phase would culminate with a baseline understanding of the current hospital lease environment and a clear set of objectives against which to measure alternatives.

(2) Partner Input

Simultaneous to our work in the Situational Assessment phase, Juniper would prepare marketing materials. We would craft an Instruction Letter directing how potential partners should express their preliminary interest and address the District's objectives, including facility needs. We would also draft an Information Memorandum outlining the opportunity that LKMC represents in the market and describing the various benefits that LKMC would provide potential partners. We would populate a data room that would provide partners with the information they will need to respond to the Instruction Letter.

We would work with the District to approve a list of potential partners, likely 20 or more organizations that Juniper would approach on the District's behalf. While the health systems that presented on March 4th represent the most-likely group of interested parties, we believe it would be a mistake to limit the organizations you consider to those parties that were approached and agreed to come earlier this month. For illustration, on Indian River's behalf, we approached 33 parties, obtained initial interest from 12 which signed confidentiality agreements and received comprehensive proposals from 8 organizations. From that group, the Indian River County Hospital District selected 4 finalists with whom to conduct further discussions. Our process is designed in a way that does not create additional work for the District, LKMC or any entity other than Juniper whether you authorize us to go to five or fifty potential partners. The worst mistake an organization can make is assuming that they know another organization's level of interest, proposed terms or partnership vision.

Potential partners would be asked to sign Confidentiality Agreements and then be provided with the Instruction Letter, Information Memorandum, and access to the data room. Organizations would be given approximately 5 weeks to respond. Juniper would compile the responses into a comparable format and present these to the District. We will encourage the District to select three to five finalists from the proposals you receive. This size group will offer a solid

basis of comparison, while still being manageable as we ask you to invest more time in engaging with these finalist organizations.

(3) Transaction

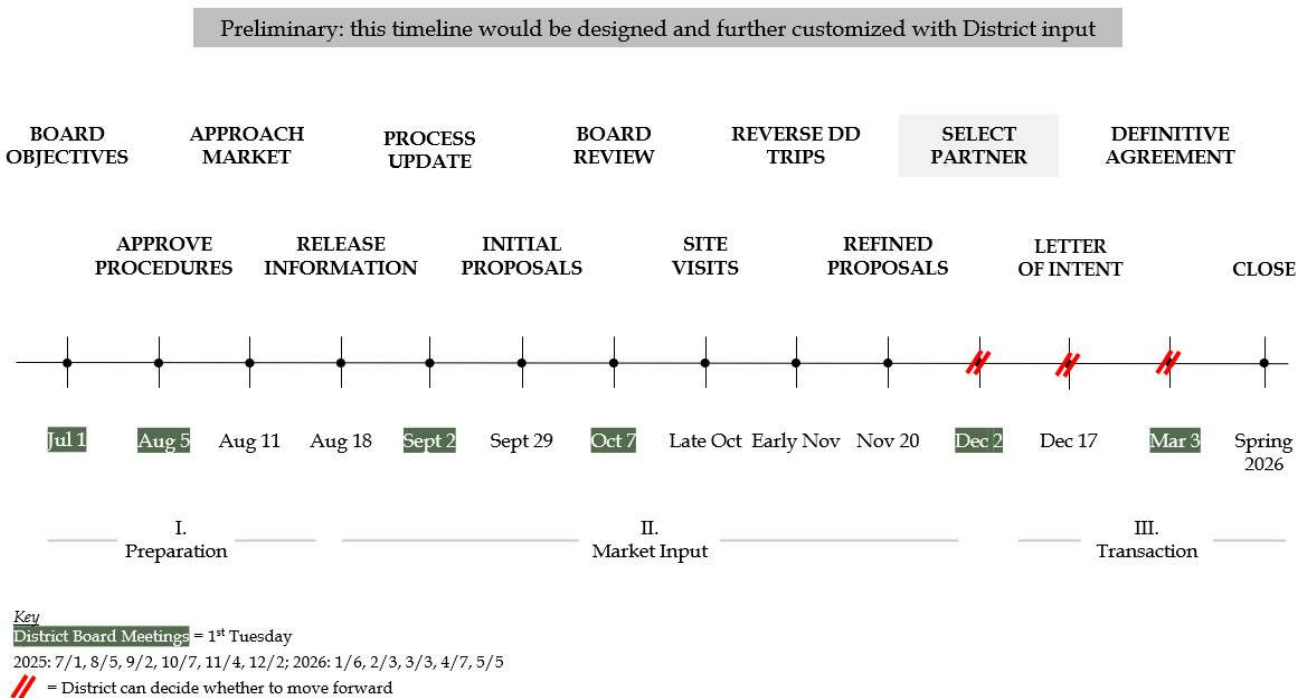
Each finalist would meet with the District and to tour LKMC. Juniper would also schedule visits to each of the finalist partners for a group of District representatives and, at the District's direction, physicians or other community members. As part of due diligence, we will work with the finalists to identify hospitals as similar in size and position to LKMC as possible, and ideally ones that have entered lease agreements with those systems within the last 5 years, where legacy board members and executives are still present. These visits will include break-out sessions where District members would meet with local hospital board members and, if present, physicians would meet with representatives of the local medical staff. Our experience has been that these visits are particularly helpful for our clients to better assess differences in cultures and approaches between potential partners. Based on input from the District, we may also seek to schedule visits to the partners' "hub" facilities and/or headquarters. We have experience conducting these visits under the Florida Sunshine Law and, with counsel's guidance, can adjust the format in a way that best meets your needs and is compliant with open meeting requirements. During this period, finalists will also be asked to respond to a more detailed and directive second round Instruction Letter.

Once the District has determined which partner best meets your objectives, Juniper will assist in the negotiation of a non-binding Letter of Intent (LOI). Signing of an LOI is among the most important steps in any partnership process. While non-binding, the LOI spells out key business terms and typically grants exclusivity to the partner. In our experience, terms rarely improve after exclusivity has been granted and diligence begins. Therefore, we will work to resolve the key business terms before granting exclusivity. Further, we will use the prospect of exclusivity to the District's maximum benefit in leveraging potential partners to adjust their offers to best meet your objectives.

After the Letter of Intent has been signed, the parties would enter confirmatory due diligence. Throughout the process, Juniper would stress to potential partners that, while non-binding, their offers would be subject to confirmatory and not exploratory due diligence. We will use this moral suasion to keep the diligence process moving, limiting timing risks and the burden on LKMC to respond to ever-more-specific requests. During diligence, Juniper will assist counsel with drafting and negotiating a binding Definitive Agreement, documenting the business and legal terms of the transaction. It is typical for any contingencies to drop upon signing of the Definitive Agreement and for closing to occur once any necessary regulatory approvals have been achieved. We have a preliminary understanding of the LKMC's specific regulatory hurdles, including antitrust concerns, as a district hospital in Florida and would work with counsel to ensure the process anticipates and addresses those requirements to minimize the risk of disruption and delays.

TIMELINE

It is important that the project progresses at a pace that is both efficient and effective. Combining the District's objectives with Juniper's experience will enable us to develop a detailed and organized schedule of time and events. The following draft timeline describes these major features and is built around using the first Tuesday board meeting pattern. Communications and other specialist roles, e.g., use of a board committee, would be thoughtfully incorporated. *Please note, we have modified our approach to address our understanding that the District is accelerating its evaluation and review of potential suitors.*



COMPENSATION

Our goal in working with the District is to provide objective advice and assist you in positioning LKMC to meet the needs of your community for the next generation. Our work is practical, and our clients find Juniper’s approach to be more efficient (time and cost) and effective (superior outcomes) than that of the consultants with whom we sometimes compete.

We propose the following fee structure:

- Monthly Retainer: \$10,000 billed at engagement and monthly thereafter. The District would be free to terminate the engagement at any time, owing nothing beyond the retainers billed to that point.
- Transaction Fee: 1.5% of financial consideration (as described below) capped at \$750,000.
 - Payable upon the closing of a successful outcome and measured as a percentage of ‘financial consideration’ consisting of:
 - Binding capital commitment from partner which could include an obligation to build a replacement hospital;
 - Debt assumed by a counterparty; and
 - Present value of lease payments.
 - Note: our proposed calculation of ‘financial consideration’ does not include operational-type economic benefits that we expect the District to receive, including subsidized physician costs / losses or indigent care commitments.*
 - We would anticipate that our success fee would be paid out of proceeds at closing.

As a point of reference, the details of our engagement with the Indian River County Hospital District are available under the Florida Sunshine Law. There, our transaction fee was capped at \$3,200,000. IRMC is roughly three times LKMC’s size, presumably commanding higher consideration and a lower cap. We are significantly discounting our fees here due

primarily to two factors. First, the certainty of a transaction is high given the expiration of your lease. Second, we are sincere when we say that this is our life's work and that we are attracted by the complexity of your situation and our belief that we can have a meaningful impact on healthcare services and the economy of the Lower Keys. We included the Indian River County Hospital District among our references and encourage you to ask them about their selection of Juniper, their experience with us and whether they feel that they received significant value relative to fees paid. Further, they had experience with a consulting firm and very intentionally selected Juniper. We pledge the full focus of our firm and would welcome this opportunity to work with you.

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Based on the regional provider presentations made at the District's March 4, 2025 public meeting, we believe there is substantial interest in a relationship but vastly different and, in most instances under-developed (or inappropriately contingent) commitments. Substantial work would be necessary to identify additional partners, bring along the various suitors that presented this month and ensure a long-term commitment is in place to meet the District's needs and serve the broader Key West community over the term of a new, revised long term lease. We agree with your view that an advisor should be engaged to work in a complementary fashion alongside outside transaction counsel. We strongly believe that efforts to elicit concrete proposals, use competition to obtain the best terms and meet District objectives can be best achieved by Juniper. Importantly, we also understand how to support the District in ensuring that the various proposals are clear, concrete and understandable to all key stakeholders.

We believe Juniper is uniquely well-positioned to assist your organization and offer the following key attributes to distinguish our firm:

- a) **Depth of Senior Team:** Juniper's experienced, senior bankers will be at your side throughout the process and available 24 / 7 to support the success of the engagement. Our team's cell phone numbers are included with our bios above, and we will be available day and night. Unlike larger firms, we do not send in team members to pitch who then play minimal roles in the engagement. Importantly, you should be confident that you will have access to our senior bankers who are backed up by the broader firm's experience and leadership and whom are all dedicated to this type of strategic engagement. You will have the full attention of our team to advocate for the success of the process.
- b) **No Conflicts:** Juniper focuses solely on its advisory services and does not cross sell or seek to work in any manner with the partners. We will provide independent and neutral advice with a proven track record.
- c) **Results:** We track financial and non-financial transaction outcomes for our clients, including how they perform against a range of quality, financial and service offering criteria post-closing. Our focus and rigor enable transactions we advise on to exceed market values by approximately 50%.

We are excited about the prospect of working with you on this undertaking. LKMC is a vitally important community asset, and we take our responsibility in defining and meeting your objectives very seriously. This project would be important to our firm and will receive our full attention. We are prepared to begin immediately and welcome the opportunity to discuss further.

Sincerely,



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