

**MINUTES  
LOWER FLORIDA KEYS HOSPITAL DISTRICT  
VIRTUAL MEETING  
SPECIAL MEETING  
July 14, 2020**

**PRESENT:** Mr. Levin, Mr. Muir, Dr. Chambers, Mrs. Ovide, Mr. Hammond, Dr. Thompson

**ABSENT:** Mrs. Higgins

**ALSO PRESENT:** Mr. Fishman, Mr. Hill, Mr. Underwood

**CALL TO ORDER**

Mr. Levin called the meeting to order at 1:02p.m.

Item 1:

Mr. Fishman reminded the Board that at the last Board Meeting, the Board allowed Orchid Cove, as part of its purchase of Key West Health & Rehabilitation out of bankruptcy, while paying off the outstanding HUD mortgage, to forbear on the need to pay off in full the outstanding balance of the loaned funds by the District, as required by the Ground Leases, and to continue to pay the Additional Rent monthly for an additional five (5) years, at which time the balance of the loaned funds would balloon and become due. Subsequent to that meeting, Orchid Cove apprised District bankruptcy counsel that in the process of obtaining a 2-3 year bridge loan to satisfy the HUD mortgage, the bridge loan lender considered the balloon payment of five (5) years as part of the needed refinancing of the bridge loan, and that it would not be able to fund the bridge loan due to the projected amount, unless the District agreed to forego the balloon payment and continue with the monthly payment of Additional Rent through its maturation, which is April 2038. Orchid Cove requested if the District would agree to same, and in exchange, would provide the personal guarantees of each of the individual owners as well as use best efforts, but not guarantee, to obtain refinancing to accommodate a balloon payment. The Board discussed the matter, as well as the fact that the interest rate on the Additional Rent is 5% per annum, which is better than the current available rates and discussed with Scott Underwood, Esq, the likelihood that Orchid Cove would be agreeable to a longer balloon period. After discussion, it was

Motioned by Jay Levin, and seconded by Kathy Ovide, as follows:

To agree to withdraw its prior request that the payment in full of the outstanding Additional Rent amount balloon in five (5) years, and to agree to continue the monthly Additional Rent payment with a balloon of ten (10) years (in 2030), contingent upon obtaining the personal guarantees of each of the individual owners of Orchid Cove. In the event Orchid

Cove is unable to obtain refinancing of its bridge loan with the balloon period of ten (10) years, the Board agrees to allow Scott Underwood, Esq. to negotiate a balloon period as short as possible beyond ten (10) years, not to exceed the natural maturation date of April 2038, with a best efforts by Orchid Cove to have the Additional Rent balance balloon earlier than April 2038.

A roll call vote was made and the Motion passed unanimously as follows:

Thompson	Yes
Levin	Yes
Ovide	Yes
Hammond	Yes
Chambers	Yes
Muir	Yes

There was no further business to come before the Finance Committee, Mrs. Levin adjourned the meeting at 1:38 pm.

  
Approved, Secretary

2 - 18 - 2021  
Date