HIGHLANDS COUNTY HOSPITAL
DISTRICT BOARD OF COMMISSIONERS

AGENDA ITEM: #1

RESOLUTION AUTHORIZING THE BOARD'S WEBSITE AND CONTRACT (MID FLORIDA IT)

The Highlands County Hospital District ("**District**") Amended Enabling the Act requires the District's Board of Commissioners (the "**Board**") to publish significant information regarding the future sale or lease of the District's hospital.

Attorney Harris mistakenly assumed that that the District could continue to use the Board's current page on the Highlands County website. I was wrong. On a rather urgent timeline I obtained the attached proposal from Mid Florida IT and hastily assembled a website (which will meet the requirements of the Board's amended Enabling Act). The new website is available for your review. A separate email will be sent with sign-in instructions.

Recommended Motion: I move that the Board accept the Mid-Florida IT proposal, authorize the Board Attorney to prepare a suitable contract, and authorize the Chair to execute same provided, he approves of the contract content.

MidFloridaIT
IT Systems For Work

Mid Florida IT, Inc.
161 S Commerce Ave, Suite A · Sebring, FL 33870
(863) 301-4011 · mflit.com

Proposal

Website and Email Services

Highlands County Hospital District

Prepared for	Highlands County Hospital District 401 Dal Hall Boulevard, Lake Placid, FL 33852
Attention	Bert J. Harris, III, District Counsel Dean W. Gerber, Board Chair
Prepared by	Bill Dailey, Mid Florida IT, Inc.
Date	August 10, 2026
Valid through	September 30, 2026

This proposal covers two items, a public website and Microsoft 365 email. They are priced independently and may be approved independently.

Section 1: Website

Website pricing

Item	Frequency	Amount
Website setup, build, and training	One time	$2,300.00
Website hosting and domain	Annual	$560.00
First year total		**$2,860.00**
Additional training or content work beyond the included session is billed at $195.00 per hour.		

Scope

- Public website designed, built, and hosted by Mid Florida IT.
- Public comment form, with email alerts to a designated list when a comment is received.
- Meeting notices section listing each scheduled meeting, with agenda and explanatory text.
- Document repository with read-only access for the Board, the Board of County Commissioners, designated County staff, and District counsel. Access is by email address with a self-set password, and the list can be expanded.
- Saved versions of the site retained as content changes, before and after each modification.
- Domain registration for hchospitaldistrict.com, included.
- One training session of about 90 minutes, so District staff can edit content directly.

Section 2: Microsoft 365 Email

Setup

Item	Frequency	Amount
Microsoft 365 setup and account onboarding, 10 accounts	One time	$1,600.00

Email pricing

Line	Per mailbox, per month
Microsoft 365 Business Basic license	$8.40
Email security and backup package	$25.00
Total per mailbox, per month	**$33.40**

The security and backup package covers:

- Email backup and archiving, to meet the District's public records obligations.
- Screening of everything that comes in, including public comment submissions, so nothing harmful reaches a board member's or the County's computer.
- Around-the-clock watch on the email accounts themselves, so a stolen password or a hijacked mailbox is caught and shut down rather than left open.
- Ongoing security review of the system, so it stays correctly configured as things change.

Email totals at 10 mailboxes

Item	Frequency	Amount
Setup and onboarding	One time	$1,600.00
Email, 10 mailboxes	Annual	$4,008.00
First year total		**$5,608.00**

Assumptions and Terms

- The domain hchospitaldistrict.com is registered and included in the annual hosting charge.
- The website and email items are independent and may be approved separately.
- Billing terms are set out in the service agreement between the District and Mid Florida IT. Either party may cancel with 60 days written notice.
- Email pricing assumes 10 mailboxes; per-mailbox charges adjust with the final count.
- The District supplies website content.

Questions are welcome at any time.
Bill Dailey · (863) 301-4011 · bill@mflit.com

HIGHLANDS COUNTY HOSPITAL
DISTRICT BOARD OF COMMISSIONERS

AGENDA ITEM: #2

RESOLUTION AUTHORIZING THE AUDIO/VIDEO RECORDING OF THE BOARD MEETINGS (GET FISH SLAPPED)

The Highlands County Hospital District ("**District**") Board of Commissioners (the "**Board**") is encouraged to retain audio and video recordings of its coming meetings because they will involve considerable testimony and information regarding the Board's decisions to sell or lease the hospital. The information must be available to the Public.

Attorney Harris mistakenly assumed that that the District could use the Highlands County recording system to record and later post the recordings of the Board meetings on the Board's website. I was wrong. On a rather urgent timeline I obtained the attached proposal from Get Fish Slapped to record (audio and video) this and the following Board Meetings. My law firm paid the initial charge for today's recording. Upon approval by the Board, the recordings will be posted to the Board's website.

Recommended Motion: I move that the Board accept the Get Fish Slapped proposal, authorize the Board Attorney to prepare a suitable contract, and authorize the Chair to execute same, when he approves of the contract's content.

Get Fish Slapped

marketing that makes a splash

Public Meeting Recording Services

PREPARED FOR:

Highlands County Hospital District

PREPARED BY:

Get Fish Slapped Agency

107 Circle Park Drive | Sebring, FL 33870 (863) 658-2589| Tracy@GetFishSlapped.com

Custom Marketing Proposal for **Highlands County Hospital District**

Public Meeting Recording Services

Dear Bert, Thank you for the opportunity to provide professional video production services for your public meetings. Our goal is to deliver a reliable, broadcast-quality recording that is ready for public distribution while allowing your team to focus on running the meeting.

Using a professional multi-camera production system, we will capture your meeting with multiple camera angles, live camera switching, and high-quality audio to create a polished final recording suitable for YouTube and public records.

Project Initiation

To prepare for this ongoing project and reserve production dates, a one-time **Project Initiation Fee** is required.

One-Time Project Initiation Fee: $950

This includes:

- Reservation of scheduled meeting date
- Production planning and workflow setup
- Equipment preparation and testing
- Dedicated long-form recording media to be handed over post-production
- Recording workflow configuration
- Project onboarding and file management setup

This fee is due upon approval and is non-refundable once equipment has been purchased and production dates have been reserved.

Public Meeting Recording

Professional Multi-Camera Meeting Production

Investment: $1,495 per meeting

Includes:

- Up to six (6) hours of on-site coverage
- Two-camera professional video production
- Live camera switching
- Professional audio capture
- HD master video export
- Basic beginning/end trimming
- Upload-ready video file
- Upload to the client's YouTube channel (if requested)

Investment Summary

One-Time Project Initiation Fee: $950

Meeting Production: $1,495 per meeting

Total Project Investment: $2445

Additional meetings may be added on for $1495 per meeting

Payment Terms

- A **50% deposit** of the total project investment is due upon approval to reserve the scheduled production date.
- The remaining balance may be invoiced following the turnover of the final video
- Additional meetings requested outside of the initial agreement will be billed at the standard meeting production rate.
- YouTube upload can be added for an additional charge if needed

Why Get Fish Slapped?

Our team combines professional video production with marketing and digital media expertise to deliver polished, dependable recordings suitable for government agencies, municipalities, boards, and public organizations.

Our production workflow is designed to provide:

- Reliable long-form recording
- Professional multi-camera coverage
- High-quality audio
- Efficient file delivery
- Ready-to-publish YouTube content
- A professional experience from setup through final delivery

We appreciate the opportunity to partner with you and look forward to supporting your public meetings with dependable, high-quality production services.

Payment

	AMOUNT		
Fee Breakdown	**One-Time Project Initiation Fee:** $950 **Meeting Production:** $1,495		$2445
Reservation Fee	50% of total investment		$1222.5
Monthly Payment *(if applicable)*	N/A		

Additional Services/Hourly Rate

Our rate for additional services is $175/hour, or can be project-based. Any add-on services will be discussed and approved prior to billing for any new services.

Payment Terms:

The deposit is due upon signing. Monthly payments are due on the first of each month and should be paid **via automatic payment or as dictated in the payment section**. The Client may terminate this agreement at any time, giving thirty days' written notice.

ADDITIONAL TERMS/CONDITIONS:

The Company will respond to all requests from the Client within 1 business day on weekdays and 3 business days on weekends via email, with confirmation that the request was received and an estimated completion date for each action item. Requests received after 3:00 pm EST are considered as part of the next business day unless prior arrangements have been made. The Company will adhere to all quoted deadlines for the deliverables in the maintenance requests to the best of our ability and in a reasonable manner. In the event that "The Company" has any issues meeting a quoted deadline, the Client will be notified via email, telephone, or text message of the reason for any change.

WHEREFORE, the parties intending to be legally bound do hereby affirm and execute this Agreement.

GET FISH SLAPPED, LLC

Signature:	
Date:	

Highlands County Hospital District

Signature:	
Date:	

HIGHLANDS COUNTY HOSPITAL
DISTRICT BOARD OF COMMISSIONERS

AGENDA ITEM: #3

OVERVIEW OF THE RECENT CHANGES IN THE DISTRICT'S ENABLING ACT

(Chapter 2026-220, Laws of Florida)

This presentation will provide a high-level overview of the changes to the District's Enabling Act made by HB 4087, enacted as Chapter 2026-220, Laws of Florida, effective June 10, 2026. It will cover the purpose of the legislation, which is to set a process for the sale or lease of the hospital that follows the framework of Section 155.40, Florida Statutes, but is tailored to the needs of this community and to the District's charter.

That purpose is stated in the opening words of Section 35, which the amendment left in place: that citizens and residents of the district may receive quality health care. The Act pursues that end through a process the Board must follow — an independent evaluation that includes the estimated fair market value of the District's assets, a finding stated on the record that the transaction is in the best interests of the public of the District, a detailed explanation if the Board accepts less than fair market value, and public notice and an opportunity for public input at each stage.

Because judicial review is limited to whether the Board followed these procedures, the integrity of the process depends on carrying out each step carefully and creating a clear record of the Board's actions along the way.

The presentation will walk through the steps the Board must take before entering a lease or management agreement, the findings the Board must make and the terms any agreement must contain, and the additional requirements that apply to a sale, which represent a greater change from how the District operates today.

It will close with the limited exemptions from the process. As the conversations develop, additional detail on any step of the process can be provided.

There is no motion associated with this presentation. It is for information purposes only.

A bill to be entitled

An act relating to the Highlands County Hospital District; amending chapter 2004-458, Laws of Florida; providing requirements and duties of the Board of Commissioners of the Highlands County Hospital District before a lease or management agreement with not-for-profit or for-profit corporations; providing requirements for the agreement; providing applicability; authorizing the board to sell the entirety of the assets of the hospital to a not-for-profit or for-profit entity under certain circumstances; providing requirements and duties of the board before the sale; providing requirements for the sale agreement; requiring the hospital to file a copy of the sale agreement with the Department of Commerce; requiring the board to notify the department of the sale; providing for judicial reviews; providing for court costs; providing construction; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 35 of section 3 of chapter 2004-458, Laws of Florida, is amended, and sections 37 and 38 are added to that section, to read:

Section 3. The charter for the Highlands County Hospital District is re-created and reenacted to read:

Section 35. In order that citizens and residents of the district may receive quality health care, the board of commissioners may enter into contract with corporations, either for-profit ~~for profit~~ or not-for-profit ~~not for profit~~, duly authorized to do business in the state for the purpose of operating and managing such hospital and any or all of its facilities ~~of whatsoever kind and nature and enter into leases with such corporations for the operating of such facilities. The term of any such lease, contract, or agreement and the conditions, covenants, and agreements to be contained therein shall be determined by the board of commissioners~~.

(1) Prior to entering into a lease or management agreement, the Board of Commissioners of the Highlands County Hospital District must elect, by a majority vote of the members present and voting, to commence an evaluation of the benefits to the public of the district, as described in Section 1, of leasing the entirety of the assets of the Highlands County Hospital District to a not-for-profit or for-profit entity to continue to provide health care services to the community if the board executes an agreement that meets the requirements of subsection (6) of this section. In evaluating the benefits of leasing the district assets, the board must find that the lease is in the best interests of the public of the district and must

state the basis of that finding. To make that determination, the board shall:

(a) Contract with an independent entity or entities that have at least 5 years of experience conducting comparable evaluations of hospital organizations similar in size and function to the hospital to conduct an evaluation of the benefits of leasing the district assets according to applicable industry practices. A study completed less than 2 years prior to the public notice under paragraph (b) of this subsection that meets all other requirements may be used for the purposes of this evaluation. The evaluation must also include the estimated fair market value, as defined in section 155.40(4), Florida Statutes, of the district assets and a statement signed by the chief executive officer or designee of the independent entity or entities conducting the evaluation that, based on his or her reasonable knowledge and belief, the content and conclusions of the evaluation are true and correct.

(b) Publish notice of and conduct a public meeting in accordance with section 189.015(1), Florida Statutes, to provide the public of the district with the opportunity to publicly testify regarding the lease or management agreement. The public notice must contain notice of where the public can find all documents related to the potential lease of the hospital.

(2) The board must publish on the hospital district website the evaluation, all documents considered by the board,

and a statement signed by the chair of the board that, based on his or her reasonable knowledge and belief, the content of the evaluation is true and correct.

(3) If, upon completion of the evaluation of the benefits of a lease, the board elects to consider a lease or management agreement of the hospital in its entirety to a third party, the board must first determine whether there are any qualified lessees. In the process of evaluating any qualified lessee, the board shall:

(a) Publicly advertise the meeting at which the proposed lease will be considered by the board in accordance with section 286.0105, Florida Statutes; or

(b) Publicly advertise the offer to accept proposals in accordance with section 255.0525, Florida Statutes, and receive proposals from all qualified lessees.

(4) The members of the board must disclose all conflicts of interest as required by section 112.313, Florida Statutes, including, but not limited to, whether the lease or management agreement will result in a special private gain or loss to any member of the board. Conflicts of interest, if any, with respect to experts retained by the board shall also be disclosed.

(5) The evaluation, agreements, disclosures, and any other supporting documents related to the lease or management agreement of the hospital must be published on the hospital district website for 30 calendar days before the board may vote

on the proposed agreement identified in subsection (6) of this section to lease the hospital to a not-for-profit or for-profit entity. The hospital district website must include a means by which a person may submit written comments about the proposed transaction to the board.

(6) The board must determine, by a majority vote, whether the interests of the public of the district are best served by leasing to a not-for-profit or for-profit entity. The board must make a determination to accept a proposal for lease after consideration of all proposals received and negotiations with a qualified lessee or management entity. The board's determination must include, in writing, detailed findings of all reasons for accepting the proposal. If the accepted bid is less than the fair market value under subsection (1) of this section, the board shall provide a detailed explanation of how the best interests of the public of the district are served by the acceptance of less than the fair market value for the lease of the hospital. The board's findings must include the findings of all information and documents relevant to the board's determination, including, but not limited to:

(a) The names and addresses of all parties to the transaction.

(b) The location of the hospital and all related facilities.

(c) A description of the terms of all proposed agreements.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

(d) A copy of the lease or management agreement and any related agreements.

(e)1. The estimated total value associated with the proposed agreement.

2. The estimated fair market value under subsection (1) of this section.

3. The proposed lease price.

(f) The evaluation as required in subsection (1) of this section and any other valuation prepared at the request of the board, lessee, or managing entity of the hospital.

(g) Copies of all other proposals and bids that the board may have received or considered in compliance with subsection (3) of this section.

(7) In a public meeting noticed as required pursuant to subsection (1) of this section, the board may approve, by a majority vote, of the lease of the hospital to an entity subject to the terms of a negotiated agreement. The agreement made pursuant hereto shall:

(a) Require that the articles of incorporation of the for-profit or not-for-profit corporation be subject to the approval of the board;

(b) Require that any not-for-profit corporation is qualified under s. 501(c)(3) of the United States Internal Revenue Code;

(c) Provide for the orderly transition of the operation

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

and management of the facilities, including, but not limited to, a change of ownership as described in section 408.807, Florida Statutes, if applicable; and

(d) Provide that the leasing or managing entity has made an enforceable commitment that programs and services and quality health care will continue to be provided to the public of the district, particularly to the indigent, the uninsured, and the underinsured.

(8) Any interested party as defined in section 155.40(4), Florida Statutes, has the right to seek judicial review of the decision by the board relating to the lease of the hospital in the circuit court where the hospital is located. Judicial review is limited solely to consideration of whether the procedures contained within this section have been followed by the board.

(9) If an interested party contests the action by the board, the court will assign costs equitably to the parties.

(10) Leases or management agreements not subject to subsections (5)-(9) of this section are limited to:

(a) A lease entered into prior to the effective date of this act that is modified, extended, or renewed.

(b) A lease or management agreement for a term no greater than 10 years that is entered into so the board may undergo the process as outlined in subsections (5)-(9) of this section.

Section 37. (1) The Board of Commissioners of the Highlands County Hospital District may elect, by a majority vote of the members present and voting, to commence an evaluation of the benefits to the public of the district, as described in Section 1, of selling the entirety of the assets of the Highlands County Hospital District to a not-for-profit or for-profit entity to continue to provide health care services to the community if the board executes an agreement that meets the requirements of subsection (7) of this section. In evaluating the benefits of the sale, the board must find that the sale is in the best interest of the public of the district and must state the basis of that finding. To make that determination, the board shall contract with an independent entity or entities that have at least 5 years of experience conducting comparable evaluations of hospital organizations similar in size and function to the hospital to conduct an evaluation of the benefits of selling the district assets according to applicable industry practices. A study completed less than 2 years prior to the public notice under subsection (2) of this section that meets all other requirements may be used for the purposes of this evaluation. The evaluation must be based on the most currently available financial data and must include, but need not be limited to, all of the following:

(a) An objective operating comparison of the hospital to other similarly situated hospitals, both not-for-profit and for-profit, which have a similar service mix in order to determine where there is a difference in the cost of operation using, including, but not limited to, publicly available data provided by the Agency for Health Care Administration, data provided by the current operator of the hospital as requested by the board, and the quality metrics identified by the Centers for Medicare and Medicaid Services Core Measures.

(b) An assessment of whether there is a net benefit to the community to operate the hospital as a not-for-profit or for-profit entity and use the proceeds of the sale for the purposes described in section 36.

(c) An assessment of the fair market value, as defined in section 155.40(4), Florida Statutes, of the district assets.

(d) A statement signed by the chief executive officer or designee of the independent entity or entities conducting the evaluation that, based on his or her reasonable knowledge and belief, the content and conclusions of the evaluation are true and correct.

(2) The board must publish notice of and conduct a public meeting in accordance with section 189.015(1), Florida Statutes, to provide the public of the district with the opportunity to publicly testify regarding the sale. The public notice must contain notice of where the public can find all documents related to the potential sale of the hospital.

(3) The board must publish on the hospital district website the evaluation, all documents considered by the board, and a statement signed by the chair of the board that, based on

his or her reasonable knowledge and belief, the content of the evaluation is true and correct.

(4) If, upon completion of the evaluation of the benefits of a sale, the board elects to consider a sale of the hospital in its entirety to a third party, the board must first determine whether there are any qualified purchasers. In the process of evaluating any qualified purchaser, the board shall:

(a) Publicly advertise the meeting at which the proposed sale will be considered by the board in accordance with section 286.0105, Florida Statutes; or

(b) Publicly advertise the offer to accept proposals in accordance with section 255.0525, Florida Statutes, and receive proposals from all qualified purchasers.

(5) The members of the board must disclose all conflicts of interest as required by section 112.313, Florida Statutes, including, but not limited to, whether the sale will result in a special private gain or loss to any member of the board. Conflicts of interest, if any, with respect to experts retained by the board shall also be disclosed.

(6) The evaluation, agreements, disclosures, and any other supporting documents related to the sale of the hospital must be published on the hospital district website for 30 calendar days before the board may vote on the proposed agreement identified in subsection (8) of this section to sell the hospital to a not-for-profit or for-profit entity. The hospital district website

must include a means by which a person may submit written comments about the proposed transaction to the board and obtain copies of the findings and documents required under subsections (1) and (7) of this section.

(7) The board must determine, by a majority vote, whether the interests of the public of the district are best served by selling to a not-for-profit or for-profit entity. The board must make a determination to accept a proposal for sale after consideration of all proposals received and negotiations with a qualified purchaser. The board's determination must include, in writing, detailed findings of all reasons for accepting the proposal. If the accepted bid is less than the fair market value under subsection (1) of this section, the board shall provide a detailed explanation of how the best interests of the public of the district are served by the acceptance of less than the fair market value for the purchase of the hospital. The board's findings must include the findings of all information and documents relevant to the board's determination, including, but not limited to:

(a) The names and addresses of all parties to the transaction.

(b) The location of the hospital and all related facilities.

(c) A description of the terms of all proposed agreements.

(d) A copy of the proposed sale and any related agreements.

(e)1. The estimated total value associated with the proposed agreement.

2. The estimated fair market value, as defined in section 155.40, Florida Statutes, associated with the proposed agreement.

3. The proposed acquisition price.

(f) The evaluation as required in subsection (1) of this section and any other valuation prepared at the request of the board, lessee, or managing entity of the hospital.

(g) Copies of all other proposals and bids that the board may have received or considered in compliance with subsection (3) of this section.

(8) In a public meeting noticed as required pursuant to subsection (1) of this section, the board may approve, by a majority vote, of the sale of the hospital to an entity subject to the terms of a negotiated agreement. The agreement made pursuant hereto shall:

(a) Require that the articles of incorporation of the for-profit or not-for-profit corporation be subject to the approval of the board;

(b) Require that any not-for-profit corporation is qualified under s. 501(c)(3) of the United States Internal Revenue Code;

(c) Provide for the orderly transition of the operation and management of the facilities, including, but not limited to, a change of ownership as described in section 408.807, Florida Statutes, if applicable; and

(d) Provide that the acquiring entity has made an enforceable commitment that programs and services and quality health care will continue to be provided to all residents of the district, particularly to the indigent, the uninsured, and the underinsured in perpetuity so long as the succeeding entity is in operation or, if otherwise agreed to, until the succeeding entity has otherwise met all obligations set forth in the agreement.

(9) If the board approves the sale, the hospital district shall file a copy of the agreement with the Department of Commerce no later than 10 calendar days after the later of:

(a) The approval of the change of ownership pursuant to section 408.807, Florida Statutes, if applicable; or

(b) The date of closing, if no change of license ownership is required.

(10) The residual proceeds of the sale are surplus funds and must be used in the same manner as described in Section 36.

(11) No later than 30 calendar days after the complete sale of the district's assets and liabilities, as described in section 155.40(21), Florida Statutes, the board shall notify the Department of Commerce of the sale. The Highlands County Hospital District shall be dissolved 30 calendar days following

the receipt of the notice by the department.

(12) If the board fails to approve for any reason an agreement that would result in the sale of the hospital to a not-for-profit or for-profit entity that will continue to provide health care services for the county, the board shall continue to exist as the Highlands County Hospital District.

(13) Any interested party as defined in section 155.40(4), Florida Statutes, has the right to seek judicial review of the decision by the board to sell the district assets, including, but not limited to, the hospital, in the circuit court where the hospital is located. Judicial review is limited solely to consideration of whether the procedures contained within this section have been followed by the board.

(14) If an interested party contests the action by the board, the court will assign costs equitably to the parties.

Section 38. The provisions of this act shall be construed liberally in order to carry out its purpose effectively. Any of the enumerated powers herein shall not be construed as a limitation against any remaining powers but shall be construed as cumulative. To the extent necessary to fully effectuate the purpose of this act, the provisions hereof shall supersede and preempt the application of section 155.40, Florida Statutes, relating to the sale or lease of the hospital.

Section 2. This act shall take effect upon becoming a law.

HIGHLANDS COUNTY HOSPITAL
DISTRICT BOARD OF COMMISSIONERS

AGENDA ITEM: #4

PRESENTATION OF THE STATUS AND TRANSACTIONS OF PUBLIC HOSPITALS IN FLORIDA

Myla Rizen, Esquire and Don Steigman, of Sunset Healthcare Consultants will present to the Board a summary of the transactions and status of public hospitals in Florida. Many continue to be owned and operated by special districts (such as the Highlands County Hospital District). Some have been leased by the respective special districts, and some have been sold by the special districts.

This is presented as background for the Board's coming decisions.

No action is suggested.

HIGHLANDS COUNTY HOSPITAL
DISTRICT BOARD OF COMMISSIONERS

AGENDA ITEM: #5

WEAVER CONTRACT AMENDMENT

The Board entered a consulting agreement with Weaver and Tidwell, L.L.P. to render a fair market value opinion of the Hospital for its potential sale or lease. The Board's attorneys requested an expansion of Weaver's statement of work to include a valuation of the personal property related to the Hospital (both book value and fair market value).

The proposed amendments to Exhibit K, STATEMENT OF WORK (PERSONAL PROPERTY) of the Weaver Consulting Agreement is attached.

Recommended Motion: I move that the Board approve and authorize the Chair to execute and deliver amendments to Exhibit K, STATEMENT OF WORK (PERSONAL PROPERTY) of the Weaver Consulting Agreement, contained in the Board's agenda.

AMENDMENTS TO EXHIBIT K
STATEMENT OF WORK
(PERSONAL PROPERTY)

We will provide: (1) a list of the personal property ("Subject Assets") as of December 31, 2025 per the fixed asset ledger provided; (2) an estimate of the fair market value ("FMV") of the Subject Assets related to the Hospital as 12/31/2025; and (3) the book value of the Subject Assets as of 12/31/2025 as provided by HCA. We will also provide detailed information for 2026 as identified below. Additional deliverables will be provided consistent with the deliverable on page 4 of this document titled "Additional Deliverable."

We will bill for these services on an hourly basis and will not exceed $10,000. We expect to complete our draft work by July 27, 2026, assuming we have full cooperation from HCA.

Applicable Standard

The standard of value for our analysis of the Subject Assets will be fair market value, as defined in Revenue Ruling 59-60, 1959-1 C.B. 237 and Section 25.2512-1 of the Estate and Gift Tax Regulations as "the price at which the property would change hands between a willing buyer and willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of the relevant facts."

We will consider the updates, definitions, guidance and implementing regulations included in (i) the Physician Self-Referral (or "Stark") law issued by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services ("CMS") and (ii) the Anti-Kickback Statute issued by the U.S. Department of Health and Human Services, Office of Inspector General ("OIG"). Effective January 19, 2021, relevant CMS and OIG definitions are as follows:

- Fair market value means the value in an arm's-length transaction, consistent with the general market value of the subject transaction. With respect to the purchase of an asset, general market value means the price that an asset would bring on the date of acquisition of the asset as the result of bona fide bargaining between a well-informed buyer and seller that are not otherwise in a position to generate business for each other.

Personal Property Valuation Methodology

We will rely on the asset ledger(s) provided by HCA as of 12/31/2025 to develop the above three matters.

We will provide the list of "Construction in Progress" (CIP) entries on the balance sheet as of the Valuation Date (12/31/2025). We will also present the list of all ongoing capital expenditure projects in 2026 including (i) itemized or estimated cost, (ii) estimated timing when such projects are completed and operational, and (iii) expected timing when such items will be capitalized (or expensed) in the financials as provided by HCA.

We will submit, in writing, additional questions to determine the assets included in the fixed asset ledger and Subject Assets, including Manufacturer, Model and other pertinent information where appropriate. Furthermore, there are several entries that individually appear to have fallen below the capitalization threshold for HCA. We will need to gain further clarity on what asset types comprise the "Grouped Assets <$10k) to develop a list of each; determine the applicable category and depreciation life to be used in the Cost and Sales Approach.

There are three basic appraisal methods that are used to derive an indication of value of the Subject Assets: The Cost Approach, the Sales Comparison (or Market) Approach and the Income Approach.

The Cost Approach is based on the economic principle of substitution that states: an informed purchaser would pay no more for an asset than the cost of purchasing or producing a substitute asset with the same utility as the subject asset. The Cost Approach takes into consideration the replacement cost new of an asset less all forms of depreciation (physical, functional, and economic) to determine an estimate of value. Replacement cost new is typically estimated using one of two approaches: indirect or direct. The indirect approach applies asset specific indices to the historical cost of an asset to estimate current replacement cost. The direct approach involves using published sources, cost estimating techniques and input from dealers and manufacturers to estimate current replacement cost new.

- *Physical Deterioration/Depreciation* – Defined as the loss in value or usefulness of a property due to the using up or expiration of its useful life caused by wear and tear, deterioration and exposure to various elements, physical stress, and similar factors.

- *Functional Obsolescence* – Defined as the loss in value due to factors inherent in the property itself. The cause may be changes in design, materials, or process, resulting in inadequacy over capacity; excess construction; lack of functional utility; excess operating costs; etc.

- *Economic Obsolescence* – Defined as the loss in value or usefulness of the property caused by factors external to the property itself, including changes to optimum use, legislative enactments and changes that affect supply and demand relationships.

The Sales Comparison Approach estimates value by comparing the price of similar assets recently sold or the buying/asking prices of comparable items to the subject asset being valued. Using similar units of comparison, adjustments are made to the comparable assets for several factors including condition, capacity, age, etc. to correlate to the subject asset. It is assumed that market transactions are conducted between willing buyers and willing sellers in an arm's length transaction. When a number of sales of comparable properties occurs, a pattern of definable prices is established.

The Income Approach estimates value by analyzing the historical financial information in order to estimate the future level of cash flows generated by assets, securities, or services. The present value of these future cash flows represents value to an investor. Once the appropriate rate of return is estimated, the cash flow stream is then discounted (capitalized) back to present value using the investor's appropriate rate of return.

To estimate the fair market value of the Subject Assets, we will gather, interpret, and analyze data to select the appropriate methodologies. During this engagement, we expect to consider all three approaches to value the Subject Assets. The appropriate approach(es) will be selected based upon the property under consideration, data available for analysis and other relevant factors.

Based on the information provided, we expect to rely on the Cost and Sales Comparison Approaches to value. The Income Approach will be considered in our analysis, but we do not anticipate relying on it because the assets likely do not generate a separate and identifiable income stream.

We will estimate replacement cost new using both the indirect approach and direct approach. Using the indirect approach, we will apply equipment specific cost indices published by the Bureau of Labor Statistics (BLS), specifically Producer Price Indices, to the historical cost of the assets, utilizing the historical age of the equipment to estimate replacement cost new.

Our direct replacement cost new analysis will be used for certain equipment assets included in the Medical Equipment, Office Furniture, Computer Equipment, and Other Equipment categories where there is sufficient data to opine on replacement cost new, including current list prices of comparable assets. During our direct replacement cost analysis, we included all the direct costs associated with the cost of acquiring the equipment (i.e., the cost new of the equipment and the costs associated with freight and tax). We then adjusted each RCN to reflect depreciation.

Upon estimating the replacement cost new of the Subject Assets, we will then determine physical depreciation applicable to the assets. Please note that physical depreciation will be estimated considering the expected normal useful life of the assets and their respective effective ages. Physical depreciation for valuation purposes typically does not mirror accounting depreciation, which may vary between differing health organizations. We will consider information including current physical condition, current and historical utilization (where appropriate), technology, preventative maintenance program, and future utilization. We expect to develop a retirement relationship to the age of each asset and estimated physical depreciation from using a straight-line basis, given that most assets decline in physical deterioration on a consistent basis. We then adjusted each RCN using this relationship to determine RCN less depreciation.

After applying physical depreciation, we will then consider functional obsolescence. Functional obsolescence as defined above, is typically found when the assets experience excess operating cost, excess construction or capital cost, overcapacity, inadequacy, lack of utility or similar conditions. For the Subject Assets, we will consider the functionality of the assets and whether any of the symptoms described above are present in the assets and determine whether a penalty associated with functional obsolescence is warranted.

After considering functional obsolescence, we will then consider economic obsolescence. In the event that a business enterprise analysis has been performed, we will consider whether the business generates sufficient income to support the value conclusions. In the event that the business does not generate sufficient income, we will consider applied economic obsolescence. We will also consider whether data gathered during our Sales Comparison Approach, defined below, to determine whether any economic obsolescence exists that should be applied to our cost approach analysis.

We will also consider the Sales Comparison Approach for the Subject Assets to be valued. In applying the Sales Comparison Approach, we will research secondary market information to obtain transaction or asking prices of similar assets. Once we obtain sales comparable information, we will make adjustments to the comparable sales to correlate to the Subject Assets. Adjustments will include age and condition differences where appropriate, etc. The Sales Comparison Approach accounts for all forms of obsolescence, so we do not envision making any additional adjustments related to economic obsolescence unless the business enterprise analysis warrants further adjustments.

Additional Deliverable

The deliverable will be a valuation report explaining the valuation of the Subject Assets outlining our process and procedures. As part of our analysis, we will also provide a schedule of the Subject Assets based on appropriate category of equipment and further provide a detailed asset ledger with conclusions (whether leased or owned personal property). For the avoidance of doubt, the deliverable will include an itemized listing of the Subject Assets with the associated FMV based on our analysis alongside the reported book value. In addition, for 2026, we will present the list of all ongoing expenditure projects in 2026, including (i) itemized or estimated cost, (ii) estimated timing of when such projects are completed and operational, and (iii) expected timing when such items will be capitalized (or expensed) in the financials (as provided to us). We will not audit the list of on-going capital expenditure projects, nor determine the timeline when they may ultimately be capitalized.

Credentials

Mr. Kevin Florenz, ASA, has 30+ years of experience providing valuations for domestic and international transactions, such as mergers and acquisitions, and other financial reporting requirements, which include goodwill impairment and long-lived asset impairment. He has performed valuations for federal and international tax purposes, including purchase price allocations, international tax strategies, and debt forgiveness. Mr. Florenz has also performed valuation engagements for due diligence purposes, secured lending transactions, leasing transactions, property tax appeal, litigation and bankruptcy proceedings, insurance, and property records management. Services include:

- Acquisition, Divestiture and Business Planning
- Financial Reporting including ASC 805; ASC 820; ASC 360; ASC 850
- Due Diligence Assistance
- Normal Useful Life Studies
- Federal Tax and International Tax Reporting
- Property Tax Appeal
- Insurable Value Analysis including Replacement Cost New (RCN) and Actual Cash Value (ACV)
- Buy/Lease Transactions and Financing Arrangements
- Litigation Support
- Bankruptcy and Liquidation Analysis

Mr. Florenz has served clients across many different industries including healthcare, broadcasting, industrial manufacturing, energy, mining, paper, plastics, printing, semiconductor manufacturing, steel manufacturing, telecommunications, textiles, and transportation (aircraft, rail, marine, trucking).

Prior to founding SAS, Mr. Florenz was the Managing Director in charge of the Capital Asset Valuation practice at VMG Health from 2012-2018. Prior to VMG, he was the Managing Director in charge of CBIZ Valuation Group Capital Asset Practice from 2008-2012. He was also a Managing Director at American Appraisal; Peritus Valuation Advisory Services, and DoveBid Valuation Services, Inc. He was also a Senior Manager in charge of the Machinery and Equipment Practice at KPMG LLP. Mr. Florenz began his career with The CIT Group in its Equipment Management Group and spent three years with Ernst & Young LLP in their Valuation Group in New York and Houston, Texas.

Mr. Florenz graduated with a Bachelor of Business Administration Degree in Finance from St. Bonaventure University. He has completed several equipment leasing association programs, including an introduction to equipment leasing and the basics of residual forecasting.

Mr. Florenz is an Accredited Senior Appraiser (ASA) with the American Society of Appraisers.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment.

HOSPITAL DISTRICT:

HIGHLANDS COUNTY HOSPITAL DISTRICT

By: ____________________________
Name: [________________________]
Title: [________________________]

CONSULTANT:

WEAVER AND TIDWELL, L.L.P.

By: Corey A. Palasota
Name: Corey Palasota
Title: Partner

HIGHLANDS COUNTY HOSPITAL
DISTRICT BOARD OF COMMISSIONERS

AGENDA ITEM: #8

Staff Analysis for Evaluation Criteria for Comments

This presentation will start discussions about how potential partner of the Hospital will be evaluated in addressing to price. The Minimum Qualifications items need to be met in order for the potential partner to satisfy the threshold level to even be asked to apply for a potential arrangement with HCH. The Background slides cover three areas for the potential partner to complete to allow for further evaluation by the Board. The core criteria are the criteria that the Board would utilize to evaluate the potential partner for a lease or sale. These are all in draft and open to discussion and comment from the Board.

Comments will be received from the Board. A motion may be made for Sunset, Jones Walker, and Harris to work with Chair Gerber to develop documents to support the concepts contained in the Minimal Qualifications, Background, and Core Criteria slides and be brought to the Board for the next meeting.

HIGHLANDS COUNTY HOSPITAL
DISTRICT BOARD OF COMMISSIONERS
AGENDA ITEM: #9

NEGOTIATIONS TO MODIFY OR EXTEND THE LEASE

The Highlands County Hospital District ("**District**") amended Enabling the Act allows the District's Board of Commissioners (the "**Board**") to modify and extend the existing lease.

Section 35 of the Special Act sets out the process and diligence required for the Board to lease hospital. Subsection 35 (10) of the Special Act allows the Board to extend the existing lease without all of the diligence required by the amended Enabling Act requires significant diligence and process to enter a new lease or sell the hospital. It also the Board to extend the existing lease of the hospital. To sell or lease the hospital, the Board will need to: adopt a procedure; analyze the diligence; adopt and publish a request for proposals; review, analyze and rank the responses to the request for proposals; and possibly negotiate with the top proponents.

Accordingly, the Board Chairman recommends that the Board schedule additional regular meetings for the coming months to implement the foregoing process.

A proposed resolution as attached for the Board's consideration. Members of the board are encouraged to bring their calendars so that firm meeting dates may be established by the Board's resolution.

RESOLUTION OF THE HIGHLANDS COUNTY HOSPITAL DISTRICT BOARD OF COMMISSIONERS AUTHORIZING LEASE EXTENSION/MODIFICATION NEGOTIATIONS

The Highlands County Hospital District (the "**Hospital District**") Board of Commissioners (the "**Board**") was duly assembled pursuant to notice at 1:30 pm on 14 August 2026. A quorum was present. Chairman Dean W. Gerber presided. Upon motion made and duly seconded, the following resolution was adopted by the Board:

IT IS RESOLVED by the Board as follows:

1. FINDINGS. The Board's Hospital Lease expires on 31 July 2027. The State of Florida recently amended the Board's enabling act to allow for the sale, lease or lease extension regarding the Board's Sebring hospital.

2. **WEAVER REPORT**. The Weaver report (regarding among other things the value of the hospital) will be available and posted to the Board's website shortly.

3. **SUNSET REPORT.** The Sunset Report (providing a comparative analysis of the hospital) will be available and posted to the Board's website shortly.

4. LEASE EXTENSION/MODIFICATION NEGOTIATIONS. The Board authorizes the Chair to negotiate with and receive offers to extend and/or modify the existing Hospital Lease according to the Hospital District's amended

Enabling Act, forthwith. The Chair may use the Board's Counsel and the lawyers and consultants retained by the Board to assist in negotiating any lease extension or modification with Sebring Health Services, LLC, a Delaware limited liability company (the "**Tenant**").

5. **SUBMISSION OF PROPOSAL BY TENANT.** Because of the coming hospital lease expiration, the Board desires to move expeditiously. Accordingly, the Tenant's proposal should be submitted to the Board Chair on or before 17 September 2026 for consideration at the Board's regular meeting on 25 September 2026.

RESOLVED this 14th day of August 2026.

HIGHLANDS COUNTY HOSPITAL DISTRICT

By:________________________________
Dean W. Gerber, Chairman

Attest:________________________________
Gail Escobar, Clerk

(SEAL)

HIGHLANDS COUNTY HOSPITAL
DISTRICT BOARD OF COMMISSIONERS

AGENDA ITEM: #10

INTRODUCTION TO THE PROCESS RECOMMENDED FOR SALE OR LEASE OF THE HOSPITAL (PROCESS)

The Board's attorneys are recommending a commonly used procurement process. A full presentation will follow at the next meeting.

The attached materials show the workings of Chapter 287, Florida Statutes, the Administrative Procedure Act, and the competitive solicitation and bid standards that apply to state agencies under that chapter.

The District is not required to follow these standards. However, the Board should consider adopting a comparable framework for sale or lease should the Board move forward with the process set out in the amended enabling act.

HB 4087 requires the Board, before a lease or sale, to advertise the meeting at which the transaction will be considered or to advertise an offer to accept proposals and receive proposals from all qualified respondents. It also allows judicial review limited to whether the Board followed the required procedures.

Because review turns on process rather than outcome, setting the rules in advance, applying them consistently, and documenting the process supports both the integrity of the process and the Board's ultimate decision. It also gives the public and respondents clear expectations about the criteria, timeline, and opportunities to raise concerns. These materials address how a process would be run, not whether to run one.

This process will not narrow the Board's options, including continuing to work with the District's current lessee.

There is no motion associated with these materials today. They are being provided so that Board members have an opportunity to familiarize themselves with the concepts in advance of a full presentation and consideration of adoption at the Board's next meeting.

HIGHLANDS COUNTY HOSPITAL
DISTRICT BOARD OF COMMISSIONERS
AGENDA ITEM: #11

REGULAR MEETING DATES

The Highlands County Hospital District ("**District**") amended Enabling the Act allows the District's Board of Commissioners (the "**Board**") allows the Board – after significant diligence and process – to sell or lease the hospital.

Based upon previous Board decisions, the process and evaluations are underway. However, the required diligence and process will take extra meetings to complete either process (sale or lease) before the current hospital lease expires. Accordingly, the Board's Chair, with the concurrence of the Board's counsel, recommends that the Board schedule additional regular meetings for the coming months to implement the foregoing process.

A proposed resolution is attached for the Board's consideration. Members of the board are encouraged to bring their calendars so that firm meeting dates may be established by the Board's resolution.

RESOLUTION OF THE HIGHLANDS COUNTY HOSPITAL DISTRICT BOARD OF COMMISSIONERS ESTABLISHING REGULAR MEETING SCHEDULE

The Highlands County Hospital District (the "**Hospital District**") Board of Commissioners (the "**Board**") was duly assembled pursuant to notice at 1:30 pm on 14 August 2026. A quorum was present. Chairman Dean W. Gerber presided. Upon motion made and duly seconded, the following resolution was adopted by the Board:

IT IS RESOLVED by the Board as follows:

1. FINDINGS. The Board's Hospital Lease terminates on 31 July 2027. The State of Florida recently amended the Board's enabling act to allow for the sale, lease or lease extension regarding the Board's Sebring hospital. The Board will need additional meetings to consider the options allowed by the recently amended enabling act; and to properly consider the data, evaluation and analysis and public comments regarding the various options and the implementation of one of the options. This Resolution will schedule and establish the date and time of the Board's regular meetings over the next ____ months to accomplish its lawful business.

2. **REGULAR MEETING SCHEDULE**. The Board's meeting schedule is hereby restated as follows. The Board's regular meetings from the date of this Resolution through ______________ 2027, will be held at the Highlands County Commissioners' Board Room in the Highlands County Government Center, 600 South Commerce Avenue, Sebring, Florida at 1:30 p.m. on the following dates:

27 August 2026

24 September 2026

___ October 2026

___ November 2026

____ December 2026

_____January 2027

_____February 2027

3. **CONTINUATION OF MEETINGS**. Meetings of the Board may be recessed and reconvened by vote of the Board or by the Board Chair during any of its meetings.

4. **RESCHEDULING AND CANCELLATIONS.** The Board Chair is authorized to reschedule the regular meetings and to call special meetings of the Hospital Board, as the chair deems appropriate. The Board may schedule additional special or regular meetings by vote at any meeting.

3. **MEETING NOTICE**. The Board intends to provide broad public notice of its meetings. This section is intended to ensure significant public notice for each regular meeting of the Hospital District Board. However, the failure to comply with this section does not void the actions taken at any subject meeting, provided the minimum lawful meeting notice is made. Accordingly, the Board Clerk is directed to give notice of the Board's meetings as follows:

A. **Publication.** The Hospital District Clerk is authorized and directed to publish notice of the Board's meeting schedule herein set out, and to publish notice of each meeting ten (10) to twenty (20) days in advance of said meeting. Publication shall be in the *Highlands News Sun* compliant with Chapter 50, Florida Statutes.

B. **County Commission.** The Hospital District Clerk shall provide to the Highlands County Board of County Commissioners and the Highlands County Clerk this Resolution with this request that both publish notice of the Hospital District Board Regular meetings as herein scheduled on the Highlands County Website; and in the notice of public meetings section of the Agenda of the Board of County Commissioners.

C. **Website.** The Hospital District Clerk shall publish notice of the Board's regular meetings on the Hospital District's Website.

RESOLVED this 14th day of August 2026.

HIGHLANDS COUNTY HOSPITAL DISTRICT

By:________________________________
Dean W. Gerber, Chairman

Attest:______________________________
Gail Escobar, Clerk

(SEAL)