

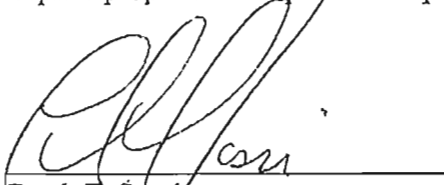
STATE OF OHIO)
) SS: **AFFIDAVIT OF FRANK T. SOSSI**
COUNTY OF SUMMIT)

I, Frank T. Sossi having been first duly sworn, depose and state that I have personal knowledge of the facts and matters that follow:

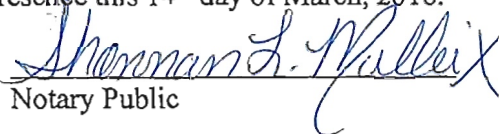
1. I am over the age of 18 and not laboring under any disabilities.
2. I am the Secretary, General Counsel and member of Surgical Development Partners, LLC (“SDP”). I have held these positions since 2003.
3. SDP partners with physicians and hospitals across the United States to deliver healthcare services, including the facilitation of hospital/physician joint ventures.
4. I am not aware of any bid specifications for the sale of the Lakewood Hospital ever being developed or advertised. Nor am I aware of the Lakewood Hospital ever being put out to bid.
 - a. For the purposes of this affidavit, I consider the “Lakewood Hospital” to include (1) the medical facilities located at the southeast and southwest corners of Belle Avenue and Detroit Road in downtown Lakewood, Ohio; and (2) the property located at 850 Columbia Road, Westlake, Ohio.
5. Although I was never aware of any advertisement for the Lakewood Hospital to be sold at competitive bid or of any request for proposals regarding an agreement to lease or operate the Lakewood Hospital, I did come to learn that the 850 Columbia Road property may have been available for purchase, and later that the City of Lakewood was considering the termination of inpatient services at Lakewood Hospital and selling some, or all, or the Lakewood Hospital’s property and assets.
6. On October 7, 2015, on behalf of SDP, I prepared the letter of intent submitted by SDP to the Lakewood Hospital Association (“LHA”), copying the City of Lakewood’s mayor, law director, and council president, with regard to SDP and its affiliates desire to purchase the Lakewood Hospital facility located at 850 Columbia Road, Westlake, Ohio. A true and accurate copy of the October 7, 2015 letter of intent that was submitted is attached hereto as Exhibit A.
7. On November 25, 2015, I submitted an email to the LHA, copying the City of Lakewood’s mayor, law director, and council president, at my direction. This email clarified the October 7, 2015 letter of intent, explaining that SDP was interested in developing the Lakewood Hospital campus in downtown Lakewood, Ohio and maintaining inpatient services. A true and accurate copy of this email is attached hereto at Exhibit B.

8. On November 30, 2015, on behalf of SDP, I prepared a supplement to the October 7, 2015 letter of intent referenced in Paragraph 6, above, submitted by SDP to the LHA, copying the City of Lakewood's mayor, law director, and council president. This supplement expressed SDP's interest in not only purchasing the Lakewood Hospital facility located at 850 Columbia Road, Westlake, Ohio, but also developing the Lakewood Hospital campus in downtown Lakewood, Ohio. In this letter, SDP requested that SDP be allowed to present its development plans for the Lakewood Hospital campus to Lakewood City Council at its December 7, 2015 meeting. A true and accurate copy of the November 30, 2015 supplement to the October 7, 2015 letter of intent is attached hereto as Exhibit C.
9. From December 4, 2015, through December 8, 2015, I exchanged emails with the City of Lakewood's Law Director, Kevin Butler, regarding SDP's desire to develop the Lakewood Hospital campus in downtown Lakewood, Ohio, and maintain inpatient services. Ultimately, Mr. Butler rejected SDP's proposal and indicated that the City of Lakewood was in the process of entering into an agreement with the Cleveland Clinic Foundation with regard to the closure of Lakewood Hospital and the delivery of healthcare in Lakewood. A true and accurate copy of my December 4, 2015, through December 8, 2015 email exchange with Law Director Butler is attached hereto as Exhibit D.
10. SDP was never afforded the opportunity to present its plans for the development of the Lakewood Hospital to the Lakewood City Council.
11. SDP was never afforded the opportunity to participate in a competitive bidding process with regard to the Lakewood Hospital.
12. So long as there is a real opportunity to operate a short term acute care hospital in Lakewood, SDP affirms that it will submit a bid to purchase the property located at 850 Columbia to bid on the opportunity to operate the Lakewood Hospital as an inpatient facility if the Lakewood Hospital properties are put out to public bid within the next year.

FURTHER AFFIANT SAYETH NAUGHT.


Frank T. Sossi

SWORN TO BEFORE ME and subscribed in my presence this 14th day of March, 2016.


Notary Public



Shannan L. Mullenix
Resident Portage County
Notary Public, State of Ohio
My Commission Expires: 12/18/2018



G. Edward Alexander, CEO
Direct Telephone Number: 615-550-2600 Ext. 12
Cell Phone Number: 615-289-9896
Direct Telefax Number: 615- 550-2601
E-Mail: ealexander@surgicaldevelopmentpartners.com

VIA FED-EX – October 7, 2015

Mr. Thomas Gable
Chair, Board of Directors
Lakewood Hospital Association
c/o CT Corporation System
1300 East 9th. Street
Cleveland Ohio 44114

And

8787 E. Asplin Drive
Rocky, River, OH 44116-3003

**RE: Non-Binding Letter of Intent for the Purchase of the MOB and ASC at 805 and 850
Columbia Road, known as the “Westlake Medical Campus”**

Dear Mr. Gable:

Thank you and the Board of Directors of the Lakewood Hospital Association (hereinafter “Lakewood”) for your time in considering this proposal by Surgical Development Partners, LLC and its affiliates (collectively “SDP”) to purchase the Medical Office Building and Ambulatory Surgery Center at 805 and 850 Columbia Road, the Westlake Medical Campus. Based on our investigations to date we are pleased to submit this Non-Binding Letter of Intent (this “Letter”) from SDP to Lakewood (each a “Party” and collectively the “Parties”) setting forth the intent to work in good faith together to negotiate a sale of the Westlake Medical Campus from Lakewood to SDP (the “Project”).

This Letter is not intended to be a binding agreement between the Parties, except for the contents of Sections 3 through 7, and 8.4 through 8.6 (collectively, the “Binding Provisions”). A binding agreement with respect to the Project and the transactions described herein will not exist unless and until the Parties (or their respective affiliates) have executed and delivered definitive agreements (the “Definitive Agreements”), as needed to complete the Project.

1. **Discussions and Negotiations Regarding the Project.** Upon the execution of this Letter the Parties will promptly enter into discussions and negotiations during the Term, as defined in Section 5 of this Letter, which may be extended by the mutual agreement of the Parties, with regards to evaluating and implementing the proposed Project with one another as well as with any third party, as agreed to by the Parties. The structuring of the various transactions comprising the Project will be made in consultation with the respective legal, financial and accounting advisors of the Parties. Commencing upon the execution of this Letter, Lakewood will permit SDP and/or their representatives access to the Westlake Medical Campus and the right to inspect the equipment, properties, intellectual property rights, licenses, contracts and other items which comprise the assets and the books and records of the Westlake Medical Campus at all reasonable times, as SDP and/or their representatives may reasonably request without undue hindrance to Lakewood.
2. **The Proposed Outline of the Terms of the Project.** The Parties will work together to negotiate a fair market value price and terms for the purchase of the Westlake Medical Campus estimated to be in the \$9,000,000 range. In addition the Parties agree to work diligently to obtain all required approvals for the closure of the transaction within One Hundred and Eighty (180) days of this Letter.
3. **Required Approvals for the Project.** The above indicated terms in Section 2 will be subject to the following conditions: (i) full and formal approval by the Board of Lakewood the Board of SDP; (ii) any required approvals from the City of Lakewood as may apply, and (iii) the mutual development and execution of Definitive Agreements that fully reflect the intention of the Parties expressed in this Letter or which are otherwise agreed to by the Parties. The Parties agree to use their respective reasonable efforts to satisfy each of the foregoing conditions as soon as reasonably practicable, subject to the other terms of this Letter.
4. **Term.** This Letter will remain open for acceptance until October 31, 2015 at 5:00 PM Eastern time.
5. **Fees and Expenses.** Each Party will bear its own expenses associated with the development of the overall strategy and the interaction of the Parties in developing the definitive terms for the agreements contemplated by this Letter.
6. **Relationship Between the Parties.** None of the provisions of this Letter are intended to create, nor shall be deemed or construed to create, any relationship between the Parties and any of the Parties' vendors or agents and any of the Parties, other than that of independent entities contracting with each other hereunder solely for the purpose of accomplishing the transactions described in this Letter as independent contractors, and otherwise maintaining and carrying out the provisions of this Letter. None of the Parties or any of their respective agents or employees shall be construed to be the agent,

employer, employee, partner, joint venturer, or the representative of the other parties hereto, for any purpose of any kind or nature whatsoever. The Parties agree to hold the other Parties harmless from third-party liability resulting from acts of any Party which are contrary to the contents of this Letter.

7. **Confidentiality.** The Parties desire to assure the mutual confidential status of any information which may be disclosed to or from any Party in the evaluation of this Project and the indicated approach to the Project:
- 7.1. **Proprietary Information.** Except as provided in Subsection 7.7., below, all information disclosed by any Party or its Representatives at any time to any other Party or its Representatives in connection with the Project in any manner shall be deemed "Proprietary Information." The term "Representative(s)" means, in the case of any of the Parties, any director, officer, employee, member, shareholder, or agent of the Party engaged in the evaluation of the Project.
- 7.2. **Permissible Use.** Each Party that receives Proprietary Information (referred to as the "Receiving Party") shall use the Proprietary Information received from any other Party (referred to as the "Disclosing Party") solely to evaluate the feasibility of the Project or similar transactions between the Parties. No other rights are implied or granted under this Letter.
- 7.3. **Reproduction.** Proprietary Information received shall not be reproduced in any form except for internal use of the Receiving Party and its Representatives and only for the express purpose of evaluating the Project.
- 7.4. **Nondisclosure.** The Receiving Party shall use all reasonable efforts to protect the Proprietary Information received with the same degree of care used to protect its own Proprietary Information from unauthorized use or disclosure, except that such Proprietary Information may be used or disclosed to the Receiving Party's Representatives as may be reasonably required to evaluate the Project.
- 7.5. **Ownership of Information.** All Proprietary Information, unless otherwise specified in writing, shall remain the property of the Disclosing Party and promptly upon request of either Party shall be returned to the Disclosing Party (including all whole or partial copies thereof and any written notes made regarding the Proprietary Information).
- 7.6. **No License or Interest.** No rights or obligations other than those expressly recited herein are to be implied. No license is granted to the Receiving Party or otherwise implied, by estoppel or otherwise, with respect to any property or right of Disclosing Party, presently existing or acquired in the future, or for any use of or interest in the Proprietary Information except such use expressly contemplated by

this Letter.

7.7. Exclusions. It is understood that the term "Proprietary Information" does not include Information which:

- (a.) is now or hereafter in the public domain through no fault of the Receiving Party;
- (b.) prior to disclosure hereunder, is properly within the rightful possession of the Receiving Party;
- (c.) is lawfully received from a third party with no restriction on further disclosure; or
- (d.) is obligated to be produced under applicable law or order of a court of competent jurisdiction, unless made the subject of a confidentiality agreement or protective order.

8. Miscellaneous.

8.1. Remedies. Based on the subject matter of this Letter and the mutual obligations and duties indicated herein material and irreparable harm shall be presumed, if any Party to this Letter breaches any provision of this Letter. The Parties agree, that in the case of the breach of any of the confidentiality provisions of this Letter, the non-breaching Party will have the right to request that any court of competent jurisdiction shall immediately enjoin the Party in breach in addition to that Party being entitled to all other rights and remedies which the Party may have at law or in equity. The prevailing party in any action or proceeding brought to enforce the provisions of this Agreement shall be entitled to recover its reasonable legal costs and expenses incurred in such action or proceeding, including but not limited to, any legal costs and expenses incurred to enforce any judgments rendered on this Agreement. The provision regarding recovery of legal costs shall not be merged into any judgment on this Agreement.

8.2. Compelled Disclosure. In the event a Party, any of its Representatives, or anyone to whom any Party transmits the Proprietary Information, becomes legally compelled to disclose any of the Proprietary Information, prior to such disclosure such Party will provide the owner of the Proprietary Information with advance written notice and a copy of the documents and information relevant to such legal action, so the owner of the Proprietary Information may seek a protective order or other appropriate remedy to protect its interests in the Proprietary Information, and the compelled Party shall furnish only that portion of the requested Proprietary Information that the compelled Party is advised by a written opinion of counsel is

legally required.

- 8.3. Entire Agreement. There are no other understandings, agreements, or representations, express or implied, between the Parties, not herein specified until such time as Definitive Agreements are executed by the Parties for relating to the Project. This Letter may not be amended except in a writing executed by all Parties.
- 8.4. Assignment. This Letter of Intent may not be assigned without the express written consent of all of the other Parties.
- 8.5. Termination. Termination of this Letter shall not relieve any of the Parties from the Binding Provisions.
- 8.6. Governing Law. This Letter of Intent and all transactions contemplated by this Letter shall be governed by the laws of the State of Ohio.
- 8.7. Counterparts. This Letter of Intent may be executed in any number of copies and by the different Parties hereto on separate counterparts. Each counterpart shall be deemed an original, but all counterparts together shall constitute one and the same instrument. The persons executing this Letter personally represent and warrant that they have been duly authorized to do so by their respective Party and that, upon full execution hereof, this Letter of Intent shall be a binding obligation of said Party.
9. **ACCEPTANCE** - If Lakewood is in agreement with the objectives indicated in Section 2 and the conditions indicated in Section 3 of this Letter and the terms and conditions contained herein, please sign the RETURN COPY of this Letter and return it to SDP. The terms of this Proposal are valid until 5:00 PM, Eastern Time, October 31 2015 and may be accepted as indicated above.

ALL SIGNATURES APPEAR ON THE FOLLOWING PAGE 6 OF 6

We look forward to our future meetings and the success of the Project which we can accomplish through our mutual efforts, and, if the Lakewood Hospital Association has an interest, a discussion of potential structures, plans or uses for the Lakewood Hospital main campus.

Sincerely,

SURGICAL DEVELOPMENT PARTNERS, LLC



G. Edward Alexander, President and CEO

Date: 10/6/15

**Mr. Thomas Gable
Chair, Board Of Directors
Lakewood Hospital Association**

CC:

Mayor, City of Lakewood

Mr. Michael Summers
Mayor
City of Lakewood
Lakewood City Hall
12650 Detroit Avenue
Lakewood, Ohio 44107

Law Director, City of Lakewood

Kevin Butler, Esq.
Law Director
City of Lakewood
Lakewood City Hall
12650 Detroit Avenue
Lakewood, Ohio 44107

President, City Council

Ms. Mary Louise Madigan
President, City Council
City of Lakewood
Lakewood City Hall
12650 Detroit Avenue
Lakewood, Ohio 44107

Attorney General, State of Ohio

Michel DeWine, Esq.
Attorney General
State of Ohio
301 E. Broad Street
Columbus, Ohio 43215

From: Frank T. Sossi

Sent: Wednesday, November 25, 2015 10:46 AM

To: fourgablemgmt@aol.com; Mike.Summers@lakewoodoh.net; kevin.butler@lakewoodoh.net; mary.madigan@lakewoodoh.net

Cc: Alexander, Ed (ealexander@surgicaldevelopmentpartners.com)

<ealexander@surgicaldevelopmentpartners.com>; Frank T. Sossi <ftsossi@bmdllc.com>

Subject: Surgical Development Partners - Letter of Intent

SDP – LHA – Letter of Intent
November 25, 2015

Mr. Gable et al:

It has come to our attention that there has been some confusion related to the Surgical Development Partners, LLC (“SDP”) Letter of Intent of October 7, 2015 (the “LOI”). In drafting the LOI we worked from the Clinic website and the Tax Records on the County GIS system. Both of these sources included both the 805 and 850 Columbia Road addresses.

I was able to get back up here this week and physically observe the property and want to clarify that the SDP LOI proposed Terms of the Project estimated at \$9,000,000 is for the 850 Columbia Road Building, the property on the north west corner of the intersection of Columbia Road and Interstate 90, ONLY. I apologize for any confusion on this matter and hope that you will consider the LOI as applying to that building at the \$9,000,000 estimate.

As indicated in the LOI there is also an interest in discussing with LHA and the City other plans or uses for the Lakewood Hospital main campus.

Please consider this email as NOTICE that SDP has extended the reply date for the LOI to December 31, 2015 and that we would be pleased to discuss the LOI by phone or in person as may meet your needs.

We appreciate the opportunity to work with you and to assist you in providing healthcare for your communities.

Thanks,

Frank

Exhibit B

Frank T. Sossi

Brennan, Manna & Diamond, LLC - Partner

The Carnegie Building

75 E. Market St.

Akron, Ohio 44308

Email: ftsossi@bmdllc.com - Fax: [330-253-1813](tel:330-253-1813)Direct Dial: [330-253-5060](tel:330-253-5060) - Cell: [330-805-5812](tel:330-805-5812)**BRENNAN, MANNA & DIAMOND****Notice**

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G. Edward Alexander, CEO

Direct Telephone Number: 615-550-2600 Ext. 12

Cell Phone Number: 615-289-9896

Direct Telefax Number: 615- 550-2601

E-Mail: ealexander@surgicaldevelopmentpartners.com

VIA FED-EX – November 30, 2015

Mr. Thomas Gable
Chair, Board of Directors
Lakewood Hospital Association
c/o CT Corporation System
1300 East 9th. Street
Cleveland Ohio 44114

And

8787 E. Asplin Drive
Rocky, River, OH 44116-3003

RE: Supplement to the Non-Binding Letter of Intent for the Purchase of the MOB and ASC at 850 Columbia Road, known as the “Westlake Medical Campus” – October 7, 2015

Dear Mr. Gable:

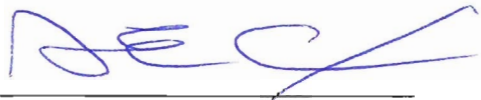
Further to our other expressions of interest including the Letter of Intent sent on October 7th, Surgical Development Partners desires to make it clear and avoid any confusion by stating again that that it remains extremely interested in purchasing the 850 Columbia Road property at a competitive fair market value and also in developing the Lakewood Hospital campus to continue medical and emergency services to the community.

Our intent is to develop a long term financially viable and sustainable healthcare campus that includes services to support the medical and emergency care needs of the City as well as the community economic development interests of the City. We are eager and stand ready to discuss our plans with all pertinent City representatives. Our company has a long resume of hospital, emergency room and out-patient surgery center development projects which showcase our abilities. Our previous communications regarding our plans have not received the interest we expected from the City, and we write again to ask for the opportunity to present to LHA, City Council and the Mayor.

We firmly believe that we present a solid option for development of the Lakewood Hospital campus that needs to be considered by City Council in its fiduciary capacity and as good stewards of these community assets. Toward that end, please allow this letter to serve as our request to be placed on the agenda for the City Council meeting of Monday December 7th to discuss our development plans with City leadership. We look forward to hearing from you regarding the same.

Sincerely,

SURGICAL DEVELOPMENT PARTNERS, LLC



G. Edward Alexander, President and CEO

CC:

Mayor, City of Lakewood

Mr. Michael Summers
Mayor
City of Lakewood
Lakewood City Hall
12650 Detroit Avenue
Lakewood, Ohio 44107

President, City Council

Ms. Mary Louise Madigan
President, City Council
City of Lakewood
Lakewood City Hall
12650 Detroit Avenue
Lakewood, Ohio 44107

Law Director, City of Lakewood

Kevin Butler, Esq.
Law Director
City of Lakewood
Lakewood City Hall
12650 Detroit Avenue
Lakewood, Ohio 44107

Attorney General, State of Ohio

Michel DeWine, Esq.
Attorney General
State of Ohio
301 E. Broad Street
Columbus, Ohio 43215

From: "Butler, Kevin" <Kevin.Butler@lakewoodoh.net>
To: "Frank T. Sossi" <ftsossi@bmdllc.com>
Cc: "Summers, Mike" <Mike.Summers@lakewoodoh.net>, "Madigan, Mary" <Mary.Madigan@lakewoodoh.net>
Date: Tue, 8 Dec 2015 21:31:26 +0000
Subject: RE: Surgical Development Partners - Letter of Intent - REPLY of 12-04-2015

Thank you , Mr. Sossi. We appreciate your efforts to fill in the blanks in your client's initial correspondence.

Over the last eleven months of due diligence and negotiation, we have moved well beyond most of the issues you outline and are confident that the plan put forth in our negotiations with the Cleveland Clinic best serves the citizens of Lakewood. Lakewood is an innovative community that supports growth and prosperity. We have been working for many months on a health care delivery plan that does that. Most importantly, we are ensuring that there will be no disruption in the continuity or quality of care available to our community as we move forward in this outpatient model to improve health and wellness among our residents.

Last night, City Council introduced legislation that, if adopted, would result in a new master agreement between the city, the Cleveland Clinic and the Lakewood Hospital Association involving the full hospital site and the creation of a new wellness foundation. The legislation is expected to be read next Monday and again on December 21. The plan that has been negotiated would not prevent the provision of health care services in Lakewood from independent physician practices, like the one you say your client represents (but would prevent certain kinds of services from being provided on the hospital site).

In the future, I'm certain Mayor Summers would be happy to meet with the leadership of those independent physicians as we continue to build a new health care delivery model throughout the City of Lakewood.

Best wishes,

Kevin

Kevin M. Butler, Director of Law
City of Lakewood | Law Department
[\(216\) 529-6034](tel:(216)529-6034)
kevin.butler@lakewoodoh.net

From: Frank T. Sossi [mailto:ftsossi@bmdllc.com]

Sent: Friday, December 04, 2015 5:49 PM

To: Butler, Kevin; Alexander, Ed (ealexander@surgicaldevelopmentpartners.com)

Cc: Summers, Mike; Madigan, Mary; Frank T. Sossi; Jack T. Diamond

Subject: RE: Surgical Development Partners - Letter of Intent - REPLY of 12-04-2015

Exhibit D

SDP – LHA Letter of Intent

December 4, 2015

Mr. Butler:

Please see my reply in *Red italics below your comments*.

Please let us know if you would like to discuss the LOI or our responses.

Thanks,

Frank

Frank T. Sossi Brennan, Manna & Diamond, LLC - Partner The Carnegie Building 75 E. Market St. Akron, Ohio 44308 Email: ftsossi@bmdllc.com - Fax: 330-253-1813 Direct Dial: 330-253-5060 - Cell: 330-805-5812 BRENNAN, MANNA & DIAMOND	Notice This email along with any attachments may be confidential or protected by the attorney-client privilege. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this message in error, please (i) do not read it, (ii) reply to the sender that you received the message in error, and (iii) erase or destroy the message. Legal advice contained in the preceding message is solely for the benefit of the Brennan, Manna & Diamond client(s) represented by the Firm in the particular matter that is the subject of this message, and may not be relied upon by any other party.
--	--

From: Butler, Kevin [<mailto:Kevin.Butler@lakewoodoh.net>]

Sent: Friday, December 04, 2015 4:06 PM

To: Frank T. Sossi <ftsossi@bmdllc.com>

Cc: Summers, Mike <Mike.Summers@lakewoodoh.net>; Madigan, Mary

<Mary.Madigan@lakewoodoh.net>

Subject: RE: Surgical Development Partners - Letter of Intent

Dear Mr. Sossi:

I and other city officials received your client's letter, dated November 30 and attached to your email below, regarding its stated interest in healthcare investments in Lakewood and Westlake. This letter responds on behalf of the city, its mayor and city council.

To begin, we find the timing of your client's letter alarming. After all, the city has been working on the future of healthcare in Lakewood for more than 11 months, undertaking hundreds of hours in due diligence, hosting dozens of community meetings, gathering the facts and hearing from our constituents and experts on the plan recommended to the city in January 2015.

We apologize for the timing. Our LOI for the Westlake Campus closely followed our becoming aware of the opportunity to acquire that facility on a separate basis. We also wanted to indicate in the LOI that if there was an interest by LHA or the City on potential alternatives for the main Campus in Lakewood remaining as a functioning hospital that we would also be available to discuss the possibilities.

In September, Lakewood City Council publicly voted to have me begin negotiations in earnest with the Lakewood Hospital Association and the Cleveland Clinic — and serious discussions among those parties have ensued. These negotiations and the instability at Lakewood Hospital do not permit us to, and we will not, delay any decisions we reach on how to maintain critical services and improve the health of our community.

In the interest of being responsive to this email can you please indicate to us the critical services and health improvement plans that are being proposed to be maintained for the community. It was our understanding that you were discussing the closure of the hospital with the Clinic. Our view is that a hospital could be maintained, which would appear to be an approach that is not being considered in the indicated negotiations .

Furthermore, given the timing of your client's letter, the lack of substance and details in that letter are especially concerning. If your client has an offer or some specific ideas for a proposal that would meet the healthcare needs of our residents in Lakewood, and is economically viable for the long term, your client must share that offer or those ideas immediately.

Please see points below – in addition if there is information related to the prior RFP – status of the facility – proposed plans for alternatives – we would appreciate seeing such materials so that we can begin a due diligence process. As indicated in our Letter of Intent, if it were executed, such materials would be treated as confidential and we would have structure for negotiations.

Thus, if your client has a specific offer for the provision of healthcare in Lakewood, the time is now to make it and to be precise. Here are some of those essential details that would need to be explained beyond a mere statement of general interest:

1. A critical component of viable healthcare delivery is the commitment and availability of physicians. What is your client's strategy and commitment to provide physicians?

We are currently working with at least 90 local independent physicians related to a potential hospital project in Lakewood. We would expect that the project would be structured in a similar manner to our other projects where the affiliated physicians would have meaningful input into the day-to-day activities of the hospital.

2. A critical component of meeting the healthcare needs of the citizens of Lakewood is the scope of services and service model expected to be provided. What are the services we can expect to receive from your client and what populations will it serve? What is the service model? For example:

a. Is your client expecting to provide inpatient care, and if so, how many beds would be available?

Yes we would expect to provide inpatient and outpatient care. Our preliminary impression is that we would want to start with 60 to 100 inpatient beds and preserve the licensing on the remainder. Our focus would be on the healthcare needs of the community, as seen by our affiliated physicians. On a preliminary basis we believe that programs for wellness, chronic disease and appropriate ED services would be included.

b. What medical needs would these beds serve?

General Acute Care Hospital services, based on the new Budget Bill that was enacted November 2, 2015 it is imperative to retain Hospital status on the site to allow for HOPD status for any outpatient or medical office activities on the site.

c. Would your client provide emergency room service? If so, who would operate this service?

Yes there would be an ED operated by the hospital

3. The existing hospital facility is in need of significant investment to maintain clinical viability. It has been estimated that this investment is in the neighborhood of \$90 million. What are your client's plans to upgrade this facility, if any? How will your client finance such investments? Does your client expect to purchase the existing facility? Lease it?

As you are aware we have not toured the facility or reviewed the blueprints or the current conditions. In order not to interrupt services we would anticipate that we would use portions of the existing facility and determine the more cost effective and clinically appropriate approach to either rehabilitating the existing facility, adding on or new construction. We could work with LHA on a lease and lease funding arrangement or we could discuss a sale to a 3rd party landlord.

Of course, there are numerous other questions that would need to be addressed in order for the city to fully understand your client's interest. These are only a few among them.

The city received and considered your October 7 letter about the property at 850 Columbia Road in Westlake, and the Mayor had a subsequent phone conversation with Mr. Alexander two days later. We expected that your client would have explained its interest in greater detail soon afterward. Those details still have not arrived.

I spoke to Mr. Alexander a few minutes ago and it would appear that this is NOT his understanding of the conversation with the Mayor. His understanding was that the Mayor would be getting back to SDP on the Westlake Campus opportunity as it related to the City's willingness to sell that campus as a separate transaction. To date our only reply has come from you, today.

Very truly yours,

Kevin M. Butler, Director of Law
City of Lakewood | Law Department
[\(216\) 529-6034](tel:(216)529-6034)
kevin.butler@lakewoodoh.net