

# Limestone Medical Properties, LLC

## Limestone Development, LLC

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### Minutes of the Management Committee Meeting

August 21, 2012

#### 1. Call to Order:

The meeting of the Management Committee of Limestone Medical Properties, LLC (LMP) and Limestone Development, LLC (LP), with all Members invited to attend, was called to order on August 21, 2012 at 5:25 p.m. by Roger C. Stevenson, M.D., Co-Managing Member.

Attendees: Damian Andrisani, M.D.; Emmanuel Devotta, M.D.; M. Guarino, M.D.; H. Lebowitz, M.D.; A. Radford MacFarlane, M.D.; T. Mulhern; W. Nottingham, M.D., Co-Manager; Rafi Soofi, M.D.; Roger C. Stevenson, M.D., Co-Manager  
Guests/Staff: Larry Tarabicos, Esq.; Frank DiGregorio, Manager; Jean Ackerman, Admin. Coordinator  
Excused: Uma Chatterjee, M.D.; Pramod Yadhati, M.D.; William J. Martin, Esq.

#### 2. Approval of Minutes:

2.1 The minutes of the Membership meeting of June 19, 2012 were approved as written.

#### 3. Limestone Medical Center (LMC) Parking Lot Expansion:

3.1 Mr. DiGregorio reviewed the history and status of LMP obtaining approval from New Castle County (NCC) and the Klair Estates Civic Association to expand the LMC parking lot.

3.2 The Committee met with Mr. Larry Tarabicos, Esq. to obtain his thoughts and recommendations in proceeding with plans to return to NCC Planning Board to request a reversal in their previous decision which denied LMP a deed restriction change.

Mr. Tarabicos stated that there are three hurdles LMP is facing from the NCC Planning Board. The first is that in 1990 LMP requested less parking spaces and was granted a variance from NCC. The second was that LMP stated at that time that there would be a green area with no intrusions. The third is that this year NCC unanimously denied LMP on the first try for a revision in the LMC deed restriction. Though it is agreed that the NCC Board members did not have enough information presented to them at the previous hearing, all of these points are now working against LMP.

Mr. Tarabicos stated that the only way to turn the NCC vote around is to gain support from the Klair Estates residents. He felt that LMP would need at least 10 neighbors/patients/office managers/physicians or more to come to a NCC Planning Board meeting to testify as to the need for more parking spaces at LMC. If LMP can not reverse community opinion, Mr. Tarabicos felt that LMP would be denied again by the NCC Planning Board, and therefore he would recommend to not proceed any further.

The Committee discussed ways in which LMP could reach out to the Klair Estates community. Dr. Stevenson recommended creating an informational packet to give to the neighbors. Mr. Tarabicos stated that he would assist in developing such a packet. The group discussed the significant increase in parking needs as a result of the audiology seminars. It was suggested that in the mean time ENT and Allergy Care of Delaware be asked to change the day and times of their audiology seminars. By proper motion, this was unanimously approved. Dr. Devotta further suggested that all tenant physicians be asked to see if they have any patients from the surrounding community who would come to NCC and support LMP's request for more parking. Mr. DiGregorio stated that LMP would develop such a request listing the surrounding street names in the form of a memorandum and forward it to the tenants.

**4. Old Business:**

- 4.1 Mr. DiGregorio announced that the LMP Operating Agreement Amendments and Lease Revisions have been completed with 53 out of 57 owner signatures having been obtained.
- 4.2 Mr. DiGregorio announced that the \$1 million line of credit with PNC Bank has been closed out for this year as required by the bank, and a new loan and line of credit has been created (see attached PNC Bank loan spreadsheet).
- 4.3 Mr. DiGregorio stated that due to new federal banking regulations, LMP was required by PNC Bank to obtain new appraisals for LMC and MCMC. He presented the increase changes in value, as attached, with LMC increasing 5.4% and MCMC increasing 9.4% in value from 2011 to 2012.

**5. Unit Activity:**

- 5.1 *List of Members* - was distributed and noted as attached.
- 5.2 *Unit Purchase Activity* –
  - 5.2.1 Quan C. Nguyen, M.D. and Mrs. Hao Nguyen purchased 2.0 LMP units effective August 16, 2012.
  - 5.2.2 Richard Kim, M.D. and Mrs. Anna Kim purchased 1.25 LMP units effective August 20, 2012.
  - 5.2.3 Mr. DiGregorio announced the following physicians have expressed an interest in purchasing LMP units: Pedro Dayrit, M.D. and Stuart Felzer, M.D.
- 5.3 *Unit Buy-Back Activity* -
  - 5.3.1 By proper motion, the Committee approved without changes the attached letter crafted by Mr. Martin to Dr. and Mrs. Michael Katz suggesting LMP buy back their remaining 0.09 unit of LMP since Dr. Katz is no longer a tenant of LMP.

**6. Financial Review and Approval:**

- 6.1 *Review of Financial Reports* – Mr. DiGregorio reviewed the LMP Cash Flow Statement (Summary) and the Cash Flow Budget vs. Actual from January through July 2012 as attached.
- 6.2 *Third Quarter Unit Valuation from July 1, 2012 through September 30, 2012 –By proper motion, the LMP Management Committee, and other Members present, unanimously approved to extend the third quarter unit valuation from September 30, 2012 through October 16, 2012 – the date of the next LMP Committee meeting when an increase the current valuation of a LMP unit would be considered.*

Mr. DiGregorio reminded the Management Committee that members can now purchase up to 35 units per member.
- 6.3 The Committee held a lengthy discussion regarding buying and selling vs. the debt ratio and whether it was in LMP's best interest to reinvest additional income or distribute as increased dividends. It was agreed that the Committee will continue this discussion at future meetings.

## 7. Tenant and Leasing Activity:

### 7.1 Limestone Medical Center (LMC) -

- 7.1.1 Mr. DiGregorio announced that Limestone Medical Center, Inc. (LMC, Inc.) has been presented a new lease for Suite 107 to house their endoscopy unit. Mr. Mulhern announced that the lease has been signed and will be returned to Mr. DiGregorio shortly.

### 7.2 Mill Creek Medical Center (MCMC) -

- 7.2.1 Mr. DiGregorio announced that the practice of Dr. Reyes and Dr. Myers moved to Suite 101 at Mill Creek Medical Center (MCMC) last week-end.
- 7.2.2 Mr. DiGregorio announced that Dr. Jonathan Kamen, who recently took over the DMG Imaging Center, is interested in moving his entire practice to Suite 202 at MCMC to incorporate the Imaging Center and his practice into one suite. The previous renovation to Suite 202a would be acceptable for Dr. Kamen's practice, but the Suite 202b side would need to be renovated since it's not fitted out for a doctor's office. Mr. DiGregorio pointed out that this side would have to be renovated anyways before offering it to rent, and if Dr. Kamen would accept a three year lease, the renovations would equal the first year's rent. The Committee approved offering Dr. Kamen a three year lease with the renovations to Suite 202b being funded by LMP.

It was noted that no decision has been reached with regard to where the Delaware Medical Group (DMG) Administration Office and Billing Department might be relocated from Suite 202b.

- 7.2.3 It was noted that should Dr. Kamen move his practice to the second floor at MCMC, this would leave Suite 301 vacant for a new tenant. By proper motion, the Committee approved listing this vacant space with Musi Commercial Realty once it has been made available.

### 7.3 Stanton Medical Center (SMC) -

- 7.3.1 Suite 4 remains available for rent and is listed with Musi Commercial Realty. Mr. DiGregorio announced that a pain management physician, who once practiced in New Castle County, is returning to the area and has expressed interest in renting this suite for his new pain management practice. Dr. Devotta expressed concern, and Mr. DiGregorio will research further the level of this physician's interest and will report back to the Committee at the next meeting.

## 8. Building and Grounds:

### 8.1 Limestone Medical Center (LMC) -

- 8.1.1 Mr. DiGregorio outlined the following suite refurbishments for:
- Suite 105 – Limestone Periodontics: new paint, carpet, counter tops (in progress)
  - Suite 114 – Limestone Medical Aid Unit: physician office renovation (completed)
  - Suite 210 – ENT and Allergy Care of Delaware: major renovations (in progress)
  - Suite 213 – Delaware Surgical Group: new paint, carpet, counter tops (in progress)
- 8.1.2 Mr. DiGregorio announced that three trees along Sandy Drive, which have been determined to be dead, will be removed.

8.2 *Mill Creek Medical Center (MCMC) –*

8.2.1 It was announced that the parking lot has been repaired, seal coated, and restriped.

8.2.2 Mr. DiGregorio announced that due to neighbor concerns, two pine trees located along the property perimeter have been removed and replaced by three Leyland Cypress trees.

9. **Risk Management Report:**

9.1 It was reported that there was a patient fall on the LMC property on July 23, 2012. The patient was on his way to an appointment with Delaware Ophthalmology Consultants when he lost his balance using a walker. The patient admitted that he has a history of falling and a medical condition which indicates that he should use a wheelchair. He appeared not to injure himself; however, the event was reported to Westfield Insurance Company as part of risk management protocol procedures.

9.2 It was reported that a patient of Dr. Richard Kim fell over the brick border surrounding the rear flower bed at LMC when she entered the building on August 8, 2012. The patient sustained bruising to her right side, and she sought treatment at Dr. Kim's office. This event was reported to Westfield Insurance Company.

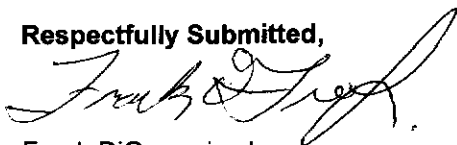
10. **Other Business:**

10.1 Mr. Mulhern announced that Mr. Tim Schier from Cain Brothers & Company, LLC has expressed interest again in speaking with the Committee regarding corporate risk and tax reduction strategies by either merger or acquisition. The Committee noted that the company's original arranged offer from Health Care REIT, presented in the fall of 2006, was not very lucrative and was declined at the Committee's October 17, 2006 meeting. (LMP subsequently hired Cain Brothers as a business advisor, and at the October 16, 2007 meeting approved Cain Brothers' recommendations to revise the LMP leases and rent structures.) However, the Members agreed to have Mr. Schier speak at their next meeting in October.

10. **Adjournment:**

There being no further business, the meeting was adjourned at 7:30 p.m. The next meeting of the Management Committee, with all Members of LMP invited to attend, will be held on Tuesday, October 16, 2012.

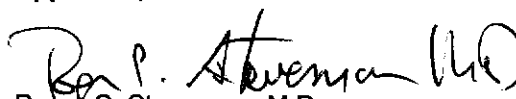
Respectfully Submitted,



Frank DiGregorio, Jr.  
General Manager

FD/jva

Approved,



Roger C. Stevenson, M.D.  
Co-Managing Member