

Limestone Medical Properties, LLC

Limestone Development, LLC

1941 Limestone Road, Suite 216 • P.O Box 5040 • Wilmington, DE 19808-0040

Minutes of the Management Committee Meeting

June 19, 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 June 19, 2012 at 5:27 p.m. by Roger C. Stevenson, M.D., Co-Managing Member.

Attendees: Damian Andrisani, M.D.; Uma Chatterjee, M.D.; Emmanuel Devotta, M.D.; H. Lebowitz, M.D.; A. Radford MacFarlane, M.D.; W. Nottingham, M.D., Co-Manager; Roger C. Stevenson, M.D., Co-Manager

Guests/Staff: William J. Martin, Esq.; Frank DiGregorio, Manager; Jean Ackerman, Admin. Coordinator
Excused: Rafi Soofi, M.D.; Pramod Yadhati, M.D.

2. Approval of Minutes:

2.1 The minutes of the Membership meeting of April 17, 2012 were approved as written.

3. Unit Activity:

3.1 *List of Members* - was distributed and noted as attached.

3.2 *Unit Buy-Back Activity* -

3.2.1 It was announced that the LMP repurchasing of 5.0 units from Dr. James Hays was completed on June 8, 2012. This had been approved at the previous meeting.

3.2.2 It was announced that Dr. Michael Katz has left the group of Outpatient Anesthesia Specialists, P. A. and no longer has a tenant connection with LMP. Mr. DiGregorio reported that Dr. and Mrs. Katz still own 0.09 unit of LMP with their previous 9.0 units having been repurchased by LMP in 2008. The Committee discussed the original unit purchase dates by Dr. Katz and recommended by proper motion that Mr. Martin contact Dr. and Mrs. Katz to make an offer to repurchase the 0.09 unit.

3.3 *Unit Purchase Activity* -

3.3.1 Mr. DiGregorio announced that he is waiting for Dr. Pedro Dayrit to return from vacation to follow up on his expressed interest to purchase LMP units. Dr. Dayrit was approved at the April 17, 2012 meeting to purchase LMP units.

4. LMP Operating Agreement:

Mr. Martin reviewed his memorandum to the LMP Members dated June 12, 2012. In this memorandum, he outlined the proposed revised amendments to the LMP Operating Agreement (see attached Memorandum and final draft copy of the Amended and Restated Operating Agreement. These two documents were also distributed by e-mail to the Members prior to this meeting).

There was continued discussion from the previous April 17, 2012 meeting regarding the redemption provisions (including "cash" payment of the purchase price at time of redemption). Mr. Martin noted that at the April 17th meeting, it was the general consensus of those Members attending the meeting that the current "cash payment" redemption provisions were appropriate as currently written and were fair to all Members. As such, he had been instructed to delete the earlier proposed changes and retain the current provisions related to cash payments in the event Membership Units are redeemed.

By proper motion, the revised Amendments (modified as described above) to the LMP Operating Agreement were unanimously approved as attached, and it was further approved to send the revised LMP Operating Agreement as attached to the entire Membership for signatures.

5. Election of the LMP Management Committee for 2012 – 2013:

It was announced that the following slate of nominations for election to the Management Committee from July 1, 2012 through June 30, 2013 unanimously was approved by a majority vote of the Membership:

1. Bill Nottingham, M.D. - Co-Manager
2. Roger Stevenson, M.D. - Co-Manager
3. Damian Andrisani, M.D.
4. Uma Chatterjee, M.D.
5. Emmanuel Devotta, M.D.
6. Harry Lebowitz, M.D.
7. A. Radford MacFarlane, M.D.
8. Rafi Soofi, M.D.
9. Pramod Yadhati, M.D.

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 May 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 increase the current valuation of a LMP unit from \$24,500 to \$24,810 based on the calculations presented by Mr. DiGregorio.
- 6.3 *Review and Discussion of PNC Bank Loans* – Mr. DiGregorio announced that due to the new Federal banking laws, PNC Bank is required to obtain new property appraisals on LMP before granting new loans since it has been over one year since the last appraisals were performed. Once this has been accomplished, Mr. DiGregorio expects that the settlement of the close out of LMP's current credit line and the establishment of a new loan and credit line will be completed by the end of July 2012. By proper motion, the Committee approved closing out the current line of credit for \$1 million and establishing a new line of credit for \$750,000.

7. Tenant and Leasing Activity:

- 7.1 *Limestone Medical Center (LMC) -*
 - 7.1.1 Mr. DiGregorio reiterated that Limestone Medical Center, Inc. (LMC, Inc.) has requested to lease Suite 107 once the current tenants have moved to Mill Creek Medical Center. LMC, Inc. plans to move their endoscopy unit to that suite.
 - 7.1.2 It was noted that Jason Kaplan, M.D. has joined Delaware Ophthalmology Consultants in practice effective April 16, 2012. He is a vitreous and retinal surgeon.
- 7.2 *Mill Creek Medical Center (MCMC) -*
 - 7.2.1 Mr. DiGregorio announced that Quest Laboratories has requested a three-year lease beginning 2013. By proper motion, the Committee unanimously approved offering a three-year lease to Quest.
 - 7.2.2 Mr. DiGregorio announced that the practice of Dr. Reyes and Dr. Myers has expressed an interest in moving to Suite 101 at Mill Creek Medical Center (MCMC) instead of Suite 202a even though the renovations for Suite 202a are almost complete. After some discussion, the Committee had no objections with this change in location. Mr. DiGregorio will have both physicians sign a lease amendment outlining the revisions.

- 7.2.3 It was announced that Jenna Seiff, M.D. has joined Mill Creek Pediatrics effective April 19, 2012. Her husband is Dr. Bryan Seiff who is in practice with the Abel Center at Limestone Medical Center (LMC), Suite 200.
- 7.2.4 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; thereby incorporating the Imaging Center and his practice together in one suite. That would leave his current Suite 301 vacant for a new tenant. Mr. DiGregorio noted that Suite 301 is already set up as a medical office and therefore would be easier to rent than the remaining part of Suite 202. He further mentioned that no decision has been made to where the Delaware Medical Group (DMG) Administration Office and Billing Department might be relocated.
- 7.2.5 It was announced that Dr. James Hays is leaving DMG effective July 1, 2012 but he had requested a new lease to remain in his current suite (Suite 302). A new one-year lease has been sent to him for signature.

7.3 *Stanton Medical Center (SMC) -*

- 7.3.1 Suite 4 remains available for rent and is listed with Musi Commercial Realty.

8. Building and Grounds:

8.1 *Limestone Medical Center (LMC) -*

8.1.1 Parking Lot Expansion Update:

8.1.1.1 Mr. DiGregorio explained that based on the recommendation of Mr. Larry Tarabicos, Esq., who is the land use attorney advising LMP through the New Castle County approval process, a new plan has been developed by the engineering firm, Duffield Associates. This new plan would provide 28 new parking spaces instead of the previous plan which recommended 56 new parking spaces. Under this revised plan, an entirely new underground stormwater drainage system would not be required, and coupled with a reduced number of parking spaces, this would save LMP over \$100,000. However, if the LMC parking lot was restriped back to the original configuration of nine foot spaces (thereby losing the ten spaces previously gained), the new plan would only provide 18 new parking spaces.

The Committee suggested to Mr. DiGregorio that Duffield be contacted to see if they could add several more spaces to their revised plan.

8.1.2 Mr. DiGregorio outlined the following suite refurbishments for:

- Suite 105 – Limestone Periodontics: new paint, carpet, counter tops (pending)
- Suite 114 – Limestone Medical Aid Unit: physician office renovation (in progress)
- Suite 120 – Delaware Ophthalmology: possible renovation (pending)
- Suite 206 – Dr. Karen Kelly: new paint and carpet (completed)
- Suite 210 – ENT and Allergy Care of Delaware: major renovations (pending)
- Suite 213 – Delaware Surgical Group: new paint, carpet, counter tops (in progress)

8.2 *Mill Creek Medical Center (MCMC) –*

8.2.1 Mr. DiGregorio outlined the following suite refurbishment for:

- Suite 100 – Quest Laboratories: new paint and carpet (in progress)

8.2.2 By proper motion, the Committee approved to have the MCMC parking lot repaired and seal coated for approximately \$7,500.

- 8.2.3 Mr. DiGregorio announced that due to neighbor concerns, two pine trees located along the property perimeter will be removed and replaced by Leyland Cypress trees.

9. Risk Management Report:

- 9.1 Mr. DiGregorio announced that he and Mrs. Ackerman met with representatives from KT & D Insurance Company and Westfield Insurance Company to review the Webb vs. LMP Settlement (see attached) and to discuss tenant Certificates of Insurance for general liability and workers compensation coverages as required in the tenant lease.

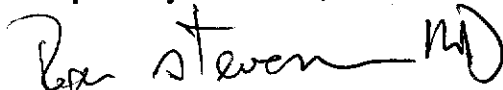
It had previously been reported at the April 17th meeting that a tentative settlement of \$175,000 had been reached regarding this slip and fall case by a former tenant employee. Previous documentation from KT&D Insurance Company had indicated that this settlement was a factor in the increase in LMP's liability insurance premium for the coming year. Jeffrey Weiner, Esq., a Delaware trial attorney, had been retained by LMP to look further into the actual proceedings and outcome of this lawsuit (as well as the liability insurance coverages taken out by the various parties involved in the suit). After reviewing the case, Mr. Weiner determined that LMP would have been named in this suit no matter what other defendant insurance coverages were in place at the time of the alleged incident. Mr. DiGregorio also reported that Westfield Insurance felt the settlement was fair due to the plaintiff's injury. However, Mr. DiGregorio requested to both Westfield and KT & D that in the future LMP receive regular updates on any pending cases.

- 9.2 Two incidents which occurred at LMC were reported to the Committee; both did not involve any potential liability to LMP.

10. Adjournment:

There being no further business, the meeting was adjourned at 7:08 p.m. The next meeting of the Management Committee, with all Members of LMP invited to attend, will be held on Tuesday, August 21, 2012.

Respectfully Submitted,


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

Approved,


William L. Martin, Esq.

RCS/jva