

**Lee County Board Of County Commissioners  
Agenda Item Summary**

**Blue Sheet No. 20040556**

**1. REQUESTED MOTION:**

**ACTION REQUESTED:** Declare County owned property, known as Shady Rest Care Pavilion, located at 2310 North Airport Road, Fort Myers, as surplus property; Approve the sale of Shady Rest to Shady Rest Care Pavilion, Inc., a Florida non-profit corporation (SRCP), for \$5,700,000 and the satisfaction of all of SRCP lease obligations and debt obligations to Lee County, pursuant to the Real Estate Sales Agreement; Authorize Division of County Lands to handle all documentation necessary to complete transaction. Within the Real Estate Sales Agreement, the County agrees to credit SRCP the principal portion of the lease payment, from April 1, 2004 to closing, toward the purchase price.

**WHY ACTION IS NECESSARY:** County owned land must be declared surplus by the Board of County Commissioners before it can be sold.

**WHAT ACTION ACCOMPLISHES:** Declares County owned property as surplus under FS 125.38 and authorizes staff to dispose of same.

**2. DEPARTMENTAL CATEGORY:** 06  
**COMMISSION DISTRICT #** 02

**CLG**

**3. MEETING DATE:**

**05-18-2004**

**4. AGENDA:**

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED:

**5. REQUIREMENT/PURPOSE:**  
(Specify)

- STATUTE 125.38
- ORDINANCE
- ADMIN. CODE
- OTHER

**6. REQUESTOR OF INFORMATION:**

- A. COMMISSIONER
- B. DEPARTMENT Independent
- C. DIVISION County Lands *to 5-3-04*
- BY: Karen L.W. Forsyth, Director *KLF*

**7. BACKGROUND:** Shady Rest is a ±180 bed skilled nursing facility that sits on ± 11.5 acres. The building is ± 67,000 square feet and was built in 1994. The subject was appraised by Alan C. Plush, MAI, of Pricewater House Coopers, LLP, for \$11,000,000 - \$9,200,000 for the real estate, \$400,000 for personal property, and \$1,400,000 for the business value. In negotiating the sale price, staff was only addressing the real estate because SRCP holds the operation license. The property will be sold in an "as is" condition. Lee County will also retain a five-year lease for the westerly area of the subject property for storage within buildings west of the nursing facility.

Continued on next page

**8. MANAGEMENT RECOMMENDATIONS:**

**9. RECOMMENDED APPROVAL:**

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
<i>K. Forsyth</i>				<i>[Signature]</i> 5/3/04	OA <i>[Signature]</i> 5/6/04	QM <i>[Signature]</i> 5/6/04	Risk <i>[Signature]</i> 5/6/04	GC <i>[Signature]</i> 5/6/04	<i>[Signature]</i> 5-6-04

**10. COMMISSION ACTION:**

- APPROVED
- DENIED
- DEFERRED
- OTHER

Rec. by CoAtty  
Date: 5/3/04  
Time: 4:27 PM  
Forwarded To:  
Co. Admin.  
5/6/04 9:44

RECEIVED BY  
COUNTY ADMIN: *[Signature]*  
5/16/04  
9:45 AM SLT  
COUNTY ADMIN  
FORWARDED TO: *[Signature]*  
5/16/04  
4:45 PM

*[Handwritten initials]*

SHADY REST  
 BLUE SHEET 20040556 CONTINUED

Lee County entered into a lease and operation agreement with SRCP's Board of Directors on August 18, 1998. As part of this agreement, the Board of County Commissioners approved a loan in the amount of \$1,284,785 on September 29, 1998. During the period through March 1, 2001 payments reduced the balance owed to \$1,201,793 or by \$82,993. However, beginning in April, 2001 loan payments were suspended through March 1, 2003. A 6% interest rate during the nonpayment period was assessed which added \$152,820 to the balance bringing it up to \$1,354,613. Payments resumed in April, 2003. The current balance remaining on the loan as of April 30, 2004 is \$1,262,983. Prorated by category to reflect the balance remaining results in the following distribution:

SRCP liabilities at September 30, 1998	\$426,888
October, 1998 facility operational costs	246,281
Indirect Costs from 1997	284,171*
Indirect Costs from 1998	<u>305,643*</u>
	\$1,262,983

Indirect Costs listed were applicable to costs incurred while under the operation of the Board of County Commissioners. In January 2000 and again in April 2001, the Board of County Commissioners amended the reimbursement agreement and extended the terms to allow continued operation and cash flow for the facility. \*Management's recommendation is to waive the indirect costs for 1997 and 1998 for a total amount of \$589,814 **leaving a LOAN BALANCE of \$673,169.**

The County financed a bond issue for the construction of the Shady Rest Care Pavilion on September 1, 1992 in the amount of \$5,640,000. Debt service payments continue through 2014. To calculate the balance owed by SRCP, the following calculation is made:

Principal Balance Remaining After April 30, 2004 (1992 Bond Issue)	\$3,575,000.00
Years 2001 and 2002 Principal and Interest Payments	<u>+ 808,366.56</u>
<b>SRCP BALANCE OWED TO FULFILL LEASE OBLIGATION</b>	\$4,383,366.56
Remaining <b>LOAN BALANCE</b>	<u>+ 673,169.00</u>
<b>TOTAL BALANCE OF LOAN AND LEASE (Inclusive of 1992 Bond Issue)</b>	\$5,056,535.56

Upon the closing of this transaction, sufficient funds will be available to pay off the **1992 Bond Issue.**

Funds are to be deposited into:  
 GB5199023666/507110 for County's debt service payment; 20861730100.369900.9018 (Surplus Lands)  
\$21,000.00; any remaining funds to be deposited into GC5890130100 (301 Reserves). *ajw*

*ajw*

Staff recommends approval of the requested motion.

Resolution of Surplus Real Property, Real Estate Sales Agreement,\*Affidavit of Interest in Real Estate, Corporate Status and Area Map [\*Includes draft of County Deed with Covenants and Right of Reverter]

**RESOLUTION FOR SALE OF SURPLUS REAL PROPERTY  
TO A NOT-FOR-PROFIT CORPORATION**

A RESOLUTION OF LEE COUNTY RELATING TO THE SALE  
OF CERTAIN LEE COUNTY SURPLUS LANDS TO THE  
SHADY REST CARE PAVILION, INC.

**RECITATIONS**

**WHEREAS**, The Board of County Commissioners is the governing body in and for Lee County, a political subdivision of the State of Florida; and,

**WHEREAS**, The Board of County Commissioners has certain powers and authority relative to the disposition of real property belonging to the County; and,

**WHEREAS**, pursuant to Section 125.38, Florida Statutes, the County has the authority to convey real property by private sale to any corporation or organization not-for-profit for nominal consideration if certain findings are made by the Board of County Commissioners; and,

**WHEREAS**, Shady Rest Care Pavilion, Inc., is a corporation or other organization not-for-profit, which is organized for the purposes of promoting community interest and welfare as contemplated by Section 125.38, Florida Statutes; and,

**WHEREAS**, Shady Rest Care Pavilion, Inc., has formally made application to The Board of County Commissioners for the sale of certain Lee County real property (Exhibit "A") for use as said not-for-profit organization deems appropriate; and,

**WHEREAS**, The Board has reviewed the subject parcel and finds that the real property is no longer needed for any County purpose, and further finds that the use by Shady Rest Care Pavilion, Inc., serves a public purpose and is in the public interest; and,

**WHEREAS**, The Board of County Commissioners also finds that it serves a public purpose to convey the subject property to the Shady Rest Care Pavilion, Inc., a Florida Non-Profit Corporation, for the consideration amount of Five Million, Seven Hundred Thousand Dollars (\$ 5,700,000.00).

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS THAT:**

1. The above recitations are true and accurate and are hereby adopted and incorporated herein as if set out at length, and said real property is hereby declared surplus land.
2. In order that the proposed transaction is more efficiently consummated, the Board specifically authorizes and directs relevant County staff to develop and finalize all necessary documents for the contemplated transaction, and specifically authorizes the Chairman of the Board of County Commissioners or the County Manager as appropriate to execute any and all such necessary documents for the said transaction on behalf of the Board of County Commissioners.
3. This Resolution shall become effective immediately upon its adoption.

**THE FOREGOING RESOLUTION** was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_, and, being put to a vote, the vote was as follows:

ROBERT JANES	_____
DOUGLAS ST. CERNY	_____
RAY JUDAH	_____
ANDREW W. COY	_____
JOHN E. ALBION	_____

**DULY PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

**ATTEST:**  
CHARLIE GREEN, CLERK

**BOARD OF COUNTY COMMISSIONERS  
OF LEE COUNTY, FLORIDA**

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Chairman

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Office of County Attorney

# Exhibit "A"

## Shady Rest

A tract or parcel of land lying in Section 1, Township 45 South, Range 24 East, in the City of Fort Myers, Lee County, Florida, being more particularly described as follows:

Commence at the northwest corner of said Section 1; thence S 00°08'20" E along the west line of the northwest quarter (NW ¼) of said Section 1 for 648.61 feet to the north line of the south half (S ½) of the north half (N ½) of the northwest quarter (NW ¼) of said Section 1; thence N 88°59'28" E along said north line for 1321.51 feet to the Point of Beginning; thence continue N 88°59'28" E along said north line for 741.92 feet; thence S 01°00'32" E leaving said north line for 92.74 feet; thence S 18°45'38" E for 12.65 feet; thence S 21°19'52" E for 26.02 feet; thence S 20°47'08" E for 13.27 feet; thence S 26°06'45" E for 74.87 feet; thence S 61°08'26" E for 73.35 feet; thence S 29°03'38" W for 62.84 feet; thence S 60°31'34" E for 90.18 feet; thence S 78°55'09" E for 81.17 feet to a non-tangent point of curvature on the westerly right of way line of Fowler Street; thence southwesterly along said westerly line and along the arc of a curve concave to the northwest having a radius of 565.00 feet, an interior angle of 42°30'16", a chord bearing and distance of S 56°24'47" W, 409.60 feet for 419.14 feet to a non-tangent point of curvature; thence southwesterly leaving said west line of Fowler Street along the arc of a curve concave to the northwest having a radius of 862.67 feet, an interior angle of 4°45'43", a chord bearing and distance of S 69°31'18" W, 71.68 feet for 71.70 feet to a point of tangency; thence S 71°54'09" W for 243.64 feet to a non-tangent point of curvature; thence northwesterly along the arc of curve concave to the southwest having a radius of 360.00 feet, an interior angle of 41°04'44", a chord bearing and distance of N 69°09'52" W, 252.61 feet for 258.11 feet to a point of tangency on the north right of way line of North Airport Road (90 feet wide); thence N 89°42'14" W along said north line for 106.93 feet; thence N 00°20'58" W leaving said north line for 582.79 feet to the Point of Beginning. Containing 11.53 acres, more or less. ALSO, less the north 40 feet thereof. Subject to easements, restrictions, and reservations of records.

This document prepared by:

LEE COUNTY, DIVISION OF COUNTY LANDS  
Post Office Box 398  
Fort Myers, Florida 33902-0398

Project: Shady Rest Care Pavilion

STRAP No: (Part of) 01-45-24-P1-00060.0080

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### REAL ESTATE SALES AGREEMENT

**THIS AGREEMENT** for real estate purchase and sale is made this \_\_\_ day of \_\_\_\_\_, 2004, between **LEE COUNTY**, a political subdivision of the State of Florida (Seller), and **SHADY REST CARE PAVILION, INC.**, a Florida non-profit corporation, (Buyer) whose address is 2310 No. Airport Road, Ft. Myers, FL 33907, as follows:

1. **AGREEMENT TO SELL AND PURCHASE:** Seller agrees to sell and Buyer agrees to purchase all right, title and interest in that certain real property located in Lee County, Florida, legally described in attached "Exhibit A," and subject to the terms of a leaseback of a portion of the subject property, and further subject to certain covenants and restrictions, and a Right of Reverter, all as set forth in the attached Special Conditions.

2. **PURCHASE PRICE:** The purchase price for the real property, **including all land, buildings and personality, except for any County-owned property in the buildings identified in the Lease Agreement in attached "Exhibit B,"** is \$5,700,000.00, payable by certified funds at closing.

3. **DEPOSIT:** Seller acknowledges receipt of \$1,000.00 from Buyer as a deposit that will be credited against the purchase price at closing.

4. **TITLE:** At closing, Seller will convey to Buyer title to the property by County Statutory Deed, subject to the terms of a leaseback of a portion of the subject property, and subject to certain covenants and restrictions, and a Right of Reverter, all as set forth in the attached Special Conditions. The parties understand and agree that Buyer is purchasing the property in an "as is" condition and no express or implied warranties or guarantees exist with respect to marketable title, the condition of structures on the property, or the ability of Buyer to obtain title insurance on the property. Buyer acknowledges responsibility for any inquiries or investigations regarding property title or the condition of structures on the property. The parties also agree that Seller has no obligation or liability for the cost to correct any deficiencies discovered by Buyer through investigation or inquiry.

5. **INSPECTION/TERMINATION:** Buyer has a **90** day inspection and termination period that commences on the date this agreement is executed by the Buyer. During that period, Buyer may perform any inspections or other types of inquiries on or concerning the property at Buyer's sole expense. Buyer may, as a result of inspection or inquiry, terminate this agreement within **90** days of execution by delivering written notice to the County stating, with specificity, the basis of the Buyer's decision to terminate. Upon appropriate termination by the Buyer, the Seller will return Buyer's deposit and no further obligations will exist under this agreement.

6. **DOCUMENTS AND EXPENSES:** Seller will prepare and execute the Statutory Deed. Buyer is responsible for all other costs resulting under this agreement, including but not limited to documentary stamps on deeds, survey or audit costs, special assessment costs that become payable after closing, broker's fees, and other types of closing costs.

#### **7. TIME AND BINDING AGREEMENT:**

- a. Time is of the essence for closing this transaction.
- b. Buyer's written acceptance of this offer constitutes a binding agreement between the parties, their successors and assigns for the purchase and sale of the property. Buyer also agrees to sign a consent or acknowledgment of binding effect of certain covenants and restrictions, and a Right of Reverter, all as set forth in the Special Conditions in attached Exhibit "B."
- c. This agreement may not be assigned by the Buyer without the prior written consent or approval of the Seller.

**8. FAILURE OF PERFORMANCE; ATTORNEY'S FEES:**

- a. If the Buyer alone defaults or otherwise fails to perform under this agreement, the parties agree Seller may, after providing written notice to Buyer as to default, retain all deposits paid by Buyer as the agreed upon liquidated damages, consideration for this agreement and as full settlement of any claims. Thereafter, both parties are relieved of any further obligation under this agreement.
- b. If Seller alone defaults or otherwise fails to perform under this agreement, after 30 days written notice from the Buyer to Seller concerning the default, the parties agree Buyer may terminate this agreement and receive a refund of any deposits paid to Seller as agreed upon damages and full settlement of any claims. Thereafter, both parties are relieved of any further obligations under this agreement.
- c. The prevailing party in any litigation arising out of this agreement is entitled to receive reasonable attorney's fees.

**9. CLOSING AND FINANCING CONTINGENCY:** Closing will take place during normal business hours at such location as Seller may select. **Buyer must apply for financing within 45 days** after execution of the Sales Agreement between Buyer and Seller. **The closing shall occur within 180 days after applying for financing. The closing period may be extended upon the mutual written agreement of both parties, however, Seller may not unreasonably deny closing time extension.**

**10. AMENDMENTS, OTHER AGREEMENTS:** Any amendments to the provisions of this agreement must be in writing, attached and incorporated into this document and signed or initialed by all parties. This agreement represents the entire agreement between the parties.

**IN WITNESS WHEREOF**, the parties have hereunto set their hands intending to be legally bound as of the date first written above.

WITNESSES:

\_\_\_\_\_  
1st Witness

\_\_\_\_\_  
Printed name of 1<sup>st</sup> Witness

\_\_\_\_\_  
2<sup>nd</sup> Witness

\_\_\_\_\_  
Printed name of 2<sup>nd</sup> Witness

BUYER:  
**Shady Rest Care Pavilion, Inc., a**  
Florida non-profit corporation

By: \_\_\_\_\_  
Anne Dalton, its President

ATTEST:  
CHARLIE GREEN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

SELLER:  
LEE COUNTY, FLORIDA, BY ITS  
BOARD OF COUNTY COMMISSIONERS

By: \_\_\_\_\_  
Chairman or Vice Chairman

APPROVED AS TO FORM

\_\_\_\_\_  
Office of County Attorney

**REAL ESTATE SALES AGREEMENT - SPECIAL CONDITIONS**

Buyer: Shady Rest Care Pavilion, Inc.  
Seller: Lee County, Florida  
Parcel: Shady Rest Care Pavilion  
STRAP No: (Part of) 01-45-24-P1-00060.0080

The following Special Conditions are hereby made a part of the Real Estate Sales Agreement between the Buyer and Seller herein and dated the \_\_\_\_ day of \_\_\_\_\_, 2004:

1. Buyer agrees to enter into a Lease Agreement with Seller, pursuant to the terms and conditions in attached Exhibit "B."
2. Buyer agrees to the covenants and restrictions, including a Right of Reverter, as set forth in the County Deed in attached Exhibit "C"
3. Seller agrees to credit Buyer the principle portion of future lease payments on its existing lease with Seller, with those payments to be credited against the purchase price, **as of April 1, 2004**. However, if this sale does not close, no credit is due the Buyer for past or future lease payments, and Buyer must continue to make lease payments as scheduled in its existing lease agreement with the Seller. **This lease will become null and void as of the closing.**
4. Seller agrees to defer Buyer's monthly payments for previously deferred lease payments on its existing lease with Seller, in the approximate amount of \$13,600 per month, **as of May 1, 2004**. This deferral is for Seller to use those funds to perform maintenance of major building components. If this sale does not close, Buyer will reimburse Seller for the deferred payments from the approval date of this Real Estate Sales Agreement through its termination, as well as continue to make monthly payments of the aforesaid deferred lease payments. **This lease/loan will become null and void as of the closing.**

**IN WITNESS WHEREOF**, the parties have hereunto set their hands intending to be legally bound the date first written above..

WITNESSES:

\_\_\_\_\_  
1st Witness

\_\_\_\_\_  
Printed name of 1<sup>st</sup> Witness

\_\_\_\_\_  
2<sup>nd</sup> Witness

\_\_\_\_\_  
Printed name of 2<sup>nd</sup> Witness

BUYER:  
**Shady Rest Care Pavilion, Inc., a**  
Florida non-profit corporation

By: \_\_\_\_\_  
Anne Dalton, its President

SELLER:  
LEE COUNTY, FLORIDA, BY ITS  
BOARD OF COUNTY COMMISSIONERS

By: \_\_\_\_\_  
Chairman or Vice Chairman

ATTEST:  
CHARLIE GREEN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

APPROVED AS TO FORM

\_\_\_\_\_  
Office of County Attorney



# Exhibit "A"

## Shady Rest

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Commence at the northwest corner of said Section 1; thence S 00°08'20" E along the west line of the northwest quarter (NW ¼) of said Section 1 for 648.61 feet to the north line of the south half (S ½) of the north half (N ½) of the northwest quarter (NW ¼) of said Section 1; thence N 88°59'28" E along said north line for 1321.51 feet to the Point of Beginning; thence continue N 88°59'28" E along said north line for 741.92 feet; thence S 01°00'32" E leaving said north line for 92.74 feet; thence S 18°45'38" E for 12.65 feet; thence S 21°19'52" E for 26.02 feet; thence S 20°47'08" E for 13.27 feet; thence S 26°06'45" E for 74.87 feet; thence S 61°08'26" E for 73.35 feet; thence S 29°03'38" W for 62.84 feet; thence S 60°31'34" E for 90.18 feet; thence S 78°55'09" E for 81.17 feet to a non-tangent point of curvature on the westerly right of way line of Fowler Street; thence southwesterly along said westerly line and along the arc of a curve concave to the northwest having a radius of 565.00 feet, an interior angle of 42°30'16", a chord bearing and distance of S 56°24'47" W, 409.60 feet for 419.14 feet to a non-tangent point of curvature; thence southwesterly leaving said west line of Fowler Street along the arc of a curve concave to the northwest having a radius of 862.67 feet, an interior angle of 4°45'43", a chord bearing and distance of S 69°31'18" W, 71.68 feet for 71.70 feet to a point of tangency; thence S 71°54'09" W for 243.64 feet to a non-tangent point of curvature; thence northwesterly along the arc of curve concave to the southwest having a radius of 360.00 feet, an interior angle of 41°04'44", a chord bearing and distance of N 69°09'52" W, 252.61 feet for 258.11 feet to a point of tangency on the north right of way line of North Airport Road (90 feet wide); thence N 89°42'14" W along said north line for 106.93 feet; thence N 00°20'58" W leaving said north line for 582.79 feet to the Point of Beginning. Containing 11.53 acres, more or less. ALSO, less the north 40 feet thereof. Subject to easements, restrictions, and reservations of records.

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LEE COUNTY, DIVISION OF COUNTY LANDS  
Post Office Box 398  
Fort Myers, Florida 33902-0398

Project: Shady Rest Care Pavilion

STRAP No: (Part of) 01-45-24-P1-00060.0080

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**LEASE AGREEMENT  
BETWEEN LEE COUNTY AND  
SHADY REST CARE PAVILION, INC.**

**THIS LEASE AGREEMENT** is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2004, between **Shady Rest Care Pavilion, Inc.**, a Florida non-profit corporation, hereinafter called the Lessor, and **Lee County**, a political subdivision of the State of Florida, by and through the Board of County Commissioners for Lee County, hereinafter called the Lessee.

**WITNESSETH:**

The Lessor, in consideration of the mutual covenants contained herein, hereby Leases to the Lessee, for the term and under the conditions hereinafter set out, those certain premises in Lee County, Florida, described in Exhibit "A", which is attached hereto and hereby incorporated herein.

**I. RENT / RENTAL PAYMENT**

The rent for the leased premises shall be paid by the Lessee to the Lessor in the amount of One Dollar (\$1.00) per year for the term of this Lease. The rent will be payable each year in advance of the year of occupancy. Rental payments will be paid to the Lessor at:

Shady Rest Care Pavilion, Inc.  
2310 North Airport Road  
Fort Myers, FL 33907

**II. MAINTENANCE AND REPAIRS**

The Lessee may, at its sole discretion, keep and maintain the leased property and any building(s) or other structure(s), now or hereafter erected thereon, in good and safe condition and repair at Lessee's own expense during the existence of this Lease. The Lessee may, at its sole discretion, provide for any maintenance and repairs, including repairs or replacement of any equipment as may be necessary due to normal usage.

**III. UTILITIES**

The Lessee will bear the full cost of any water and/or wastewater service(s) used by the Lessee and will also bear the cost for trash pick-up, use of electricity, telephone services, and any other utility services provided to the leased premises.

#### **IV. USE OF PREMISES**

1. The premises will be used and occupied by the Lessee for the purpose of storing personal property of various County entities.
2. The premises may not be used for the purpose of carrying on any private business, profession, or trade of any kind, or for purposes other than for public use by the Lessee for storage.
3. The Lessee will not make unlawful, improper or offensive use of the premises or any use or occupancy thereof contrary to the laws of the State of Florida, or to the Ordinances of the County where the premises are located.

#### **V. HANDICAPPED STANDARDS AND ALTERATIONS**

The Lessee may, at its sole discretion, make alterations to the premises during the term of this Lease with the written consent of the Lessor. The Lessor may not unreasonably withhold the consent to requests for alterations.

#### **VI. INJURY OR DAMAGE TO PROPERTY ON PREMISES**

1. All property that may be placed or located on the premises during the continuance of this Lease will be at the sole risk of the Lessee, except for any property owned by Lessor and stored upon or within the premises.
2. The Lessee will pay any insurance premiums as required on the leased premises. The Lessor will not be liable for injury, loss, damages or theft to persons or property or fixtures belonging to the Lessee located on the leased property.

#### **VII. SUITABILITY FOR USE**

The Lessee stipulates that it has examined the premises, including the grounds and any buildings and improvements thereon, and that they are, at the time of this Lease in good order, good repair, safe, clean, and useable condition and suitable for the Lessee's intended use. The Lessee is renting the premises in an "as is" condition.

#### **VIII. TERM**

The term of this Lease shall extend continuously and uninterrupted from the date of execution by the Lessor for a term of five (5) years.

#### **IX. EXPIRATION OF TERM**

At the expiration of the term and unless renewed, the Lessee will peaceably yield the premises. It is understood and agreed between the Parties that the Lessee has the right to remove all personal property from the premises upon its departure.

## X. SUBLETTING AND ASSIGNMENT

The Lessee may not assign this Lease, or sublet or grant any concession or license to use the premises or any part of the premises during the term of this Lease, without written approval of Lessor.

## XI. RIGHT TO TERMINATE

The Lessee shall have the right to terminate this lease upon giving one (1) month written notice to the Lessor by certified mail. The Lessor will not have any right to terminate absent good cause. **However, Lessee will have 30 days to cure.**

## XII. LIABILITY

1. Lessee agrees to be liable for money damages in tort for any injuries to or losses of property, personal injury, or death caused by the negligent or wrongful act(s) or omission(s) of any official or employee of the Lessee while acting within the scope or the official's or employee's office or employment under circumstances under which a private person would be held liable in accordance with the general laws of the State of Florida, subject to the limitations as set out in Section 768.28 Florida Statutes, as it may be amended or revised from time to time
2. The Lessor agrees it will hold harmless and indemnify the Lessee from and against any and all claims, actions, damages, liability, cost and expense, including those arising from bodily injury, death and/or property damage or any other lawful expense, including but not limited to attorney's fees and court costs, brought by third parties arising from the acts or omissions of Lessor, its agents, employees, contractors or during Lessor's use of the leased premises or storing of its property at the premises.
3. The Lessor will provide evidence of insurance for any of its equipment stored on the leased premises.

## XIII. HOLDOVER BY LESSEE

If the Lessee remains in possession of the premises with the consent of the Lessor after the natural expiration of this Lease, a new tenancy from month to month will be created between the Lessor and the Lessee. The new tenancy will be subject to all terms and conditions of this Lease Agreement but will be terminable on thirty (30) days written notice served by either the Lessor or the Lessee on the other party.

## XIV. NOTICES AND INVOICES

All notices required to be served upon the Lessee will be served by Registered or Certified Mail, Return Receipt Requested at the Lee County Department of Construction and Design, 1500 Monroe Street, 4<sup>th</sup> Floor, Fort Myers, Florida 33901, and all notices required to be served upon the Lessor will be served by Registered or Certified Mail, Return Receipt Requested, at the address of the Lessor at Shady Rest Care Pavilion, Inc., 2310 North Airport Road, Fort Myers, Florida 33907.

**XV. DEFINITION OF TERMS**

- (a) The terms "Lease", "Lease Agreement", or "Agreement" will be inclusive of each other and also includes renewals, extensions of modifications of this Lease.
- (b) The terms "Lessor" and "Lessee" includes the heirs, or successors in interest to the Parties hereto.
- (c) The singular will include the plural and the plural will include the singular whenever the context so requires or permits.

**XVI. QUIET ENJOYMENT**

The Lessor covenants that upon performing the covenants contained in this Lease Agreement, the Lessee may peacefully and quietly have, hold, and enjoy the premises for the agreed term.

**XVII. WRITTEN AGREEMENT**

This Lease contains the entire Agreement between the Parties hereto. It may be modified only with the Agreement to such modification by the Lessor, and by Resolution approved by the Board of County Commissioners.

This Lease Agreement shall be interpreted pursuant to the laws and administrative rules of the State of Florida, and the United States, when applicable.

**XVII. RECORDING IN THE PUBLIC RECORD**

This Lease Agreement may be recorded in the Official Records of the Public Records of Lee County, Florida.

**IN WITNESS WHEREOF**, the Lessor and the Lessee have caused this Lease Agreement to be executed by their respective and duly authorized officers, intending to be bound the day and year first written above.

WITNESSES:

\_\_\_\_\_  
1st Witness

\_\_\_\_\_  
Printed name of 1<sup>st</sup> Witness

\_\_\_\_\_  
2<sup>nd</sup> Witness

\_\_\_\_\_  
Printed name of 2<sup>nd</sup> Witness

**Lessor:**

Shady Rest Care Pavilion, Inc., a  
Florida non-profit corporation

By: \_\_\_\_\_  
Anne Dalton, its President

Exhibit "B"

ATTEST:  
CHARLIE GREEN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

**Lessee:**  
LEE COUNTY, FLORIDA, BY ITS  
BOARD OF COUNTY COMMISSIONERS

By: \_\_\_\_\_  
Chairman or Vice Chairman

APPROVED AS TO FORM

\_\_\_\_\_  
Office of County Attorney

A tract or parcel of land lying in Section 1, Township 45 South, Range 24 East, in the City of Fort Myers, Lee County, Florida, being more particularly described as follows:

Commence at the northwest corner of said Section 1; thence S 00°08'20" E along the west line of the northwest quarter (NW ¼) of said Section 1 for 648.61 feet to the north line of the south half (S ½) of the north half (N ½) of the northwest quarter (NW ¼) of said Section 1; thence N 88°59'28" E along said north line for 1321.51 feet to the Point of Beginning; thence continue N 88°59'28" E along said north line for 741.92 feet; thence S 01°00'32" E leaving said north line for 92.74 feet; thence S 18°45'38" E for 12.65 feet; thence S 21°19'52" E for 26.02 feet; thence S 20°47'08" E for 13.27 feet; thence S 26°06'45" E for 74.87 feet; thence S 61°08'26" E for 73.35 feet; thence S 29°03'38" W for 62.84 feet; thence S 60°31'34" E for 90.18 feet; thence S 78°55'09" E for 81.17 feet to a non-tangent point of curvature on the westerly right of way line of Fowler Street; thence southwesterly along said westerly line and along the arc of a curve concave to the northwest having a radius of 565.00 feet, an interior angle of 42°30'16", a chord bearing and distance of S 56°24'47" W. 409.60 feet for 419.14 feet to a non-tangent point of curvature; thence southwesterly leaving said west line of Fowler Street along the arc of a curve concave to the northwest having a radius of 862.67 feet, an interior angle of 4°45'43", a chord bearing and distance of S 69°31'18" W, 71.68 feet for 71.70 feet to a point of tangency; thence S 71°54'09" W for 243.64 feet to a non-tangent point of curvature; thence northwesterly along the arc of curve concave to the southwest having a radius of 360.00 feet; an interior angle of 41°04'44", a chord bearing and distance of N 69°09'52" W, 252.61 feet for 258.11 feet to a point of tangency on the north right of way line of North Airport Road (90 feet wide); thence N 89°42'14" W along said north line for 106.93 feet; thence N 00°20'58" W leaving said north line for 582.79 feet to the Point of Beginning. Containing 11.53 acres, more or less. ALSO, less the north 40 feet thereof. Subject to easements, restrictions, and reservations of records.

*Also, less:*

A tract or parcel of land lying in Section 1, Township 45 South, Range 24 East, City of Fort Myers, Lee County Florida, being more particularly described as follows:

Commencing at the northwest corner of the northwest one quarter (NW 1/4) of said Section 1 run S00°08'20"E along the west line of the west line of said fraction for a distance of 648.61 feet to the northwest corner of the south one half (S1/2) of the north one half (N1/2) of said northwest one quarter (NW 1/4); thence run N88°59'28"E along the north line of said south one half (S1/2) for a distance of 1598.37 feet; thence run S01°12'59"W for a distance of 40.03 feet to an intersection with the south line of a 40 foot wide drainage and utility easement said point being the POINT OF BEGINNING. From said POINT OF BEGINNING run N88°59'28"E along the south line of said easement for a distance of 466.62 feet; thence run S01°00'32"E for a distance of 52.74 feet; thence run S18°45'38"E for a distance of 12.65 feet; thence run S21°19'52"E for a distance of 26.02 feet; thence run S20°47'08"E for a distance of 13.27 feet; thence run S26°06'45"E for a distance of 74.87 feet; thence run S61°08'26"E for a distance of 73.35 feet; thence run S29°03'38"W for a distance of 62.84 feet; thence run S60°31'34"E for a distance of 90.19 feet; thence run S78°55'09"E for a distance of 81.18 feet to an intersection with the northwesterly right-of-way line of Fowler Street, said point being on a non-tangent curve; thence run southwesterly along said right-of-way line and the arc of said curve to the right of radius 565.00 feet (delta 42°30'17") (chord bearing S56°24'37"W) (chord 409.60 feet) for 419.14 feet to a point on a non-tangent curve; thence continue southwesterly along said right-of-way line and said non-tangent curve to the right of radius 878.38 feet (delta 04°40'39") (chord bearing S69°32'33"W) (chord 71.69 feet) for a distance of 71.71 feet to a point of tangency; thence continue along said right-of-way line S71°54'09"W for a distance of 243.64 feet to an intersection with the northerly right-of-way line of North Airport Road, said point being a point on a non-tangent curve; thence run northwesterly along said northerly right-of-way line and the arc of said non-tangent curve to the left of radius 360.00 feet (delta 15°52'46") (chord bearing N56°33'53"W) (chord 99.46 feet) for a distance of 99.77 feet; thence run N01°12'59"E along a non-tangent line for a distance of 583.35 feet to the POINT OF BEGINNING.

Containing 7.44 acres more or less.

Bearings herein are based on a sketch and description by Deni Associates, Inc. dated November 14, 2002 and the north line of the south one half (S1/2) of the north one half (N 1/2) of the northwest one quarter (NW 1/4) of Section 1, Township 45 South, Range 24 East, City of Fort Myers, Lee County, Florida to bear N88°59'28"E.

This property is subject to easements, restrictions and or reservations of record.

This Instrument Prepared by:

Lee County, County Lands Division  
Post Office Box 398  
Fort Myers, Florida 33902-0398

STRAP No. (Part of) 01-45-24-P1-00060.0080

THIS SPACE FOR RECORDING

---

**COUNTY DEED  
WITH COVENANTS AND RIGHT OF REVERTER**

**THIS DEED**, executed this \_\_\_\_ day of \_\_\_\_\_, 2004, by **LEE COUNTY, FLORIDA**, a political subdivision of the State of Florida, whose address is Post Office Box 398, Fort Myers, Florida 33902-0398, Grantor, to **SHADY REST CARE PAVILION, INC.**, a Florida non-profit corporation, whose address is 2310 No. Airport Road, Ft. Myers, FL 33907, Grantee.

**WITNESSETH:** The Grantor, for and in consideration of the sum of Ten and xx/100 Dollars (\$10.00) to it in hand paid by the Grantee, receipt whereof is hereby acknowledged, has granted, bargained and sold to the Grantee, its heirs and assigns forever, the following described land, lying and being in Lee County, Florida:

**SEE ATTACHED EXHIBIT "A"**

This conveyance is specifically made subject to the Covenants, Conditions and Reverters contained in attached Exhibit "B," the terms of which are incorporated herein by referenced, and Grantee, by accepting this conveyance specifically accepts and agrees to be bound by the stated covenants, conditions and reverters contained therein.

In accordance with Florida Statutes §270.11, the Grantor hereby reserves an undivided three-fourths interest in, and title in and to an undivided three-fourths interest in, all the phosphate, minerals, and metals that are or may be in, on, or under the subject land and an undivided one-half interest in all the petroleum that is or may be in, on, or under the subject land with the privilege to mine and develop each interest. Provided, however, the right of entry with respect to any interest in phosphate, minerals, metals or petroleum reserved in favor of the within Grantor is hereby released if the subject parcel being conveyed is or has always been a contiguous tract of less than 20 acres in the aggregate under the same ownership.

This grant conveys only the interest of Lee County and its Board of County Commissioners in the property herein described, and does not warrant the title or represent any state of facts concerning the title.



**IN WITNESS WHEREOF** the COUNTY has caused these presents to be executed in its name by its Board of County Commissioners acting by the Chair or Vice Chair of said Board, the day and year above.

(OFFICIAL SEAL)

ATTEST:  
CHARLIE GREEN, CLERK

LEE COUNTY, FLORIDA, BY ITS  
BOARD OF COUNTY COMMISSIONERS

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Chairman

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
Office of County Attorney

**Exhibit "A"** attached to Exhibit "C"

Shady Rest

A tract or parcel of land lying in Section 1, Township 45 South, Range 24 East, in the City of Fort Myers, Lee County, Florida, being more particularly described as follows:

Commence at the northwest corner of said Section 1; thence S 00°08'20" E along the west line of the northwest quarter (NW ¼) of said Section 1 for 648.61 feet to the north line of the south half (S ½) of the north half (N ½) of the northwest quarter (NW ¼) of said Section 1; thence N 88°59'28" E along said north line for 1321.51 feet to the Point of Beginning; thence continue N 88°59'28" E along said north line for 741.92 feet; thence S 01°00'32" E leaving said north line for 92.74 feet; thence S 18°45'38" E for 12.65 feet; thence S 21°19'52" E for 26.02 feet; thence S 20°47'08" E for 13.27 feet; thence S 26°06'45" E for 74.87 feet; thence S 61°08'26" E for 73.35 feet; thence S 29°03'38" W for 62.84 feet; thence S 60°31'34" E for 90.18 feet; thence S 78°55'09" E for 81.17 feet to a non-tangent point of curvature on the westerly right of way line of Fowler Street; thence southwesterly along said westerly line and along the arc of a curve concave to the northwest having a radius of 565.00 feet, an interior angle of 42°30'16", a chord bearing and distance of S 56°24'47" W. 409.60 feet for 419.14 feet to a non-tangent point of curvature; thence southwesterly leaving said west line of Fowler Street along the arc of a curve concave to the northwest having a radius of 862.67 feet, an interior angle of 4°45'43", a chord bearing and distance of S 69°31'18" W, 71.68 feet for 71.70 feet to a point of tangency; thence S 71°54'09" W for 243.64 feet to a non-tangent point of curvature; thence northwesterly along the arc of curve concave to the southwest having a radius of 360.00 feet, an interior angle of 41°04'44", a chord bearing and distance of N 69°09'52" W, 252.61 feet for 258.11 feet to a point of tangency on the north right of way line of North Airport Road (90 feet wide); thence N 89°42'14" W along said north line for 106.93 feet; thence N 00°20'58" W leaving said north line for 582.79 feet to the Point of Beginning. Containing 11.53 acres, more or less. ALSO, less the north 40 feet thereof. Subject to easements, restrictions, and reservations of records.

AFFIDAVIT OF INTEREST IN REAL PROPERTY

THIS AFFIDAVIT OF INTEREST IN REAL PROPERTY is made and entered this \_\_\_\_ day of \_\_\_\_\_ 20\_\_ for the sole purpose of identifying every person having a beneficial interest in Shady Rest Care Property.

The undersigned hereby swears and affirms under oath, subject to the penalties prescribed for perjury, that the following is true:

The name(s) and address(es) of every person having a beneficial interest in Shady Rest Care Pavilion, Inc., a Florida non-profit corporation that has submitted a bid for surplus property, in Lee County are:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

The real property to be conveyed under Quote No. \_\_\_\_\_ described as:

See "Exhibit A" attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.

Signed, sealed and delivered  
in our presences:

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Signature of Affiant

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Printed Name

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

SWORN TO AND SUBSCRIBED before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by

\_\_\_\_\_  
(name of person acknowledged)

\_\_\_\_\_  
(Notary Signature)

(SEAL)

\_\_\_\_\_  
(Print, type or stamp name of Notary)

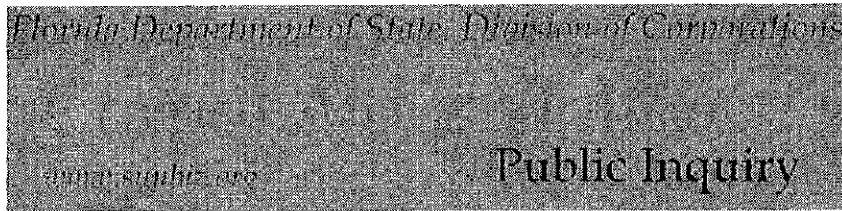
Personally known \_\_\_\_\_  
OR Produced Identification \_\_\_\_\_  
Type of Identification \_\_\_\_\_

# Exhibit "A"

## Shady Rest

A tract or parcel of land lying in Section 1, Township 45 South, Range 24 East, in the City of Fort Myers, Lee County, Florida, being more particularly described as follows:

Commence at the northwest corner of said Section 1; thence S 00°08'20" E along the west line of the northwest quarter (NW ¼) of said Section 1 for 648.61 feet to the north line of the south half (S ½) of the north half (N ½) of the northwest quarter (NW ¼) of said Section 1; thence N 88°59'28" E along said north line for 1321.51 feet to the Point of Beginning; thence continue N 88°59'28" E along said north line for 741.92 feet; thence S 01°00'32" E leaving said north line for 92.74 feet; thence S 18°45'38" E for 12.65 feet; thence S 21°19'52" E for 26.02 feet; thence S 20°47'08" E for 13.27 feet; thence S 26°06'45" E for 74.87 feet; thence S 61°08'26" E for 73.35 feet; thence S 29°03'38" W for 62.84 feet; thence S 60°31'34" E for 90.18 feet; thence S 78°55'09" E for 81.17 feet to a non-tangent point of curvature on the westerly right of way line of Fowler Street; thence southwesterly along said westerly line and along the arc of a curve concave to the northwest having a radius of 565.00 feet, an interior angle of 42°30'16", a chord bearing and distance of S 56°24'47" W, 409.60 feet for 419.14 feet to a non-tangent point of curvature; thence southwesterly leaving said west line of Fowler Street along the arc of a curve concave to the northwest having a radius of 862.67 feet, an interior angle of 4°45'43", a chord bearing and distance of S 69°31'18" W, 71.68 feet for 71.70 feet to a point of tangency; thence S 71°54'09" W for 243.64 feet to a non-tangent point of curvature; thence northwesterly along the arc of curve concave to the southwest having a radius of 360.00 feet, an interior angle of 41°04'44", a chord bearing and distance of N 69°09'52" W, 252.61 feet for 258.11 feet to a point of tangency on the north right of way line of North Airport Road (90 feet wide); thence N 89°42'14" W along said north line for 106.93 feet; thence N 00°20'58" W leaving said north line for 582.79 feet to the Point of Beginning. Containing 11.53 acres, more or less. ALSO, less the north 40 feet thereof. Subject to easements, restrictions, and reservations of records.



**Florida Non Profit**

**SHADY REST CARE PAVILION, INC.**

**PRINCIPAL ADDRESS**  
 2310 NORTH AIRPORT RD.  
 FT. MYERS FL 33907

**MAILING ADDRESS**  
 2310 NORTH AIRPORT RD.  
 FT. MYERS FL 33907

**Document Number**  
 N98000003721

**FEI Number**  
 650850574

**Date Filed**  
 06/23/1998

**State**  
 FL

**Status**  
 ACTIVE

**Effective Date**  
 NONE

**Registered Agent**

Name & Address
SNYDER, LEAH MESHELLE 1833 HENDRY STREET FT. MYERS FL 33901
Name Changed: 03/01/2001
Address Changed: 03/01/2001

**Officer/Director Detail**

Name & Address	Title
BARBEE, JOSEPH 1936 GRACE AVENUE FORT MYERS FL 33901	VCD
DALTON, ANNE ESQ 2044 BAYSIDE PARKWAY FORT MYERS FL 33901	PCD
DALTON, THOMAS J 2040 BAYSIDE PARKWAY FORT MYERS FL 33901	TD

MURRAY, ROBERT L 6202F PRESIDENTIAL COURT FORT MYERS FL 33919	SD
AMENTA, DONALD P 1739 GOLF CLUB DRIVE # 7 FORT MYERS FL 33903	D

### Annual Reports

Report Year	Filed Date
2001	03/01/2001
2002	09/16/2002
2003	09/08/2003

[Previous Filing](#)

[Return to List](#)

[Next Filing](#)

No Events  
No Name History Information

### Document Images

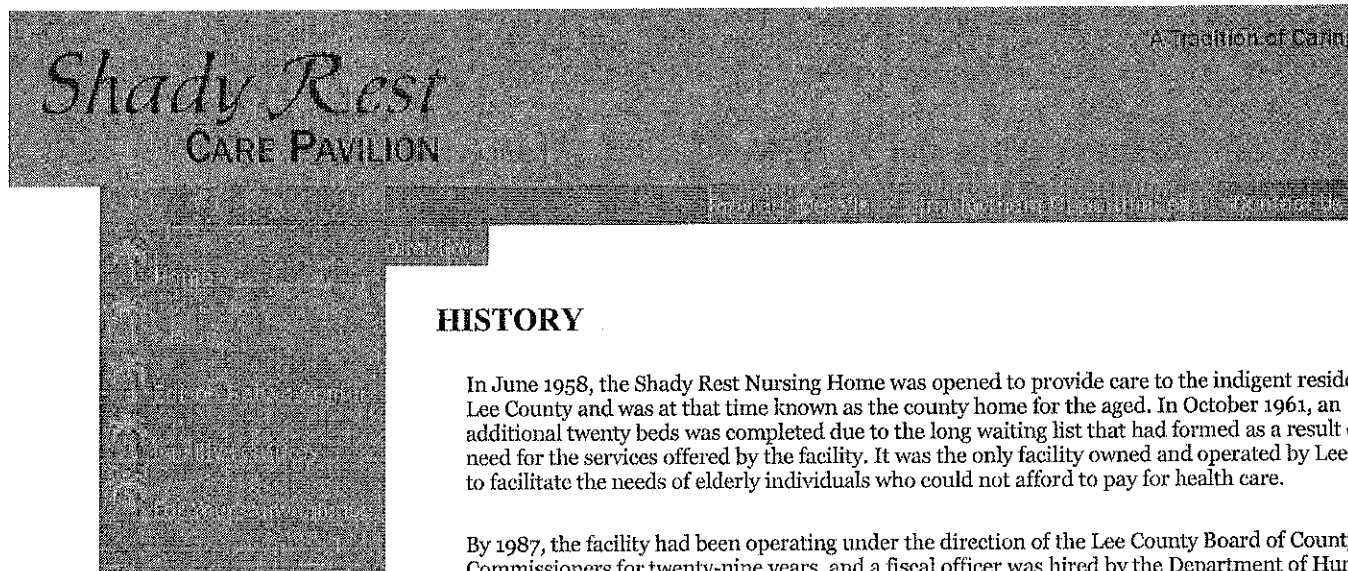
Listed below are the images available for this filing.

<a href="#">09/08/2003 -- ANN REP/UNIFORM BUS REP</a>
<a href="#">09/16/2002 -- COR - ANN REP/UNIFORM BUS REP</a>
<a href="#">03/01/2001 -- ANN REP/UNIFORM BUS REP</a>
<a href="#">09/08/2000 -- Reg. Agent Change</a>
<a href="#">05/04/2000 -- ANN REP/UNIFORM BUS REP</a>
<a href="#">03/16/1999 -- ANNUAL REPORT</a>
<a href="#">06/23/1998 -- Domestic Non-Profit</a>

**THIS IS NOT OFFICIAL RECORD; SEE DOCUMENTS IF QUESTION OR CONFLICT**

[Corporations Inquiry](#)

[Corporations Help](#)

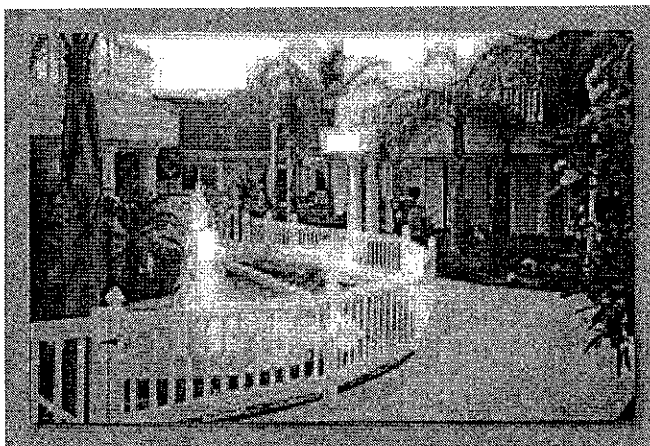


## HISTORY

In June 1958, the Shady Rest Nursing Home was opened to provide care to the indigent residents of Lee County and was at that time known as the county home for the aged. In October 1961, an additional twenty beds were completed due to the long waiting list that had formed as a result of the need for the services offered by the facility. It was the only facility owned and operated by Lee County to facilitate the needs of elderly individuals who could not afford to pay for health care.

By 1987, the facility had been operating under the direction of the Lee County Board of County Commissioners for twenty-nine years, and a fiscal officer was hired by the Department of Human Services to construct a plan to decrease the amount of tax dollars used to subsidize the facility. The County Board of County Commissioners oversaw the operation for ten more years, with a new building built in 1994. Deficits continued to be overcome by tax dollars and the Commissioners began to consider options such as selling the facility or privatizing the management and operations.

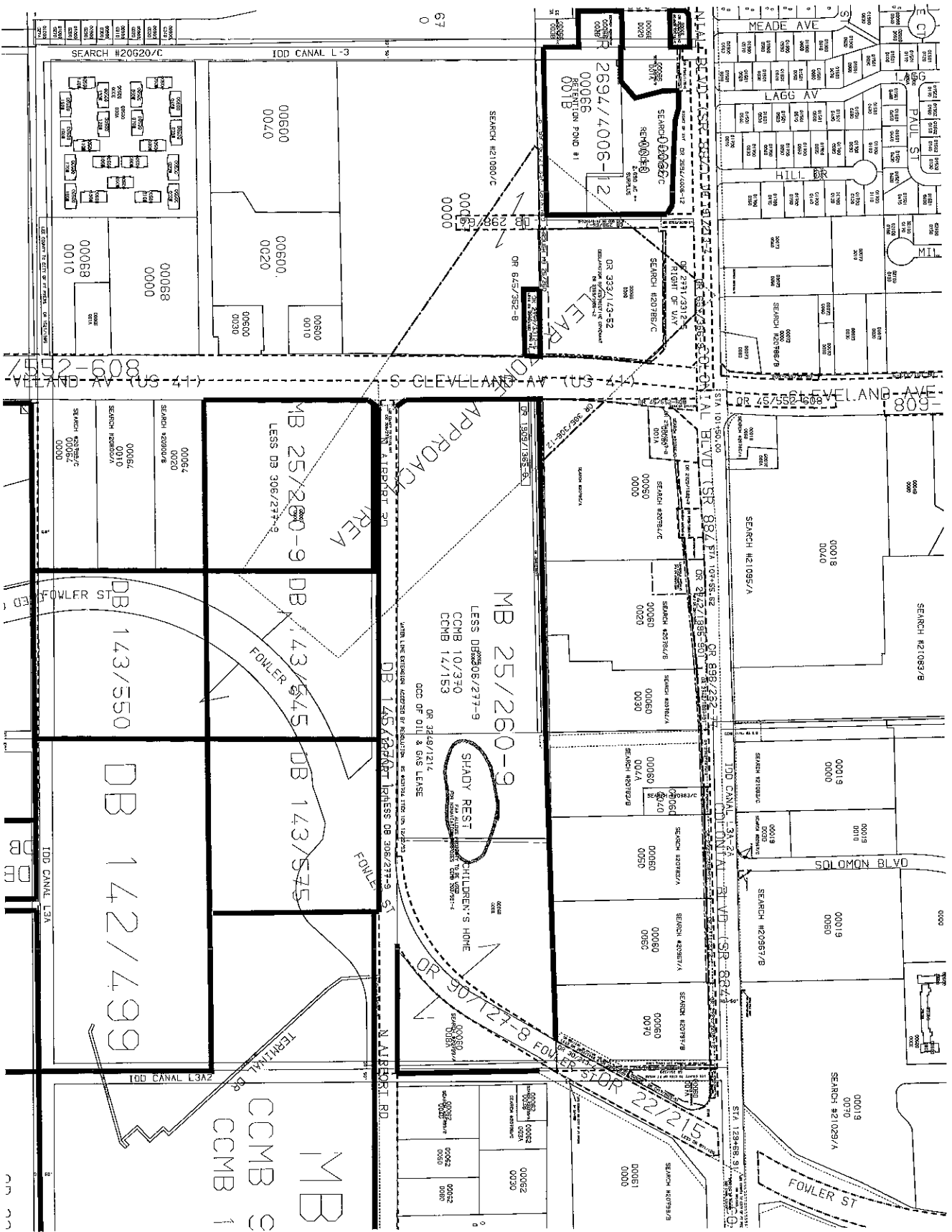
In April 1998, a group of Lee County citizens were brought together from various backgrounds to begin the process of creating a private not-for-profit 501(c)(3) corporation eventually named Shady Rest Care Pavilion, Inc. The Board of Directors of this new organization began overseeing the operations of the facility on October 1, 1998. The Directors, along with the management and staff of the facility, continued the tradition of caring for those residents of Lee County that are unable to pay for health care and have maintained an 80% Medicaid occupancy rate. The organization has struggled through trying to create a financially sound facility without the help of the taxpayers while maintaining the quality of care for the residents.



The Pavilion offers 180 total beds, sixty-one certified for Medicare residents and forty-four for our secure unit for residents challenged with Alzheimer's Disease or other forms of dementia. Our rehabilitation department offers innovative physical, occupational and speech therapies. The facility accepts Medicare and Medicare Supplements, Medicaid, private pay and private insurance.

The organization is now moving into a new phase that includes development and fundraising, all being undertaken at this time by the volunteer Board of Directors and facility staff. Shady Rest Care Pavilion, Inc. is a 501(c)(3) corporation, and is registered as a charitable organization with the Department of Agriculture, Division of Consumer Affairs. Donations received from the community to this point have been used to provide additional activities and personal items for residents who receive \$35 out of their monthly Social Security payments, many of whom do not have family members active in their lives.





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CCHB 10/330  
CCHB 12/153

SHADY REST  
CHILDREN'S HOME

DB 142/499

DB 143/545

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CCMB 3  
CCMB 1

DB 143/550

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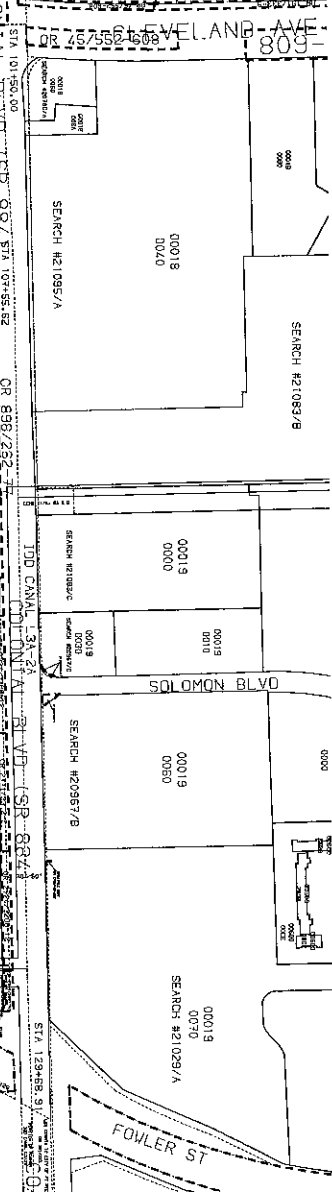
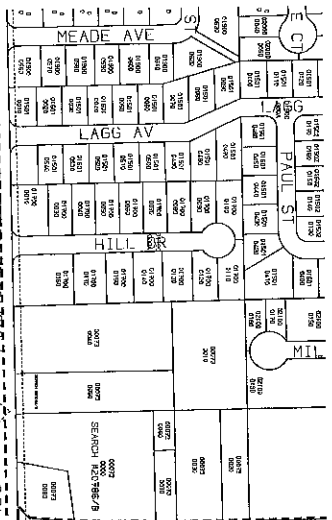
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October 29, 2002

Robert Clemens  
Lee County  
P.O. Box 398  
Fort Myers, Florida, 33902-0398

**Re: An Appraisal of Shady Rest Care Pavilion in Fort Myers, Florida**

Dear Robert Clemens:

In accordance with the engagement letter dated September 16, 2002, we have prepared a complete, self-contained appraisal of the subject, a skilled nursing facility (SNF) containing a total of 95 units. The property is owned by Lee County and is part of a large track of land, without a specific legal description or exact acreage assigned to the subject. We have utilized an estimate of five acres in our analysis. The 67,032-square-foot improvements are currently in average condition. The facility, built in 1994, contains a total of 180 skilled nursing beds.

Lee County contains 17 skilled nursing facilities housing a total of 1,770 beds. Most of the supply is comprised of newer facilities with high private pay and Medicare occupancies. We are not aware of any market issues that may impact value.

The subject is operated by a not for profit organization. Management utilizes high staff numbers to provide care to residents. This helps it maintain its high occupancy levels; we have used lower staffing and occupancy in our analysis. The appraisal of a not-for-profit SNF such as the subject requires use of a valuation methodology that incorporates several assumptions. By virtue of its not-for-profit status, a SNF pays little or no real estate taxes, however, may make payments in lieu of taxes (PILOT). Oftentimes a not-for-profit SNF has access to financing which is below the level customarily obtainable at banks by for-profit operators and considered to be "market level." This financing is often via tax-exempt bonds.

Hence, several assumptions must be made. First, our methodology recognizes not-for-profit SNFs as a separate sub-market differentiated by their operational, borrowing and taxation characteristics from for-profit SNFs. Secondly, these parameters are generally consistent with all not-for-profit SNFs that are financially solvent. As a consequence, we use available financing rates for non-profit SNFs in our discount and capitalization analysis (resulting in lower rates), we only assess the real estate taxes that are paid, and we do not adjust staffing to the usually leaner, for-profit levels. Nonetheless, we note that most not-for-profits do generate sufficient net operating income to meet debt obligations; hence, the to extent that higher staffing results in operating losses, we have adjusted staffing, wages and other line items outside the realm of most not-for-profits. As a result, our value estimates reflect the capability of the

Robert Clemens  
October 29, 2002  
Page 2

subject to shoulder a given debt burden based on its borrowing costs. These parameters are incorporated into our income approach methodology.

The report will be used to assist in underwriting the potential financing of the property. The effective date of the "as is" value is September 27, 2002, under market conditions observed at that time. Market value, going concern value and other appraisal terms have been defined within the text of the following report. Complete descriptions of the property, together with the sources of information and the bases of our estimates, are stated in the accompanying sections of this report.

The report is a Complete, Self-Contained Appraisal Report that complies with the reporting requirements set forth in Standards Rule 2-2 (a) of the Uniform Standards of Professional Appraisal Practice and FIRREA.

As a result of our investigation and analysis, we have estimated the "as is" market value of the fee simple interest in the subject as a not-for-profit going concern including personal property and business value, effective September 27, 2002, was:

**ELEVEN MILLION DOLLARS**

**\$11,000,000**

**Allocated as follows:**

<b>Real Estate:</b>	<b>\$</b>	<b>9,200,000</b>
<b>Personal Property:</b>	<b>\$</b>	<b>400,000</b>
<b>Business Value:</b>	<b>\$</b>	<b><u>1,400,000</u></b>
	<b>\$</b>	<b>11,000,000</b>

Subject to the Certification, Standard Conditions and Special Conditions

The accompanying prospective financial analyses are based on estimates and assumptions developed in connection with the appraisal. However, some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our prospective financial analyses will vary from our estimates and the variations may be material.

VIII. RECONCILIATION AND FINAL VALUE ESTIMATES

The purpose of this appraisal is to estimate the market value of the fee simple interest in the subject "as is" as of the effective date of this appraisal, or September 27, 2002. We have applied three approaches to estimate the subject's value. The value estimates provided by these approaches are:

TABLE VIII.1  
SUMMARY OF VALUE CONCLUSIONS

	<u>As Is</u>
COST	\$9,600,000
INCOME	\$11,000,000
SALES COMPARISON	\$10,900,000

Five land sales are used in the **cost approach** to provide an estimate of the subject's value. These sales offered a reliable indication of the subject's site value. The replacement cost new reflects current costs estimated by a reliable cost manual, national averages for retirement community development, and our experience. However, the depreciation estimates, while reasonable, do not have direct market support. Hence, we believe that this approach provides a reliable estimate of the subject's value but accord it less weight than the other two approaches.

The **income approach** has been employed to estimate the present value of the cash flows generated by the subject's operation. Our estimates of revenues and expenses reflect the performance of numerous similar facilities and are well supported. The capitalization and discount rates used are extracted from the market and reflect the subject's financing terms. This approach has the most support from the market and best reflects the manner in which the probable purchaser would examine the subject; that is, because a SNF is an income-producing property, a buyer will most strongly consider the cash flows that subject can generate. The income approach is most reliable and has been accorded the most weight.

The **sales comparison approach** includes five sales of SNFs that have transferred in the last 34 months. These sales differ from the subject but were able to produce a reliable estimate of the subject's value. Consequently, this approach has received secondary weight.

As a result of our investigation and analysis, we have estimated the "as is" market value of the fee simple interest in the subject as a not-for-profit going concern including personal property and business value, effective September 27, 2002, was:

**ELEVEN MILLION DOLLARS**

**\$11,000,000**

**Allocated as follows:**

Real Estate:	\$	9,200,000
Personal Property:	\$	400,000
Business Value:	\$	<u>1,400,000</u>
	\$	11,000,000