LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

Neil Johnson
Managing Partner
Lawrence, Evans, & Co., LLC
88 E Broad St, Suite 1750
Columbus, OH 43215

October 1, 2025

PRIVATE AND CONFIDENTIAL

Vincent A. Sica, CEO
DeSoto Memorial Hospital
900 N. Robert Ave.
Arcadia, FL 34266

Response to Request for Proposal for Potential Affiliation, Purchase, Lease, Merger, Partnership, or Joint Venture

Dear Mr. Sica:

Thank you for the opportunity to review certain preliminary information on Desoto Memorial Hospital (the "Company") and the DeSoto County Hospital Board (the "Owner"). On the basis of our review of the information we have received concerning the Company and its Request for Proposal dated June 30, 2025 ("RFP"), we are pleased to submit this non-binding (except as provided in Sections 5, 7, 8, & 9) Letter of Intent (the "LOI") that outlines the basic terms and conditions upon which Lawrence, Evans, & Co., LLC will create an affiliated investment company (collectively, "LECO" or the "Partner" or "We") which will partner with the Company. Partners in this affiliate will include at least Neil Johnson, Chris Luckett, John Ziegler, Michael Ferkovic, and David Opalek (see Appendix A for more individual credential and hospital funding, managing, and innovating experience) .

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This LOI will establish a general basis for further due diligence and negotiations with respect to the terms and conditions of the proposed partnership (the "Partnership") that will, if due diligence and negotiations are successful, be set forth in a definitive written agreement (the "Definitive Agreement") to maintain the nonprofit status and community benefit while bringing resources and innovation to support the mission and sustainability of healthcare services to the patients of the region. Company, Owner, and Partner are each individually referred to herein as a "Party" and collectively the "Parties".

1. Partnership Structure

Upon executing a Definitive Agreement, the Parties will drive resources and innovation to Company by creating three (3) entities (optional transaction may include a transfer of Company to a new non-profit holding company):

Entity #1	"OpCo" would acquire all equity interests of the Owner. Physicians would be granted ownership in this entity subject to the Rural Exception Physician Ownership Rule, other applicable federal and state laws, and legal diligence as a for-profit entity. If such as structure is not feasible or deemed illegal, this entity would be structured as non-profit.
Entity #2	"MSO" would acquire all non-clinical assets of the Company.
Entity #3	"Real Estate HoldCo" would hold title to the hospital's real estate assets (land, building, and related improvements). This entity would retain the right to conduct asset sales or execute sale-leasebacks to raise capital.

The MSO would provide services to the Real Estate Company and OpCo not limited to the following services:

- Innovation services: physician support, rev cycle automation and management, supply chain management, practice management and integration, patient engagement tools
- Creation of value-based care programs to align financial incentives with clinical outcomes. We will integrate managed care contracting frameworks with value-based program design to reward providers for quality, efficiency, and patient-centered results rather than volume of services.
- Establishment of additional revenue sources such as but not limited to clinical trials site, wellness integrated services, and post-acute care management
- Real estate and asset management
- Accounting, financial, payroll, and vendor management services
- Continue benefit program design and management led by Mitigate Partners and its founder and Managing Principal Carl Schuessler, Jr.

Board composition of each entity will be negotiated prior to the execution of a letter of intent and will include the Owners, the Partner, physicians and management of the Company, and at least one seat representing community partners.

2. Strategy

The Partner will pursue the following strategies during diligence and post-closing either through the MSO or in consultation with the other entities' boards, owners, and management:

1. Employees -
    a. To improve recruitment and to retain staff, we will negotiate new contracts with key medical staff and management which would include the opportunity for staff to purchase or accrue ownership, subject to legal limitations in the newly created entities.
    b. We will also establish fellowship and training programs with educational institutions.
    c. Subject to diligence, employment will be offered to all employees. We will provide credit for the prior time of service for all employees who are hired, including vacation time. Vesting credit for prior service will be granted for retirement. This is not a dollar credit but rather a vesting credit. Pre-existing conditions shall not be excluded unless employees have not satisfied the prior plans pre-existing condition exclusion period.
    d. Medical staff
        i. No changes are anticipated to medical staff bylaws. If, as a result of diligence, changes are required, these changes will be negotiated with the consent of the medical staff.
        ii. Credentialing of physicians will remain fully controlled by the medical staff in accordance with due process as stated in the medical staff bylaws. We agree that "economic credentialing" is forbidden. However, the MSO may present strategic and innovative options to improve credential processes, subject to the consent of the medical staff.
        iii. Peer review will remain a medical staff function, controlled by the medical staff in accordance with the bylaws. Any outside agency involved in peer review will be advisory only.
2. Review current services and operations in relation to competition in the region, programs may be eliminated or added to restructuring operations. Partnership, joint

venture, affiliation, or licensing agreements may be executed to add or transfer services.

3. Value-based and direct contracting agreements will be executed to retain and grow the hospital's patient base and reduce outmigration from the hospitals primary service area. We plan to invest in systems to measure and improve the hospitals quality of care scores.
4. Systems and processes will be implemented to improve the hospitals revenue cycle processes to reduce bad debt and increase collections while maintain charity care and services for the indigent.
5. The entities will assume all of the Hospital contracts except those, if any, that are determined to be potentially unlawful or are unreasonable based on industry standards
6. To the extent current management of the Company does not intend to continue in current roles or the investment company and newly created entities, new management may be instituted. Contract will be negotiated with current and/or new management to align interests of equity holders and the community. Current management may be offered at least a one-year contract to serve the Partnership in either an interim management, advisory, or board role.
7. In coordination with the boards of the newly created entities, the Partnership will engage with community partners and hire or supplement current marketing resources to design a marketing and communication plan. No name changes are anticipated for the hospital.

3. Partner Representations

The Partner may elect to hire additional advisors to execute the transaction and support post-closing operations, including retaining counsel for legal advice related to the knowledge of the laws of the State of Florida and specifically but not limited to Florida Statute 155.40 as attached to this RFP.

We agree that the hospital will not be divested at any future date as a result of DOJ/FTC consent decrees or related issues.

If required, the Partner will file all pre-merger notification forms with the U.S. Department of Justice within seven (7) business days of execution of the letter of intent and will pay all fees related thereto.

If the Letter of Intent is executed, the Buyer requests a tour of the hospital complex, including the ancillary buildings owned by the Owner. The Buyer may also request additional financial or historical information upon written request.

As the Partner intends to create a new affiliated entity for this Partnership, no financial statements of the Partner's affiliate are currently available.

4. Owner's Objectives and Priorities

We understand the Owners intend to maintain a "full-service community care hospital" by an enforceable contractual covenant to serve the residents of DeSoto County, Florida:

1. "Full-service community care hospital" means a registered Florida hospital that provides full-service inpatient and outpatient care consistent with nationally accepted standards for the population we serve, both currently and in the future. Services to include: emergency care, unscheduled and elective medical and surgical care with reasonably necessary ancillary support services and specialty consultative services.
2. Reasonable assurances, protections, and safeguards to ensure that:
    a. The scope of services currently performed at DeSoto Memorial Hospital is not materially reduced (e.g. DeSoto Memorial Hospital does not become a critical access hospital as such term is currently defined):
    b. Services that can reasonably and safely be performed at DeSoto Memorial Hospital, as determined in accordance with generally accepted standards for comparable community hospitals, are performed at DeSoto Memorial Hospital and not referred outside DeSoto County, Florida.

5. Exclusivity

The Owners and Seller understand that Buyer will be undertaking additional effort, time and expense after the execution of this letter of intent to complete its due diligence and retain professionals (attorneys, CPAs, etc.) to consummate the Transaction. To that end and in consideration for same, after the execution of this letter of intent and until (i) the Definitive Agreement is executed by the Parties, or (ii) six (6) months after the date of this letter of intent, the Owners, and its officers, directors, brokers and agents will refrain from directly or indirectly selling, attempting to sell, soliciting offers to buy, attempting to solicit offers related to the request for proposal dated June 30, 2025 or for any matter related to the subject of this letter of intent.

6. Fees & Expenses

Each party will be responsible for its own expenses and those of its agents, auditors, attorneys and consultants incurred in connection with this letter of intent and the Transaction.

7. Limitation of Liability

Neither the Owners, including the District Board and its advisors, is liable to Lawrence, Evans, & Co., LLC the planned investment company, and their advisors for any damages or expenses of any kind or type, except as set forth in a definitive agreement between the parties.

8. Confidentiality

The Buyer and Owners respectively agree that neither of them, nor any of their officers, directors, or agents, will make any disclosure or announcement concerning the existence of the proposed transaction, its terms, the proposals contained herein, any due diligence obtained by either Party, or the terms of the Definitive Agreement, without the prior written consent of the other Party, except that, the LOI, due diligence items and transaction documents will only be disclosed to third parties (including attorneys, accountants, lenders, employees, etc.) on a "need-to-know" basis or as required by law. Either Party shall, upon notice to the other Party with an opportunity to review, be permitted to make such disclosure to the public or to governmental agencies as its counsel will deem necessary to maintain compliance with and to prevent violation of applicable federal or state laws.

9. Non-binding

This is a non-binding letter of intent, is made for purposes of discussion and negotiation only, and is not intended by the Parties to constitute an offer or acceptance of any provision

hereof nor to give rise to any binding obligations between the Parties. Either Party may, with or without cause, terminate negotiations at any time without incurring any obligation or liability whatsoever to the other Party, except that the provisions set forth in Sections 5,7,8, & 9 hereof will be fully binding upon the Parties. Neither the expenditure of funds by either Party, nor the undertaking of actions to implement the concepts and transactions contemplated by this letter of intent, will be regarded as the partial performance of a binding agreement or entitle the Party expending the funds or taking actions to any right to assert claims for reimbursement or damages against the other Party.

10. Governing Law

This letter of intent shall be governed by, and construed in accordance with, the laws of the State of Florida.

11. Counterparts

This LOI may be executed in one or more counterparts, and by the different Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. A signature transmitted digitally or by facsimile or emailed scan shall be treated as an original signature for all purposes.

[SIGNATURE PAGE FOLLOWS]

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I hope that this LOI effectively communicates our high level of interest in the Partnership with the Company and its Owner. Please be advised that the offer set forth in this LOI shall automatically expire on October 31, 2025, if we have not received the Company's executed signature page.

If you have any questions, please do not hesitate to contact us.

Sincerely,

Lawrence, Evans, & Co., LLC, its affiliates and subsidiaries

By:
Name: Neil Johnson
Title: Managing Member

AGREED TO AND ACCEPTED:

OWNER:

DeSoto County Hospital Board

By: _____
Name: _____
Title: Authorized Representative

APPENDIX A – BIOGRAPHIES & APPLICABLE EXPERIENCE

Neil Johnson

Neil Johnson brings more than 25 years of healthcare investment banking and private equity experience, with a track record that includes dozens of community hospital financings and transactions. He has led over $1 billion in corporate finance deals spanning mergers and acquisitions, equity and debt financings.
As Managing Partner of Lawrence, Evans & Co., LLC, Mr. Johnson's responsibilities primarily include deal sourcing and evaluation, transaction structuring, securing financing including debt and equity, and fundraising. Many of the completed transactions have involved acute care hospitals, senior housing, home health, behavioral health, revenue cycle management, health IT, big data, analytics, life science, managed IT, cyber or other services related companies.

Prior to forming Lawrence, Evans & Co., LLC, Mr. Johnson worked at one of the largest asset based healthcare lenders in the country and spent time with a national healthcare investment bank as an underwriter. Mr. Johnson's relevant experiences include time as a healthcare bond trader managing over $100 million in assets at a regional based investment advisor. Neil spent time in Germany with an internet start-up and was involved with a successful sale of an internet consumer marketing company. Additionally, he spent time early on in his career with the bank First Chicago NBD that is now part of JPMorganChase.

Neil is a board member and executive of several funds including an active Board member of the Association of Corporate Growth (ACG) Columbus Chapter, and member of Healthcare Business Management Association, Healthcare Financial Management Association, Turnaround Management Association, and the First Connect Bio Medical Steering Committee as well as an education contributor to the Harvard Business School. He founded the annual Healthcare Capital Markets & Innovation Summit HCMIS along with its non-profit fundraiser. He is a Co-Founder of Healthcare Development & Innovation Group (HDIG) the most comprehensive healthcare innovation database and ecosystem.

He has a Bachelor of Arts degree in Economics and Management from Albion College. Mr. Johnson received his Masters of Business Administration degree from Ohio State University Max M. Fisher College of Business. He is also a 1994 NCAA National Football Champion, Albion College Hall of Fame Individually and as a 4 time Team Member and NCAA Post Graduate Scholarship Recipient (with Peyton Manning and Brian Griese).

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Christopher Luckett

Christopher Luckett is the President of Luckett Healthcare and Luckett Healthworks, where he leads strategic growth through managed care contracting, value-based program design, and financial modeling. With over 20 years of experience in healthcare strategy, Christopher has become a trusted advisor to a wide range of provider organizations—from large pediatric hospitals and ESRD networks to behavioral health systems and multi-specialty groups.

Under his leadership, Luckett Healthcare has helped providers across the country renegotiate Commercial, Medicare Advantage, and Medicaid contracts, resulting in multimillion-dollar revenue improvements and stronger payor alignment. His team has designed and implemented value-based arrangements that drive measurable margin growth, improve care coordination, and position providers for long-term sustainability. Recent successes include:

- Sole Community Hospitals: Advised rural and regionally isolated hospitals on optimizing their payor mix and securing enhanced reimbursement through strategic designation-based contracting. These efforts have helped stabilize financial performance and expand access to value-based incentives.
- Pediatric Health Systems: Structured Medicaid value-based contracts and behavioral health agreements for a top-five pediatric hospital, improving reimbursement and expanding access to strategic populations.
- ESRD Providers: Developed market-specific contracting strategies that enhanced revenue and increased competitive positioning in high-density regions.
- Behavioral Health Networks: Led payor negotiations and value-based modeling for multi-state behavioral health organizations, resulting in improved rates and performance incentives.
- Multi-Specialty Groups: Delivered scenario-driven dashboards and strategic contracting support that helped physician groups optimize their payor mix and unlock new revenue streams.

Christopher's consultative approach blends analytical rigor with relational insight. He works directly with provider leadership to ensure contractual strategies are aligned with clinical excellence, operational goals, and long-term vision. Through Luckett Healthcare, he continues to empower organizations to navigate complex payor dynamics with clarity, confidence, and measurable impact.

David Opalek

David Opalek has over 20 years of real estate finance experience with an extensive background in the affordable sector. Prior to his tenure with Lawrence, Evans & Co., he served as the Chief Investment Officer at Scioto Properties, a national real estate company that focuses on housing for the disabled.

Dave founded the Columbus office of Love Funding, and he spent 10 years originating loans and managing relationships in the Mortgage Banking services division at Red Capital Group (now Orix) where he closed over $2 billion in FHA and agency financing transactions. Prior to his tenure at Red Capital Group, Mr. Opalek worked for Banc One in their Corporate Trust Department where he focused on multifamily housing bonds.

In addition to his extensive mortgage banking experience, Mr. Opalek has been instrumental in developing new financing structures for the capital markets. Some of his notable accomplishments include the first cash collateralized multifamily housing bonds that fundamentally changed the way that FHA 4% LIHTC are funded and the first Build America Bond collateralized with and FHA loan in the wake of the housing crisis which saved the borrower 30% on their borrowing cost.

Mr. Opalek received his BA from Alma College and his Juris Doctor from Wayne State University Law School. Additionally, he received his MBA from the Fisher College of Business at The Ohio State University.

John Ziegler, CHFP

John Ziegler was President and owner of Buckey Printing Solutions for over 20 years and was responsible for operations and strategy. After completing a successful merger, John entered healthcare to run strategy and co-development for American Health Technology which manufactured an intelligent microscope for veterinary labs. After a successful exit John led business development efforts for Ambassador Software Works which used data and machine learning to improve patient satisfaction scores in hospitals. Today, John is a Co-Founder and Partner of Healthcare Development and Innovation Group (HDIG). HDIG accelerates healthcare innovation by uncovering hidden connections. Our human-centered AI and exclusive data sets identify opportunities and reveal value. We advise hospitals, venture, startups and universities.

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Michael Ferkovic

With 15 years of public accounting experience at "Big 4" and nationally recognized accounting and consulting firms, Mike Ferkovic offers extensive experience in strategic planning, buy- and sell-side financial diligence and transaction support, turnaround management, financial reporting, and more. He recently led the mergers & acquisition function then served as the Chief Financial Officer of a private equity-sponsored group of ophthalmology practices and surgery centers in the Midwest before founding Physician CFO Solutions and serving as COO of Inglewood Associates.