

**HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
FEBRUARY 24, 2021
APPLICATION SUMMARY**

NAME OF PROJECT: Haywood County Community Hospital

PROJECT NUMBER: CN2012-037

ADDRESS: 2545 North Washington Avenue
Brownsville, TN (Haywood County), TN 38012

LEGAL OWNER: Industrial Development Board of the City of Brownsville
and County of Haywood.
2545 North Washington Avenue
Brownsville, TN (Haywood County), TN 38012

OPERATING ENTITY: N/A

CONTACT PERSON: Kyle Kopec, CCO
Braden Health
200 West Church Street, Lexington, TN 38351
(731) 968-3646

DATE FILED: December 5, 2020

PROJECT COST: \$2,568,700

FINANCING: Cash Reserves

PURPOSE FOR FILING: The establishment of a 49 acute bed hospital.

DESCRIPTION:

Haywood County Community Hospital is seeking *Consent Calendar* approval to establish a 49-bed acute care hospital. The hospital will have a 24-hour emergency department, 49 acute inpatient beds, swing bed services, a 24-hour laboratory, a radiology department with X-Ray, CT, and ultrasound, and an inpatient pharmacy.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

CONSTRUCTION, RENOVATION, EXPANSION, AND REPLACEMENT OF HEALTH CARE INSTITUTIONS

3. For renovation or expansion of an existing licensed healthcare institution:

- a. **The applicant should demonstrate that there is an acceptable existing demand for the proposed project.**

The facility is not an existing licensed health care institution therefore this question is not applicable.

- b. **The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.**

The facility is not an existing licensed health care institution therefore this question is not applicable.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

ACUTE CARE BED NEED SERVICES

1. The following methodology should be used and the need for hospital beds should be projected four years into the future from the current year:

It appears that this criterion is not applicable.

- a. New hospital beds can be approved in excess of the "need standard for a county" if the following criteria are met:

- i. All existing hospitals in the projected service area have an occupancy level greater than or equal to 80 percent for the most recent Joint Annual Report. Occupancy should be based on the number of licensed beds that are staffed for two consecutive years.

It appears that this criterion is not applicable.

- ii. All outstanding CON projects for new acute care beds in the proposed service area are licensed.

It appears that this criterion is not applicable.

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- iii. The Health Services and Development Agency may give special consideration to applications for additional acute care beds by an existing hospital that demonstrates (1) annual inpatient occupancy for the twelve (12) months preceding the application of 80 percent or greater of licensed beds and (2) that the addition of beds without a certificate of need as authorized by statute will be inadequate to reduce the projected occupancy of the hospital's acute care beds to less than 80 percent of licensed bed capacity.

It appears that this criterion is not applicable.

- b. In accordance with Tennessee Code Annotated 68-11-14607 (g), "no more frequently than one time every three years, a hospital, rehabilitation facility, or mental health hospital may increase its total number of licensed beds in any category by ten percent or less of its licensed capacity at any one campus over any period of one year for any services it purposes it is licensed to perform without obtaining a certificate of need". These licensed beds that were added without a certificate of need should be considered as part of the determination of need formula by the agency.

It appears that this criterion is not applicable.

- c. Applicants applying for acute care beds in service area counties where there is no hospital, and thus no bed occupancy rate numbers to provide for the need formula, should provide any relevant data that supports its claim that there is a need for acute care beds in the county or counties. Data may include, for example, the number of residents of the county or counties who over the previous 24 months have accessed acute care bed services in other counties.

The proposed project is in Haywood County, Tennessee which does not have any hospital facility at the time of this application. According to the 2019 Joint Annual Report JAR published by the Tennessee Department of Health, there were 1,824 patients admitted or discharged from Tennessee Hospitals in 2019 who were residents of Haywood County. Most of those patients were served in the following counties: Madison (70.4%), Shelby (23%), Davidson (3.2%) and Tipton (2.0%). Other counties that served patients who were residents of Haywood County in 2019 include: Carroll, Cheatham, Dyer, Gibson, Hamilton, Hardeman, Henry, Maury, Montgomery, Rutherford, and Washington.

The primary counties serving Haywood County patients are the following distances away:

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Madison County (approximately 24 miles), Shelby County (54 miles), Davidson (151 miles), and Tipton (30 miles).

It appears that this criterion has been met.

Note to Agency members: The JAR data provided by the applicant does not reflect the JAR Report for Hospitals 2019 – Short-Term Hospitals Licensed in Tennessee, Patient Origin Data – Admissions or Discharges According to County of Residence by Location of Facility. The JAR data submitted by the applicant states “During 2019 there were 1,976 cases of hospitalizations of Haywood residents required being drove or flown to another County or State.” The JAR data analyzed by HSDA staff is reflected in the summary above “1,824 patients admitted or discharged”, which is less than the 1,976 cases submitted by the applicant on page 257 of Supplemental #1 of the application.

2. Quality Considerations: Applicants should utilize Centers for Disease Control & Prevention’s (CDC) National Healthcare Safety Network (NHSN) measures. Applicants must provide data from the most recent four quarters utilizing the baseline established by the NHSN within the dataset.

It appears that this criterion is not applicable. The applicant is a new facility.

3. Establishment of Service Area: The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant.

The proposed primary service area includes Haywood county. The applicant assumes that the vast majority of patients in the area currently traveling to other county hospitals will instead choose to access the new facility.

It appears that this criterion has been met.

4. Relationship to Existing Similar Services in the Area: The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall include the likely impact of the proposed increase in acute care beds on existing providers in the proposed service area and shall include how the applicant’s services may differ from these existing services. The agency should consider if the approval of additional beds in

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the service area will result in unnecessary, costly duplication of services. This is applicable to all service areas, rural and others.

The following tables should be utilized to demonstrate existing services in the proposed service area.

It appears that this criterion is not applicable.

5. Services to High-Need and Underserved Populations: Special consideration shall be given to applicants providing services fulfilling the unique needs and requirements of certain high-need populations, including uninsured, low-income, and underserved geographic regions, as well as other underserved population groups.

The applicant states that the new hospital facility will provide needed services in a medically underserved area. According to the population table submitted in Supplemental #3 (Replacement 18R2), the percentage of Haywood County residents living below the poverty level (28.5%) is more than double that of the State of TN overall (13.9%). The percentage of the population who are Medicare enrollees is (32%) is also higher than the State of TN overall (21.8%). Haywood County does not have access to emergency room services or diagnostic services (CT scans, and Ultrasound).

It appears that this criterion will be met.

6. Relationship to Existing Applicable Plans; Underserved Area and Population: The proposal's relationship to underserved geographic areas and underserved population groups shall be a significant consideration.

The applicant indicates the hospital will equally serve all patients.

It appears that this criterion will be met.

7. Access: The applicant must demonstrate an ability and willingness to serve equally all of the service area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is a limited access in the proposed service area.

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The proposed hospital will contract with all TennCare MCOs and will serve all patients regardless of ability to pay.

It appears that this criterion has been met.

8. Adequate Staffing: An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed service area.

The applicant will be supported by and work closely with existing staff to support staffing and recruitment of clinical and non-clinical staff as needed.

It appears that this criterion has been met.

9. Assurance of Resources: The applicant shall document that it will provide the resources necessary to properly support the applicable level of services. Included in such documentation shall be a letter of support from the applicant's governing board of directors, Chief Executive Officer, or Chief Financial Officer documenting the full commitment of the applicant to develop and maintain the facility resources, equipment, and staffing to provide the appropriate services. The applicant shall also document the financial costs of maintaining these resources and its ability to sustain them.

A letter dated February 11, 2021 from the Chief Financial Officer and of Braden Health, Inc. is included with the application to confirm the availability of financial resources sufficient to complete the project.

It appears that this criterion has been met.

10. Data Requirements: Applicants shall agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

The applicant commits to providing all reasonably requested information.

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It appears that this criterion has been met.

11. Quality Control and Monitoring: The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system.

The applicant plans to use systems consistent with its Henderson County Community Hospital Facility to apply its current standards.

It appears that this criterion has been met.

12. Licensure and Quality Considerations: Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH. The applicant shall also demonstrate its accreditation status with the Joint Commission or other applicable accrediting agency.

It appears that this criterion is not applicable. The applicant is a new facility.

STAFF SUMMARY

Note to Agency members: This staff summary is a synopsis of the original application and supplemental responses submitted by the applicant. Any HSDA Staff comments will be presented as a "Note to Agency members" in bold italic.

Application Synopsis

Haywood Community Hospital Inc. is seeking approval to establish a 49-bed full service, acute care hospital in Brownsville, TN (Haywood County). The hospital will have a 24-hour emergency department, 49 acute inpatient beds, swing bed services, a 24-hour laboratory, a radiology department with X-Ray, CT, and ultrasound and an inpatient pharmacy. (A description of the project is included in the Executive Summary of the original application, page 2.)

According to the Project Completion Forecast Chart, the applicant plans to initiate service in June 2021.

Facility Information

- The applicant proposes to renovate the formerly licensed one-story 47,200 SF Haywood Park Community Hospital facility located at 2545 North Washington Avenue, Brownsville, TN 38012.

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- The proposed hospital will provide the following services in renovated space: Emergency Department (8,000 SF), Radiology Department (3,200 SF), Operating Room and Endoscopy (1,600 SF), Private and Semi-Private Patient Care Rooms (20,000 SF), Administration (4,000 SF), Dietary (2,800 SF), Health Information Management (HIM) (1,000 SF), Lab Services (1,800 SF), Pharmacy (1,500 SF), Physical Therapy (1,600 SF), and Central Supply (1,700 SF).
- According to the applicant “the hospital will have multi-purpose (2) operating rooms which can be utilized for basic surgeries and scopes which require the use of general anesthesia and will have applicable pre-op and post-op care units as noted in Appendix E: Plans.”
- Detailed descriptions of the hospital organization can be found in the original application (*Attachment Section A-6B-1 a-d*). The plot plan and hospital floor plan can be found in the Attachments.
- A breakdown of Emergency Room bed configuration is included in Supplemental #1.
- Facility details are shown in the below charts:

Stories	Square Feet	Cost PSF (New)	Lot Size	Distance from Downtown Brownsville, TN
One	47,200	\$20.07	27.37 acres	1 mile

Source: CN2012-037, Original Application and Supplemental #1.

Bed Type	# of Beds
Medical/Surgical	49
Total	49

Source: CN2012-037, Supplemental #1.

Ownership

The facility is owned by the Industrial Development Board of the City of Brownsville and County of Haywood, which will negotiate a lease with an option to purchase with Haywood County Community Hospital, Inc. to establish an acute care hospital in Brownsville, TN.

- Haywood County Community Hospital is 100% owned by Braden Health Inc. which is a for profit company based in North Carolina. Braden Health owns Lexington Hospital Corporation, which operates the Henderson County Community Hospital in Lexington, Tennessee. The Henderson County Community Hospital is licensed as a 45-bed acute care hospital that is approximately 52 miles to the east of the proposed Haywood County facility.

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- Ownership structure is detailed in Attachment Section A-4AB.
- A copy of the facility and equipment lease agreements are included in the original application as Attachment A-6A.
- The Resolution by the Industrial Development Board of The City of Brownsville and Haywood County, Tennessee approving the agreement is included in the application attachments.

NEED

Project Need

The applicant provided the following factors supporting the need for Haywood County Community Hospital:

- **Lack of an acute care hospital facility in Haywood County, Tennessee.** The applicant cites the lack of access to acute care services including emergency care, and ultrasound, and CT services.
- **Bed need in the region.** The applicant cites the increased bed need in West Tennessee that is resulting from COVID-19, along with the closure of a rural hospital in the region in Perry County.
- **Demand on transport services and patients:** Transportation times for local emergency services are cited as a challenge for the county and this point is supported through letters of support from patients in the county.

Service Area Demographics

- The proposed primary service area consists of Haywood County (*see page 17 of Attachments for map*).
- The target population is the entire population. (*See Supplemental #3 of the application for more demographic detail.*)

	2021 Population	2025 Population	% Change	TennCare %
Service Area	17,003	16,567	-2.6%	32%
Tennessee Total	6,942,653	7,153,758	3.0%	21.8%

Source: CN2012-037, Supplemental #3, Page 18R2

Service Area Historical Utilization

Since the applicant is seeking to establish a new facility in a county without existing hospital services, there is no historical utilization data to review.

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Applicant's Historical and Projected Utilization

Since the applicant is seeking to establish a new facility, there is no historical data to review. The following chart displays the projected utilization of the proposed project by service type.

Projected Utilization by Service

Service Units	Year 1 - 2022	Year 2 - 2023	% Change - '22- '23 % Change
Inpatient Admissions	840	920	9.5%
Inpatient Days	1,680	2,280	36%
Surgical Cases (OP Only)	400	700	75%
Emergency Dept. Visits	4,500	6,500	44%

Source: CN2012-037, Supplemental #1

The applicant projects to serve (840) patients in Year One, with 25% of its admissions coming from Haywood County, 50% coming from Madison County, 16% from Shelby County, 7% from out of state, and 2% from other counties.

ECONOMIC FEASIBILITY

Project Cost

Major costs of the \$2,568,700 project are as follows:

	Cost	% of Total Cost
Acquisition of the Facility by Gift, Donation or Lease	\$1,106,200	43.0%
Construction Costs plus Contingency	\$947,500	36.8%
Acquisition of Equipment by Gift, Donation, or Lease	\$500,000	19.4%

(For additional details, see the Project Cost Chart in the Supplemental #3 of the application).

- The total renovation cost is \$20.07 per square foot. This is below the 1st Quartile cost of \$75.39/SF of statewide hospital renovation costs from 2017 to 2019.

Financing

- The applicant's owner, Braden Health Inc., which is a North Carolina for-profit corporation, will fund the proposed project by providing cash reserves during the hospital's start-up period.
- A letter from the Chief Financial Officer of Braden Health, Inc. is included with the application that confirms the availability of financial resources sufficient to complete the project.

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- The applicant provided a money market account statement from First Citizens Bank located in Raleigh, North Carolina for Braden Health Inc., for the period ending December 1, 2020, that indicates the availability of \$3,350,780.
- The applicant indicated an audited balance sheet and income statement from Braden Health is not available. However, the applicant provided financial information from Lexington Hospital Corporation that is owned by Braden Health. The applicant plans to have a network of hospitals in West Tennessee that shares resources and profits from one hospital to open another hospital.
- Review of Lexington Hospital Corporation's Balance Sheet for the period ending September 30, 2020 revealed \$7,618,039 in cash, \$15,079,398 total current assets, total current liabilities of \$12,983,779 and a current ratio of 1.16 to 1.0.

Note to Agency Members: current ratio is a measure of liquidity and is the ratio of current assets to current liabilities, which measures the ability of an entity to cover its current liabilities with its existing current assets. A ratio of 1:1 would be required to have the minimum amount of assets needed to cover current liabilities.

Net Operating Margin Ratio

- The applicant projects a net operating margin ratio for the total hospital of 1.0% in Year 1 and 7.1% in Year 2.

Note to Agency Members: The net operating margin demonstrates how much revenue is left over after all the variable or operating costs have been paid.

Capitalization Ratio

- The applicant states that the capitalization ratio at Lexington Hospital Corporation was 73.62% as of November 30, 2020.

Note to Agency Members: The capitalization ratio measures the proportion of debt financing in a business's permanent financing mix. The applicant indicated on page 30 of the original application the capitalization ratio of 73.62% is the result of Medicare Advance Money in the amount of \$2,447,399 that is classified as long-term debt.

Historical Data Chart

Since the applicant is proposing a new facility, there is no historical data available.

Projected Data Chart

The applicant provided a Projected Data Chart for the hospital project that reflected the following:

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- The applicant projects \$67,500,000 in total gross revenue on 1,680 patient days during Year 1 (2022) and \$100,500,000 on 2,280 patient days in Year 2 (2023).
- Net operating revenue after contractual adjustments, charity care, and bad debt is expected to reach \$10,500,000, or approximately 10.4% of total gross revenue, in Year 2.

Hospital Project				
	# Patient Days	Gross Revenue	Net Income/(Loss)	Free Cash Flow (Net Balance + Depreciation)
Year 1 - 2022	1,680	\$67,500,000	(\$85,100)	(\$125,100)
Year 2 - 2023	2,280	\$100,500,000	\$390,900	\$390,900

Source: CN2012-037, Original Application, pages 26-27 & Supplemental #3.

Charges

A summary of the applicant's charges for Year 1 of the project is as follows:

	Year One (2022)	Year Two (2023)
Gross Charge	\$40,178	\$44,079
Average Net Charge	\$4,464	\$4,605

Source: CN2012-037, Original Application Page 28.

Medicare/TennCare Payor Mix

Applicant's Projected Payor Mix, Year 1		
Payor Source	Projected Gross Operating Revenue	As a Percent of Total
Medicare/Medicare Managed Care	\$32,400,000	48%
TennCare/Medicaid	\$3,375,000	5%
Commercial/Other Managed Care	\$27,000,000	40%
Self-Pay	\$4,725,000	7%
Total	\$67,500,000	100.0%
Charity Care	\$5,000,000	

Source: CN2012-037, Supplemental #2, Page 32R.

- The projected payor mix will consist of 48% Medicare, 5% TennCare/Medicaid, 40% Commercial/Managed Care, and 7% Self-Pay.

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- The applicant intends to contract with all four TennCare managed care organizations.

PROVIDE HEALTHCARE THAT MEETS APPROPRIATE QUALITY STANDARDS

Licensure

- The applicant commits to obtaining and/or maintaining the following:

Licensure	MCOs	Certification	Accreditation
Department of Health.	AmeriGroup United Healthcare BlueCare TennCare Select	Medicare and TennCare/Medicaid	DNV GL

Source: CN2012-037, Original Application, Page 37.

Other Quality Standards

- The applicant commits to obtaining and/or maintaining the following:
 - Staffing levels comparable to the staffing chart presented in the CON application.
 - Licenses in good standing
 - Self-assessment and external peer assessment processes
 - Data reporting, quality improvement, and outcome / process monitoring systems.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE

Agreements

- There are no contractual agreements with area healthcare providers submitted with the application.
- A copy of the facility and equipment lease agreements are included in the original application as Attachment A-6A on pages 53-149.

Impact on Existing Providers

- The applicant indicates the proposed project will have minimal impact on existing community providers since there are no other facilities in Haywood County.

Staffing

The applicant's Year One proposed direct patient care, non-direct care and contractual staffing includes the following:

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	Projected # FTEs - Year 1
Direct Patient Care Positions	
Nurse Practitioners	6
RNs	26
LPNs	10
Medical Assistants	10
Surgical Techs	2
Radiological Techs	4
Other	14
Total Direct Care	72
Direct Patient Care Positions	
Admin	10
Facility	6
Total Non-Patient Care Positions	16
Contractual Staff	
Contract Staff	5
Total Staff	93

Source: CN2012-037, Supplemental #2-

The applicant has submitted the required information on corporate documentation and title and deeds. Staff will have a copy of these documents available for member reference at the meeting. Copies are also available for review at the Health Services and Development Agency's office.

Should the Agency vote to approve this project, the CON would expire in three years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, denied applications, pending applications, or outstanding Certificates of Need on file for this applicant.

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no Letters of Intent, denied or pending applications, or outstanding Certificates of Need for other health care organizations proposing this type of service.

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PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, HEALTH CARE THAT MEETS APPROPRIATE QUALITY STANDARDS, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

TPP
(2/11/2021)



State of Tennessee

Health Services and Development Agency

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

IDENTIFYING INFORMATION

1. Name of Facility, Agency, or Institution

Haywood County Community Hospital

Name

2545 North Washington Avenue

Street or Route

Haywood

County

Brownsville

City

TN

State

38012

Zip Code

Website address: www.haywood.health

*Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.*

2. Contact Person Available for Responses to Questions

Kyle Kopec

Name

CCO

Title

Braden Health

Company Name

kyle.kopec@bradenhealth.com

Email address

200 West Church Street, Lexington, TN 38351

Street or Route

City,

State

Zip Code

Employee

Association with Owner

(731) 968-3646

Phone Number

Please answer all questions on **8½" X 11" white paper, clearly typed and spaced, single sided, in order and sequentially numbered. In answering, please type the question and the response.** All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). **Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.**

3. EXECUTIVE SUMMARY

A. Overview-DONE

Please provide an overview not to exceed three pages in total explaining each numbered point.

- 1) Description – Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant;
 - This project purpose is to establish a new 49 bed rural hospital in Haywood County. Several years ago, the site was occupied by a CHS owned hospital called “Haywood Park Community Hospital”. The hospital was closed, and the license relinquished. We plan on reopening a rural hospital that has an associated provider based rural health clinic. The hospital will have a 24-hour emergency department, 49 acute inpatient beds, swing bed services, a 24 hour laboratory, a radiology department with X-Ray, CT, MRI, and ultrasound and an inpatient pharmacy. Currently, there are no unimplemented certificates of need held by the applicant.
- 2) Ownership structure;
 - The hospital is a registered corporation in Tennessee 100% of the stock owned by Braden Health, Inc. a North Carolina Corporation.
- 3) Service area;
 - The Service Area for the hospital will be Haywood County.
- 4) Existing similar service providers;
 - There are currently no other hospitals in Haywood County.
- 5) Project cost;
 - We estimate that the cost of the project will be approximately \$855,507.75.
- 6) Funding;
 - The project will be funded by Braden Health, Inc.
- 7) Financial Feasibility including when the proposal will realize a positive financial margin; and
 - The project should have a positive financial margin by year two. Please see detailed financial information towards the end of this application.
- 8) Staffing.
 - The hospital will be staffed with physicians, mid-level providers, laboratory technicians, radiology technicians, pharmacists, nurses, and administrative staff. Please see the end of the application for more details on the staffing.

B. Rationale for Approval

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area.

Provide a brief description of how the project meets the criteria necessary for granting a CON using the data and information points provided in Section B of the application.

- 1) Need;
 - The County of Haywood has no acute care inpatient services and no outpatient services that typically provide access to healthcare in the community. According to National Bureau of Economic Research when a rural hospital closes there is an 8.7% increase in deaths in the community (<https://www.nber.org/papers/w26182>). The Medicaid community suffers an 11.3% increase in deaths. We want to expediently reopen the closed hospital and stop people from dying.
- 2) Economic Feasibility;
 - Haywood County has roughly 18,000 persons that live in the service area. Reviewing the population and utilization, our financial analysis in this application shows that an acute care rural hospital is sustainable.
- 3) Quality Standards;
 - Haywood County Community Hospital will undergo accreditation from DNV GL once opened. It will follow and meet the high standards of quality from that organization and continue to maintain its accreditation.
- 4) Orderly Development of adequate and effective health care.
 - Haywood County Community Hospital will undergo accreditation from DNV GL once opened. It will follow and meet the high standards of quality from that organization and continue to maintain its accreditation.

C. Consent Calendar Justification

If Consent Calendar is requested, please provide the rationale for an expedited review.

Haywood County Community Hospital, Inc

To the Agency Director, HSDA

We believe that several things have happened in the last couple of weeks where an unforeseen event necessitates action of a type requiring a certificate of need and the public health, safety, or welfare would be unavoidably jeopardized.

First, Jackson-Madison County General Hospital announced that they were at capacity and had to stop accepting COVID patients on November 18th, 2020. (<https://www.jacksonsun.com/story/news/local/2020/11/18/jackson-madison-co-general-no-longer-accept-patient-transfers/6340073002/>) This shows that there are not enough beds in Western Tennessee to Keep up with the demand of patients.

Second, Perry County Hospital unexpected closed on November 27th, 2020 and Henderson County Community Hospital has been receiving ambulances from Perry County as a consequence of this closure. This has suddenly decreased Western Tennessee's bed availability since these patients are now being transferred to the area surrounding Jackson, TN. Henderson County has seen a drastic increase in our inpatient census by over 100% in November compared to the previous month. Having a hospital in Western Tennessee with medical beds available will allow us to handle the sudden and unexpected increase of inpatients.

Third, Governor Lee issued Executive Order number 68 titled, “AN ORDER TO FACILITATE THE CONTINUED RESPONSE TO COVID-19 BY INCREASING HEALTH CARE RESOURCES AND CAPACITY” which states:

Increased number of hospital beds available for COVID-19 patients. The provisions of Tennessee Code Annotated, Section 68-11-1607, are hereby suspended to the extent necessary to allow hospitals, nursing homes, and home health agencies that would otherwise be subject to certificate of need requirements to temporarily increase their number of licensed hospital beds at any location or temporarily establish hospital, nursing home, home-based, and diagnostic services at any location, if necessary for the treatment of COVID-19 patients, as well as to the extent necessary to facilitate activity authorized by the provisions of this Order and any subsequent order concerning COVID-19.

This shows that there is a need to continue to address the effects and risks of health for the people of Tennessee. However, given the fact that this order is temporary, it is unclear how long this pandemic will last or how many people will need to be hospitalized we believe that pursuing an emergency certificate of need will meet both the short term and long term needs of the community.

Fourth, According to National Bureau of Economic Research when a rural hospital closes there is an 8.7% increase in deaths in the community (<https://www.nber.org/papers/w26182>). The Medicaid community suffers an 11.3% increase in deaths. Given that fact that this community lost its rural hospital they have already been burdened with and that there is now a tremendous and sudden surge, in COVID cases, we can expect that the mortality rate will continue to rise in this community. Providing an emergency certificate of need to open this hospital in Haywood County will stop people from dying. The increased death rate for this rural community shows that the public health, safety, or welfare is unavoidably jeopardized the longer that this facility remains closed.

Fifth, Under Public Chapter 1043, an emergency review is requested as there has been a number of unexpected things that have happened in the past several weeks the hospital's service area has 0.0 hospital bed availability per 1,000 people (US. Average 2.0 per 1,000 | State of TN Average 3.9 per 1,000), indicating poor access to healthcare. Publicly available information, including statements from the County of Haywood, demonstrates tremendous strain on the current EMS system given the nearest hospital facility's distance to the county. National attention has been brought to the county given the low patient survivability given their distance to the nearest hospital. The community has a public desire to restore hospital services as soon as possible.

Given the unforeseen and sudden events listed above, we believe that to protect the public health, safety and welfare, and where the public health, safety and welfare would be unavoidably jeopardized by compliance with the procedures established under other provisions of this part



-Kyle T. Kopec
CCO | Director of Government Affairs
Braden Health | Kyle.Kopec@BradenHealth.com

4. **PROJECT DETAILS-DON**

A. **Owner of the Facility, Agency or Institution**

Haywood County Community Hospital
Name
2545 North Washington Avenue
Street or Route
Brownsville
City

TN
State

(731) 968-3646
Phone Number
Haywood
County
38012
Zip Code

B. **Type of Ownership of Control (Check One)**

- | | | | |
|---------------------------------|----------|--|-------|
| 1) Sole Proprietorship | _____ | 6) Government (State of TN or Political Subdivision) | _____ |
| 2) Partnership | _____ | 7) Joint Venture | _____ |
| 3) Limited Partnership | _____ | 8) Limited Liability Company | _____ |
| 4) Corporation (For Profit) | <u>X</u> | 9) Other (Specify) | _____ |
| 5) Corporation (Not-for-Profit) | _____ | | |

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's web-site at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. Attachment Section A-4AB.

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

5. **Name of Management/Operating Entity (If Applicable)**

Name: _____

Street or Route _____ County _____
City _____ State _____ Zip Code _____
Website address: _____

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. **Attachment Section A-5.**

6A. Legal Interest in the Site-DONE

(Check the appropriate line and submit the following documentation)

The legal interest described below must be valid on the date of the Agency consideration of the certificate of need application.

- ☐ **Ownership** (Applicant or applicant's parent company/owner)
Submit a copy of the title/deed.
- ☒ **Lease** (Applicant or applicant's parent company/owner)
Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- ☐ **Option to Purchase**
Attach a fully executed Option that includes the anticipated purchase price
- ☐ **Option to Lease**
Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense
- ☐ **Other** (Specify)

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements **must include** anticipated purchase price. Lease/Option to Lease Agreements **must include** the actual/anticipated term of the agreement **and** actual/anticipated lease expense. The legal interests described herein **must be valid** on the date of the Agency's consideration of the certificate of need application.

Attachment Section A-6A

6B. Briefly describe the following and attach the requested documentation on an 8 ½" x 11" sheet of white paper, legibly labeling all requested information.

- 1) Plot Plan **must include**:
 - a) Size of site (***in acres***);
 - b) Location of structure on the site;
 - c) Location of the proposed construction/renovation; and
 - d) Names of streets, roads or highway that cross or border the site.

- 2) Floor Plan – If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page.
- a) Patient care rooms (private or semi-private)
 - b) Ancillary areas
 - c) Equipment areas
 - d) Other (specify)
- 3) Public Transportation Route - Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Attachment Section A-6B-1 a-d, 6B-2, 6B-3. – Please see Attachments

7. Type of Institution (Check as appropriate--more than one response may apply)

- | | | | |
|--|----------|--|-------|
| A. Hospital (Specify) <u>Acute Care</u> | <u>X</u> | H. Nursing Home | _____ |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty | - | I. Outpatient Diagnostic Center | _____ |
| C. ASTC, Single Specialty | - | J. Rehabilitation Facility Residential | _____ |
| D. Home Health Agency | - | K. Hospice Nonresidential | _____ |
| E. Hospice | | L. Substitution- Based Treatment Center for Opiate Addiction | _____ |
| F. Mental Health Hospital | _____ | Other (Specify) _____ | |
| G. Intellectual Disability Institutional Habilitation Facility ICF/IID | _____ | M. _____ | _____ |

8. Purpose of Review (Check appropriate lines(s) – more than one response may apply)

- | | | | |
|--|----------|--|-------|
| A. Establish New Health Care Institution - <u>X</u> | - | G. MRI Unit Increase | _____ |
| B. Change in Bed Complement | | H. Satellite Emergency Department | _____ |
| C. Initiation of Health Care Service as Defined in TCA 68- 11- 1607(4) (Specify) _____ | - | I. Addition of ASTC Specialty | _____ |
| D. Relocation and/or Replacement | | J. Addition of Therapeutic Catheterization | _____ |
| E. Initiation of MRI | <u>X</u> | K. Other (Specify) _____ | _____ |
| F. Initiation of Pediatric MRI | | | |

9. Medicaid/TennCare, Medicare Participation

MCO Contracts [Check all that apply]

___AmeriGroup___United Healthcare Community Plan___BlueCare ___TennCare Select

Medicare Provider Number _____

Medicaid Provider Number _____

Certification Type _____

If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?

Medicare X Yes ___No___N/A Medicaid/TennCare X Yes ___No___N/A

10. Bed Complement Data

A. Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Licensed</u>	<u>Beds Staffed</u>	<u>Beds Proposed</u>	<u>*Beds Approved</u>	<u>**Beds Exempted</u>	<u>TOTAL Beds at Completion</u>
1) Medical	0	0	49	0	0	49
2) Surgical	0	0	Shared	0	0	Shared
3) ICU/CCU	0	0	0	0	0	0
4) Obstetrical	0	0	0	0	0	0
5) NICU	0	0	0	0	0	0
6) Pediatric	0	0	0	0	0	0
7) Adult Psychiatric	0	0	0	0	0	0
8) Geriatric Psychiatric	0	0	0	0	0	0
9) Child/Adolescent Psychiatric	0	0	0	0	0	0
10) Rehabilitation	0	0	0	0	0	0
11) Adult Chemical Dependency	0	0	0	0	0	0
12) Child/Adolescent Chemical Dependency	0	0	0	0	0	0
13) Long-Term Care Hospital	0	0	0	0	0	0
14) Swing Beds	0	0	0	0	0	0
15) Nursing Home – SNF (Medicare only)	0	0	0	0	0	0
16) Nursing Home – NF (Medicaid only)	0	0	0	0	0	0
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)	0	0	0	0	0	0
18) Nursing Home – Licensed (non-certified)	0	0	0	0	0	0
19) ICF/IID	0	0	0	0	0	0
20) Residential Hospice	0	0	0	0	0	0
TOTAL	0	0	49	0	0	49

*Beds approved but not yet in service

**Beds exempted under 10% per 3 year provision

B. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the applicant facility's existing services.

The Reason for change in bed allocation is to provide acute care hospital beds to serve the community

C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete chart below.

<u>CON Number(s)</u>	<u>CON Expiration Date</u>	<u>Total Licensed Beds Approved</u>
N/A		

11. Home Care Organizations – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply:

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheatham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Maury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

11. Square Footage and Cost Per Square Footage Chart

Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage		
					Renovated	New	Total
Patient Care Rooms	Northeast	20,000		Northeast	19,000		19,000
Physical Therapy	Northwest	1,600		Northwest	1,600		1,600
Pharmacy	Northwest	1,500		Northwest	1,500		1,500
Central Supply	Northwest	1,700		Northwest	1,700		1,700
Lab	Northwest	1,800		Northwest	1,800		1,800
HIM	Northwest	1,000		Northwest	1,000		1,000
Dietary	West	2,800		West	2,800		2,800
Administration	West	4,000		West	4,000		4,000
Radiology	East	3,200		East	3,200		3,200
OR	Central	1,600		Central	1,600		1,600
Emergency	Southeast	8,000		Southeast	8,000		8,000
Unit/Department GSF Sub-Total	44,400				44,400		44,400
OtherGSFTotal							
Total GSF	44,400				44,400		44,400
*Total Cost					\$855,507.75		\$855,507.75
**Cost Per Square Foot					\$19.27		\$19.27
Cost per Square Foot Is Within Which Range (For quartile ranges, please refer to the Applicant’s Toolbox on www.tn.gov/hsda)					<input checked="" type="checkbox"/> Below 1 st Quartile	<input type="checkbox"/> Below 1 st Quartile	<input checked="" type="checkbox"/> Below 1 st Quartile
					<input type="checkbox"/> Between 1 st and 2 nd Quartile	<input type="checkbox"/> Between 1 st and 2 nd Quartile	<input type="checkbox"/> Between 1 st and 2 nd Quartile
					<input type="checkbox"/> Between 2 nd and 3 rd Quartile	<input type="checkbox"/> Between 2 nd and 3 rd Quartile	<input type="checkbox"/> Between 2 nd and 3 rd Quartile
					<input type="checkbox"/> Above 3 rd Quartile	<input type="checkbox"/> Above 3 rd Quartile	<input type="checkbox"/> Above 3 rd Quartile

* The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.

** Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.

Mobile Locations (Applicant)	N/A
Fixed Site (Applicant)	Sunday through Saturday
Location	(Sunday through Saturday)
Days of Operation	(example: 8 am – 3 pm)
Hours of Operation	24 hours a day on call for ER

D. Schedule of Operations:

- C.** Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.
- B.** In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

* As defined by Agency Rule 0720-9-.01(4)(b)

<input type="checkbox"/> PET	<input type="checkbox"/> PET only <input type="checkbox"/> PET/CT <input type="checkbox"/> PET/MRI Total Cost*: _____ <input type="checkbox"/> New <input type="checkbox"/> Refurbished <input type="checkbox"/> By Purchase <input type="checkbox"/> By Lease Expected Useful Life (yrs) _____ <input type="checkbox"/> If not new, how old? (yrs) _____
<input checked="" type="checkbox"/> MRI	Tesla: 1.5 _____ Magnet: _____ <input type="checkbox"/> Breast <input type="checkbox"/> Extremity Head, Extremity, Spine, Torso <input type="checkbox"/> Open <input type="checkbox"/> Short Bore <input type="checkbox"/> Other Total Cost*: _____ <input type="checkbox"/> New <input checked="" type="checkbox"/> Refurbished <input type="checkbox"/> By Purchase <input type="checkbox"/> By Lease Expected Useful Life (yrs) _____ <input type="checkbox"/> If not new, how old? (yrs) _____
<input type="checkbox"/> Linear Accelerator	Mev _____ Types: _____ <input type="checkbox"/> SRS <input type="checkbox"/> IMRT <input type="checkbox"/> IGRT <input type="checkbox"/> Other Total Cost*: _____ <input type="checkbox"/> New <input type="checkbox"/> Refurbished <input type="checkbox"/> By Purchase <input type="checkbox"/> By Lease Expected Useful Life (yrs) _____ <input type="checkbox"/> If not new, how old? (yrs) _____

A. Complete the chart below for acquired equipment.

1. Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding a MRI scanner in counties with population less than 250,000 or initiation of pediatric MRI in counties with population greater than 250,000 and/or
2. Describe the acquisition of any Positron Emission Tomographer (PET) or Linear Accelerator if initiating the service by responding to the following:

12. MRI, PET, and/or Linear Accelerator - BILL

- A.** Describe the construction and renovation associated with the proposed project. If applicable, provide a description of the existing building, including age of the building and the use of space vacated due to the proposed project.
- The hospital will have a new roof and siding placed on it with internal renovation to bring it up to code. Existing equipment from owned and under warranty will be moved from an operating facility to this facility. This will allow us to keep the overall renovation costs low.

- E.** Identify the clinical applications to be provided that apply to the project.
- The Clinical Applications for the MRI will be of a diagnostic nature. The regions of the body and coils that will be available will be able to do Head/Brain, C-Spine, T-Spine, L-Spine, Chest, Abdomen/Pelvis, Upper Extremity, Lower Extremity, and Breast.
- F.** If the equipment has been approved by the FDA within the last five years provide documentation of the same.
- None of the equipment has been approved by the FDA within the past five years

SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with T.C.A. § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care.” In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards provided in the State Health Plan.

Additional criteria for review are prescribed in Chapter 11 of the Agency’s Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate.

QUESTIONS

NEED

The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.

- Provide a response to the applicable criteria and standards for the type of institution or service requested. <https://www.tn.gov/hsda/hsda-criteria-and-standards.html>
 - All criteria for the need of a hospital in Haywood County is met, according to the specifications stated on “Criteria and Standards.”
 - Haywood county does not have a Hospital to service acute care (Inpatient) needs for its habitants. This has been the case for at least 6 years.
 - During 2019 there were 1,976 cases of hospitalizations of Haywood residents, required being drove or flown to another County or State.
 - Annex XX contains a table with the distance (miles) and time (trip time), that every Haywood resident had to take while being hospitalized in another county or State. Here the top 10 destinations.

Patient Residence	Hospital that provided Inpatient Service	# of events	Hosp-County	State	Dist-Miles	Time-Min
Haywood	Jackson-Madison County General Hospital	1263	MADISON	TN	28.2	31
Haywood	Baptist Memorial Hospital-Memphis	116	SHELBY	TN	53.5	55
Haywood	OUT OF STATE	114				
Haywood	Lakeside Behavioral Health System	55	SHELBY	TN	44.7	49
Haywood	Saint Francis Hospital-Bartlett	45	SHELBY	TN	45.7	49
Haywood	Baptist Memorial Hospital-Tipton	43	TIPTON	TN	27	37
Haywood	West Tennessee Healthcare Rehabilitation Hospital	42	MADISON	TN	26.4	30
Haywood	Vanderbilt University Medical Center	41	DAVIDSON	TN	156	154
Haywood	Regional One Health	39	SHELBY	TN	60.6	65
Haywood	Le Bonheur Children's Hospital	32	SHELBY	TN	60.5	64

- The CMS has designated Haywood County as a Medically Underserved Area with score 56.1. This information can be verified at: <https://data.hrsa.gov/tools/shortage-area/mua-find> (select State and County).

The screenshot shows the 'MUA Find' tool on the data.HRSA.gov website. The search results table is as follows:

Discipline	MUA/P ID	Service Area Name	Designation Type	Primary State Name	County	Index of Medical Underservice Score	Status	Rural Status	Designation Date	Update Date
Primary Care	1471717885	Haywood County	Medically Underserved Area	Tennessee	Haywood County, TN	56.1	Designated	Rural	11/01/1978	04/13/2017

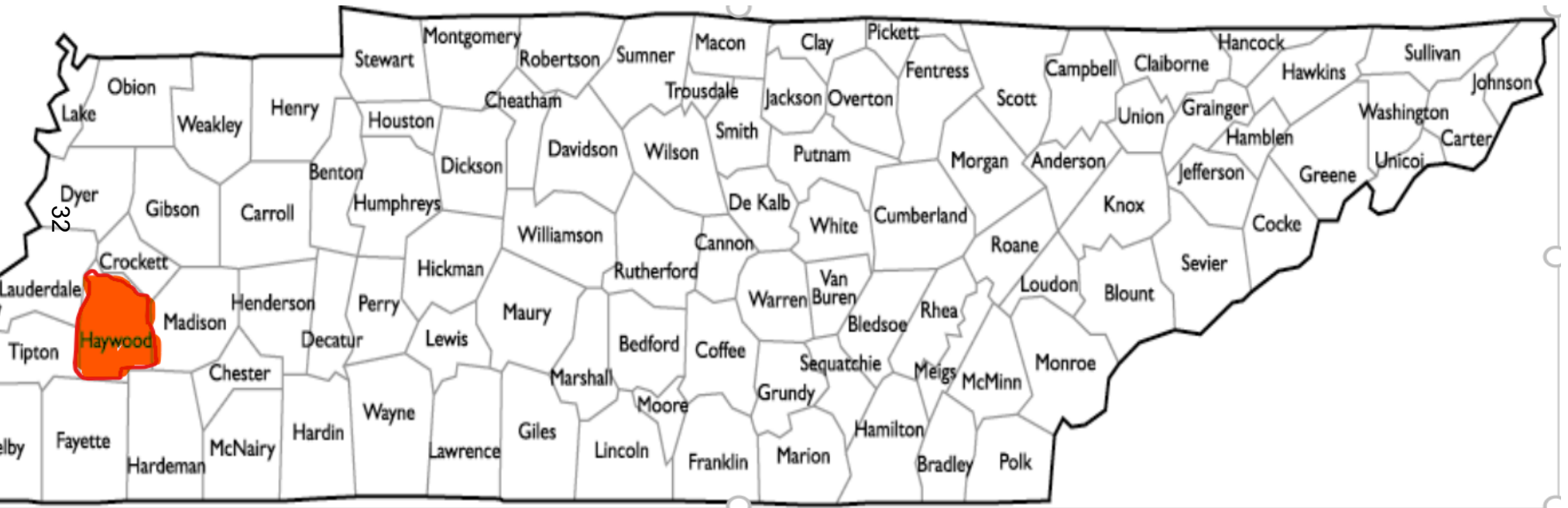
- Describe how this project relates to existing facilities or services operated by the applicant including previously approved Certificate of Need projects and future long-range development plans.
-None
- Identify the proposed service area and provide justification for its reasonableness. Submit a county level map for the Tennessee portion of the service area using the map on the following page, clearly marked and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. **Attachment Section B**
- **Need-3.**

Complete the following utilization tables for each county in the service area, if applicable:

Service Area Counties	Historical Utilization-County Residents – Most Recent Year (YEAR = <u>2019</u>)	% of total <input type="checkbox"/> procedures <input type="checkbox"/> cases <input type="checkbox"/> patients <input type="checkbox"/> Other .
County #1	Haywood County	0%
County #2		
County #3		
County #4		
Etc.		
Total		100%

Service Area Counties	Projected Utilization-County Residents- Year 1 (YEAR = <u>2019</u>)	% of total <input type="checkbox"/> procedures <input type="checkbox"/> cases <input type="checkbox"/> patients <input type="checkbox"/> Other .
County #1	Haywood County	25%
County #2		
County #3		
County #4		
Etc.		
Total		100%

County Level Map



4. A. 1) Describe the demographics of the population to be served by the proposal.
- 2) Provide the following data for each county in the service area using current and projected population data from the Department of Health (<https://www.tn.gov/content/tn/health/health-program-areas/statistics/health-data/con.html>), the most recent enrollee data from the Division of TennCare (<https://www.tn.gov/tenncare/information-statistics/enrollment-data.html>), and US Census Bureau demographic information (<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>),.

TennCare Enrollment Data: <https://www.tn.gov/tenncare/information-statistics/enrollment-data.html> Census

Bureau Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Demographic Variable/Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population-Current Year	Total Population-Projected Year	Total Population-% Change	*Target Population-Current Year 2020	Target Population-Project Year 2021	Target Population-% Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Haywood County	17,331	17,197	-0.7%	17,331	17,197	-0.7%	100%	40.4	\$38,362	4,939	28.5%	5,546	32%
Service Area Total	17,331	17,197	-0.7%	17,331	17,197	-0.7%	100%	40.4	\$38,362	4,939	28.5%	5,546	32%
State of TN Total	6,829,116	6,938,513	1.1%	17,331	17,197	-0.7%	0.25%	39.0	\$56,071	949,255	13.9%	1,493,372	21.8%

* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-17. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2019, then default Projected Year is 2023.

Be sure to identify the target population, e.g., Age 65+, the current year and projected year being used.

- B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, TennCare or Medicaid recipients, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

This area is currently a medically underserved area that has no access to ultrasound, CT, MRI, an emergency department. Below is a table from the state of Tennessee that shows that 4,350 CT scans were performed with zero being performed in the county, 1,446 MRIs with zero being done in Haywood County. There is overwhelming evidence that the service area population deserves equal access to basic inpatient health services that other Tennessee residents can access.

Number of Procedures/Treatments by Patient Destination - 2019 (As of 10/20/2020)

(Shaded areas indicate no service locally.)					
Patient's Home County	CT Scanner	Cyberknife/ Gamma Knife/ Proton	Linear Accelerator	MRI	PET Scanner
Haywood County					
<i>To Providers Within Resident's County</i>					
<i>To Providers Outside Resident's County</i>	4350	3	1322	1446	56
<i>Total Procedures/Treatments</i>	4350	3	1322	1446	56
<i>Percent of Service Provided within County</i>	0.00%	0.00%	0.00%	0.00%	0.00%

5. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. This doesn't apply to projects that are solely relocating a service.

There are currently no plan to implement inpatient services of similar healthcare providers in the service area. This hospital has been closed for more than three years so there is no historical information to show any trends.

6. Provide applicable utilization and/or occupancy statistics for your institution services for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions.

- This is a new hospital and has no statistics of the institution's services for the past three years.
- For the two years following completion of the project, our assumptions were:
 - 25% of the outpatient services
 - 25%and inpatient needs
 - 80% of the Ambulance emergencies in the community. Complex issue requiring tertiary services will be transferred directly to the appropriate facility.
- We looked at data from EMS runs in Haywood County, Information on imaging utilization from the State of Tennessee, Discharge Data from the Tennessee Hospital Association.

ECONOMIC FEASIBILITY

The responses to this section of the application will help determine whether the project can be economically accomplished and maintained.

1. Project Cost Chart Instructions

- A.** All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee) (See Application Instructions for Filing Fee)
- B.** The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
- C.** The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
- D.** The Total Construction Cost reported on line 5 should equal the Total Cost reported on the Square Footage Chart.
- E.** For projects that include new construction, modification, and/or renovation—**documentation must be** provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:
 - 1) A general description of the project;
 - 2) An estimate of the cost to construct the project;
 - 3) A description of the status of the site's suitability for the proposed project; and
 - 4) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities or comparable document in current use by the licensing authority.

PROJECT COST CHART

A. Construction and equipment acquired by purchase:		
1.	Architectural and Engineering Fees	<u>0</u>
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	<u>0</u>
3.	Acquisition of Site	<u>0</u>
4.	Preparation of Site	<u>0</u>
5.	Total Construction Costs	<u>855,507.75</u>
6.	Contingency Fund	<u>0</u>
7.	Fixed Equipment (Not included in Construction Contract)	<u>0</u>
8.	Moveable Equipment (List all equipment over \$50,000 as separate attachments)	<u>0</u>
9.	Other (Specify) _____	<u> </u>
B. Acquisition by gift, donation, or lease:		
1.	Facility (inclusive of building and land)	<u>100</u>
2.	Building only	<u> </u>
3.	Land only	<u> </u>
4.	Equipment (Specify) _____	<u> </u>
5.	Other (Specify) _____	<u> </u>
C. Financing Costs and Fees:		
1.	Interim Financing	<u> </u>
2.	Underwriting Costs	<u> </u>
3.	Reserve for One Year's Debt Service	<u> </u>
4.	Other (Specify) _____	<u> </u>
D.	Estimated Project Cost (A+B+C)	<u>\$855,607.75</u>
E.	CON Filing Fee	<u>\$15,000</u>
F.	Total Estimated Project Cost (D+E)	<u> </u>
	TOTAL	<u>\$870,607.75</u>

2. Identify the funding source(s) for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. (**Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment Section B-Economic Feasibility-2.**)

- ☐ A. Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;
- ☐ D. Grants – Notification of intent form for grant application or notice of grant award;
- ☒ E. Cash Reserves – Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- ☐ F. Other – Identify and document funding from all other sources.

3. Complete Historical Data Charts on the following two pages—**Do not modify the Charts provided or submit Chart substitutions!- LUCHO**

Historical Data Chart(s) provide revenue and expense information for the last *three (3)* years for which complete data is available. The “Project Only Chart” provides information for the services being presented in the proposed project while the “Total Facility Chart” provides information for the entire facility. Complete both, if applicable.

Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

HISTORICAL DATA CHART

- ☐ Project Only
☐ Total Facility

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in, N/A _____ (Month). – ***No Data Exists due to new project planned.***

	Year _____	Year _____	Year _____
A. Utilization Data			
Specify Unit of Measure _____	_____	_____	_____
B. Revenue from Services to Patients			
1. Inpatient Services	\$ _____	\$ _____	\$ _____
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____	_____
Gross Operating Revenue	\$ _____	\$ _____	\$ _____
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$ _____	\$ _____	\$ _____
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
Total Deductions	\$ _____	\$ _____	\$ _____
NET OPERATING REVENUE	\$ _____	\$ _____	\$ _____
D. Operating Expenses			
1. Salaries and Wages			
a. Direct Patient Care	_____	_____	_____
b. Non-Patient Care	_____	_____	_____
2. Physician's Salaries and Wages	_____	_____	_____
3. Supplies	_____	_____	_____
4. Rent			
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
5. Management Fees:			
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
6. Other Operating Expenses (D6)	_____	_____	_____
Total Operating Expenses	\$ _____	\$ _____	\$ _____
E. Earnings Before Interest, Taxes and Depreciation	\$ _____	\$ _____	\$ _____
F. Non-Operating Expenses			
1. Taxes	\$ _____	\$ _____	\$ _____
2. Depreciation	_____	_____	_____
3. Interest	_____	_____	_____
4. Other Non-Operating Expenses	_____	_____	_____
Total Non-Operating Expenses	\$ _____	\$ _____	\$ _____
NET INCOME (LOSS)	\$ _____	\$ _____	\$ _____

Chart Continues Onto Next Page

NET INCOME (LOSS)	\$ _____	\$ _____	\$ _____
G. Other Deductions			
1. Annual Principal Debt Repayment	\$ _____	\$ _____	\$ _____
2. Annual Capital Expenditure	_____	_____	_____
Total Other Deductions	\$ _____	\$ _____	\$ _____
NET BALANCE	\$ _____	\$ _____	\$ _____
DEPRECIATION	\$ _____	\$ _____	\$ _____
FREE CASH FLOW (Net Balance + Depreciation)	\$ _____	\$ _____	\$ _____

☐ Project Facility

☐ Total Only

HISTORICAL DATA CHART-OTHER EXPENSES

OTHER OPERATING EXPENSES CATEGORIES (D6)

	Year _____	Year _____	Year _____
1. <u>Professional Services Contract</u>	\$ _____	\$ _____	\$ _____
2. <u>Contract Labor</u>	_____	_____	_____
3. <u>Imaging Interpretation Fees</u>	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____
7. _____	_____	_____	_____
*Total Other Expenses	\$ _____	\$ _____	\$ _____

**Total other expenses should equal Line D.6. In the Historical Data Chart*

4. Complete Projected Data Charts on the following two pages – Do not modify the Charts provided or submit Chart substitutions!

Projected Data Chart(s) provide information for the two years following the completion of the project. The “Project Only Chart” should reflect revenue and expense projections for the project (*i.e.*, if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The “Total Facility Chart” should reflect information for the total facility. Complete both, if applicable.

Note that “Management Fees to Affiliates” should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. “Management Fees to Non-Affiliates” should include any management fees paid by agreement to third party entities not having common ownership with the applicant.

PROJECTED DATA CHART

☐ Project Only
☐ Total Facility

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January 2022 (Month).

	Year <u>2022</u>	Year <u>2023</u>
A. Utilization Data		
Specify Unit of Measure <u>Dollars</u>	<u> </u>	<u> </u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>\$ 7,500,000</u>	<u>\$ 10,500,000</u>
2. Outpatient Services	<u>\$ 35,000,000</u>	<u>\$ 55,000,000</u>
3. Emergency Services	<u>\$ 25,000,000</u>	<u>\$ 35,000,000</u>
4. Other Operating Revenue (Specify) <u> </u>	<u>\$ <u> </u></u>	<u>\$ <u> </u></u>
Gross Operating Revenue	<u>\$ 67,500,000</u>	<u>\$ 100,500,000</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>\$ 50,000,000</u>	<u>\$ 80,000,000</u>
2. Provision for Charity Care	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
3. Provisions for Bad Debt	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Total Deductions	<u>\$ 60,000,000</u>	<u>\$ 90,000,000</u>
NET OPERATING REVENUE	<u>\$ 7,500,000</u>	<u>\$ 10,500,000</u>
D. Operating Expenses		
1. Salaries and Wages	<u>\$ 4,000,000</u>	<u>\$ 5,750,000</u>
a. Direct Patient Care	<u>\$ 3,000,000</u>	<u>\$ 4,321,500</u>
b. Non-Patient Care	<u>\$ 1,000,000</u>	<u>\$ 1,437,500</u>
2. Physician's Salaries and Wages	<u>\$ 1,900,000</u>	<u>\$ 1,900,000</u>
3. Supplies	<u>\$ 1,225,000</u>	<u>\$ 1,700,000</u>
4. Rent		
a. Paid to Affiliates	<u> </u>	<u> </u>
b. Paid to Non-Affiliates	<u>\$ 100</u>	<u>\$ 100</u>
5. Management Fees:		
a. Paid to Affiliates	<u> </u>	<u> </u>
b. Paid to Non-Affiliates	<u> </u>	<u> </u>
6. Other Operating Expenses (D6)	<u>\$ 300,000</u>	<u>\$ 400,000</u>
Total Operating Expenses	<u>\$ 7,425,000</u>	<u>\$ 9,750,100</u>
E. Earnings Before Interest, Taxes and Depreciation	<u>\$ 75,000</u>	<u>\$ 749,900</u>
F. Non-Operating Expenses		
1. Taxes	<u>\$ 0</u>	<u>\$ 150,000</u>
2. Depreciation	<u>\$ 160,000</u>	<u>200,000</u>
3. Interest	<u>\$ 0</u>	<u>\$ 0</u>
4. Other Non-Operating Expenses	<u> </u>	<u> </u>
Total Non-Operating Expenses	<u>\$ 160,000</u>	<u>\$ 350,000</u>
NET INCOME (LOSS)	<u>\$ (85,000)</u>	<u>\$ 399,900</u>

Chart Continues Onto Next Page

5. A. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Charts for Year 1 and Year 2 of the proposed project. Complete Project Only Chart and Total Facility Chart, if applicable.-LUCHO and DR.BRADEN

Project Only Chart

	Previous Year to Most Recent Year Year_____	Most Recent Year Year_____	Year One Year <u>2022</u>	Year Two Year <u>2023</u>	% Change (Current Year to Year 2)
Gross Charge (<i>Gross Operating Revenue/Utilization Data</i>)	N/A	N/A	\$7,000	\$7,200	100%
Deduction from Revenue (<i>Total Deductions/Utilization Data</i>)	N/A	N/A	\$5,950	\$5,950	100%
Average Net Charge (<i>Net Operating Revenue/Utilization Data</i>)	N/A	N/A	\$1,050	\$1,250	100%

Total Facility Chart

	Previous Year to Most Recent Year Year _____	Most Recent Year Year _____	Year One Year _____	Year Two Year _____	% Change (Current Year to Year 2)
Gross Charge (<i>Gross Operating Revenue/Utilization Data</i>)	N/A	N/A	\$7,000	\$7,200	100%
Deduction from Revenue (<i>Total Deductions/Utilization Data</i>)	N/A	N/A	\$5,950	\$5,950	100%
Average Net Charge (<i>Net Operating Revenue/Utilization Data</i>)	N/A	N/A	\$1,050	\$1,250	100%

- B. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

The county currently has no other facility in the county to provide services. In 2019 the total inpatient charges for Haywood residents were \$89,865,444.39. By capturing \$7,500,000 (8.3% of inpatient charges) in 2022 and \$10,500,000 (11.7% of inpatient charges) in 2023. We believe that we can support a basic inpatient medical service and provide a small redirection of healthcare dollars back into the community. We believe that this capture rate and the effect it will have in the area is reasonable.

- C. Compare the proposed charges to those of similar facilities/services in the service area/adjoining service areas, or to proposed charges of recently approved Certificates of Need. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

The total inpatient charges in 2019 for the County of Haywood residents were \$89,865,444.39. This was for a total of 1,976 admissions. The average charge per day was \$7,185.20. We believe that our

proposed charges are both in line with current charges and adjustments for Haywood County Residents and the Medicare Fee schedule.

6. A. Discuss how projected utilization rates will be sufficient to support financial performance.

- 1) Noting when the project's financial breakeven is expected at capturing between 8%-12% of inpatient charges minimal outpatient services, there will be sufficient utilization to support financial performance.

- 2) Demonstrating the availability of sufficient cash flow until financial viability is achieved.

Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha- numeric order and labeled as **Attachment Section B-Economic Feasibility-6A**

Lexington Hospital Corporation will provide the source of funding for the project. Please see the attached section with the most recent audited financial statements.

- B. Net Operating Margin Ratio:** The Net Operating Margin Ratio demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following tables. Complete Project Only Chart and Total Facility Chart, if applicable.

Project Only Chart

Year	2nd Previous Year to Most Recent Year Year _____	1st Previous Year to Most Recent Year Year _____	Most Recent Year Year _____	Projected Year 1 Year <u>2022</u>	Projected Year 2 Year <u>2022</u>
Net Operating Margin Ratio	N/A	N/A	N/A		

Total Facility Chart

Year	2nd Previous Year to Most Recent Year Year _____	1st Previous Year to Most Recent Year Year _____	Most Recent Year Year _____	Projected Year 1 Year <u>2023</u>	Projected Year 2 Year <u>2023</u>
Net Operating Margin Ratio	N/A	N/A	N/A		

- C. Capitalization Ratio:** The Long-term debt to capitalization ratio measures the proportion of debt financing in a business's permanent (long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: ((Long-Term Debt)/Long-Term Debt + Total Equity {Net Assets}) X 100.

Long Term Debt - \$2,447,399 – All Medicare Advance Money

Total Equity - \$876,576

Capitalization Ratio – 73.62

Please note that without the Medicare Advance Money that was pushed into Lexington Hospital Corp the Capitalization Ratio is calculated at 0.

For self or parent company funded projects, provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. Capitalization Ratios are not expected from outside the company lenders that provide funding. **This question is applicable to all applications regardless of whether or not the project is being partially or totally funded by debt financing.**

7. Discuss the project's participation in state and federal revenue programs, including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below. Complete Project Only Chart and Total Facility Chart, if applicable.

Applicant's Projected Payor Mix, Year 1
Project Only Chart

Payor Source	Projected Gross Operating Revenue	As a % of total
Medicare/Medicare Managed Care	\$32,400,000	48%
TennCare/Medicaid	\$3,375,000	5%
Commercial/Other Managed Care	\$27,000,000	40%
Self-Pay	\$4,725,000	7%
Other (Specify) _____		
Total*	\$67,500,000	100%
Charity Care		

**Needs to match Gross Operating Revenue Year One on Projected Data Chart*

Applicant's Projected Payor Mix, Year 1
Total Facility Chart

Payor Source	Projected Gross Operating Revenue	As a % of total
Medicare/Medicare Managed Care	\$32,400,000	48%
TennCare/Medicaid	\$3,375,000	5%
Commercial/Other Managed Care	\$27,000,000	40%
Self-Pay	\$4,725,000	7%
Other (Specify) _____		
Total*	\$67,500,000	100%
Charity Care		

**Needs to match Gross Operating Revenue Year One on Projected Data Chart*

8. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions. Identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources, such as the US Department of Labor. Wage data pertaining to healthcare professions can be found at the following link:

https://www.bls.gov/oes/current/oes_tn.htm

Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1	Average Wage (Contractual Rate)	Area Wide/Statewide Average Wage
A. Direct Patient Care Positions				
<i>Nursing</i>	0	46	\$65,000	\$60,000
<i>Providers</i>	0	10	\$220,000	\$230,000
<i>Ancillary</i>	0	16	\$60,000	\$55,000
Total Direct Patient Care Positions	0	72		

B. Non-Patient Care Positions				
<i>Admin</i>	0	10	\$52,000	\$55,000
<i>Facility</i>	0	6	\$38,000	\$37,000
Total Non-Patient Care Positions		16		
Total Employees (A+B)		88		
C. Contractual Staff		5		
Total Staff (A+B+C)		93		

9. What alternatives to this project were considered? Discuss the advantages and disadvantages of each, including but not limited to:

After reviewing the needs of the area, it was self-apparent that an acute care hospital was the only solution that would provide the necessary inpatient and outpatient services in a sustainable way. We did not do a detailed review of any other alternatives.

- A. The availability of less costly, more effective and/or more efficient methods of providing the benefits intended by the project. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.

No other projects were considered.

- B. Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

Given that a hospital had occupied this building in the past and that there were good areas designed for inpatient services, emergency services, radiology services, laboratory services, and any all other designed spaces were compatible with a hospital, it made sense to renovate the spaces to allow for an acute care hospital to reopen.

QUALITY STANDARDS

1. Per PC 1043, Acts of 2016, any receiving a CON after July 1, 2016 must report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures Please verify that annual reporting will occur.

We verify that we will report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures.

2. Quality-The the proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions:

A. Does the applicant commit to the following?

- 1) Maintaining the staffing comparable to the staffing chart presented in its CON application;

Yes, we plan on maintaining the staffing comparable to the staffing chart presented in the CON application.

- 2) Obtaining and maintaining all applicable state licenses in good standing;

Yes, we plan on maintaining all applicable state licenses in good standing..

- 3) Obtain and maintaining TennCare and Medicare certification(s), if participation in such programs was indicated in the application;

Yes, we plan on obtaining and maintaining TennCare and Medicare certifications.

- 4) For an existing healthcare institution applying for a CON - Has it maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future

This is a new healthcare institution with a new tax ID and entity. However, our other facility Lexington Hospital Corporation has maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application.

- 5) For an existing healthcare institution applying for a CON - Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility)

This is a new institution, so this question does not apply. However, Lexington Hospital Corporation our other facility has not been decertified with the prior three years.

B. Respond to all of the following and for such occurrences, identify, explain and provide documentation:

- 1) Has any of the following:

- a. Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);

No, the entity will be owned by another corporation and not any person.

- b. Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or

No, the entity will be owned by another corporation and not any person.

- c. Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.

No, the entity will be owned by another corporation and not any person.

2) Been subjected to any of the following:

- a. Final Order or Judgment in a state licensure action;

Nobody associated with this entity or the parent entity has had a final order or judgement in a state licensure action.

- b. Criminal fines in cases involving a Federal or State health care offense;

Nobody associated with this entity or the parent entity has had criminal fines in cases involving a federal or state health care offense.

- c. Civil monetary penalties in cases involving a Federal or State health care offense;

Nobody associated with this entity or the parent entity has had monetary penalties in cases involving Federal or State health care offense.

- d. Administrative monetary penalties in cases involving a Federal or State health care offense;

- e. Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services; and/or

Nobody associated with this entity or the parent entity has an agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services

- f. Suspension or termination of participation in Medicare or Medicaid/TennCare programs.

Nobody associated with this entity or the parent entity has a Suspension or termination of participation in Medicare or Medicaid/TennCare programs.

- g. Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.

Nobody associated with this entity or the parent entity is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which we are aware.

- h. Is presently subject to a corporate integrity agreement.

Nobody associated with this entity or the parent entity is presently subject to a corporate integrity agreement

- C. Does the applicant plan, within 2 years of implementation of the project, to participate in self-assessment and external assessment against nationally available benchmark data to accurately assess its level of performance in relation to established standards and to implement ways to continuously improve?

Note: Existing licensed, accredited and/or certified providers are encouraged to describe their process for same.

Please complete the chart below on accreditation, certification, and licensure plans.

- 1) If the applicant does not plan to participate in these type of assessments, explain why since quality healthcare must be demonstrated.

Credential	Agency	Status (Active or Will Apply)
Licensure	<input checked="" type="checkbox"/> Health <input type="checkbox"/> Intellectual and Developmental Disabilities Mental <input type="checkbox"/> Health and Substance Abuse Services	Will Apply
Certification	X-Medicare X-Medicaid/TennCare X-Other	Will Apply
Accreditation	We have already met with DNV GL and plan to pursue accreditation with them.	Will Apply

2) Based upon what was checked/completed in above table, will the applicant accept a condition placed on the certificate of need relating to obtaining/maintaining license, certification, and/or accreditation?

a. Yes, we will accept conditions that require us to maintain Hospital Licensure and Medicare/Medicaid/TennCare participation.

D. The following list of quality measures are service specific. Please indicate which standards you will be addressing in the annual Continuing Need and Quality Measure report if the project is approved.

<input type="checkbox"/>	For Ambulatory Surgical Treatment Center projects: Estimating the number of physicians by specialty expected to utilize the facility, developing criteria to be used by the facility in extending surgical and anesthesia privileges to medical personnel, and documenting the availability of appropriate and qualified staff that will provide ancillary support services, whether on- or off-site?
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<input type="checkbox"/>	<p>For Cardiac Catheterization projects:</p> <ul style="list-style-type: none"> a. Documenting a plan to monitor the quality of its cardiac catheterization program, including but not limited to, program outcomes and efficiencies; and b. Describing how the applicant will agree to cooperate with quality enhancement efforts sponsored or endorsed by the State of Tennessee; and c. Describing how cardiology staff will be maintaining: d. Adult Program: 75 cases annually averaged over the previous 5 years; e. Pediatric Program: 50 cases annually averaged over the previous 5 years.
<input type="checkbox"/>	<p>For Open Heart projects:</p> <ul style="list-style-type: none"> f. Describing how the applicant will staff and maintain the number of who will perform the volume of cases consistent with the State Health Plan (annual average of the previous 2 years), and maintain this volume in the future; g. Describing how at least a surgeon will be recruited and retained (at least one shall have 5 years experience); h. Describing how the applicant will participate in a data reporting, quality improvement, outcome monitoring, and external assessment system that benchmarks outcomes based on national norms (demonstrated active participation in the STS National Database is expected and shall be considered evidence of meeting this standard).
<input type="checkbox"/>	For Comprehensive Inpatient Rehabilitation Services projects: Retaining or recruiting a physiatrist?
<input type="checkbox"/>	For Home Health projects: Documenting the existing or proposed plan for quality data reporting, quality improvement, and an outcome and process monitoring system.
<input type="checkbox"/>	For Hospice projects: Documenting the existing or proposed plan for quality data reporting, quality improvement, and an outcome and process monitoring system.
<input type="checkbox"/>	For Megavoltage Radiation Therapy projects: Describing or demonstrating how the staffing and quality assurance requirements will be met of the American Society of Therapeutic Radiation and Oncology (ASTRO), the American College of Radiology (ACR), the American College of Radiation Oncology (ACRO), National Cancer Institute (NCI), or a similar accrediting authority.
<input type="checkbox"/>	For Neonatal Intensive Care Unit projects: Documenting the existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems; document the intention and ability to comply with the staffing guidelines and qualifications set forth by the Tennessee Perinatal Care System Guidelines for Regionalization, Hospital Care Levels, Staffing and Facilities; and participating in the Tennessee Initiative for Perinatal Quality Care (TIPQC).
<input type="checkbox"/>	For Nursing Home projects: Documenting the existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems, including in particular details on its Quality Assurance and Performance Improvement program.
<input type="checkbox"/>	<p>For Inpatient Psychiatric projects:</p> <ul style="list-style-type: none"> • Describing or demonstrating appropriate accommodations for: • Seclusion/restraint of patients who present management problems and children who need quiet space, proper sleeping and bathing arrangements for all patients);

	<ul style="list-style-type: none"> • Proper sleeping and bathing arrangements; • Adequate staffing (i.e. that each unit will be staffed with at least two direct patient care staff, one of which shall be a nurse, at all times); • A staffing plan that will lead to quality care of the patient population served by the project. • An existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems; and • If other psychiatric facilities are owned or administered, providing information on satisfactory surveys and quality improvement programs at those facilities. <p>Involuntary admissions if identified in CON criteria and standard review</p>
<input type="checkbox"/>	For Freestanding Emergency Department projects: Demonstrating that it will be accredited with the Joint Commission or other applicable accrediting agency, subject to the same accrediting standards as the licensed hospital with which it is associated.
<input type="checkbox"/>	For Organ Transplant projects: Describing how the applicant will achieve and maintain institutional membership in the national Organ Procurement and Transportation Network (OPTN), currently operating as the United Network for Organ Sharing (UNOS), within one year of program initiation. Describing how the applicant shall comply with CMS regulations set forth by 42 CFR Parts 405, 482, and 498, Medicare Program; Hospital Conditions of Participation: Requirements for Approval and Re-Approval of Transplant Centers To Perform Organ Transplants.
<input type="checkbox"/>	For Relocation and/or Replacement of Health Care Institution projects: Describing how facility and/or services specific measures will be met.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

The responses to this section of the application helps determine whether the project will contribute to the orderly development of healthcare within the service area.

1. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.
 - A. Braden Health owns Lexington Hospital Corporation in Lexington, TN. This facility would be our second hospital in Tennessee.
2. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition and/or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

- A. Positive Effects** - This facility will bring badly needed acute care hospital beds to a medically underserved area with no health services. This should lower the morbidity and mortality rates for the people of Haywood County.
- B. Negative Effects** – We do not see any negative effects of supplying outpatient and inpatient services in Haywood County,

3. A. Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.
- We have identified individuals in the community who would be excellent clinical leaders and have been working with the TCAT system to publish training programs for our staff to train local individuals to staff and operate the hospital. We plan on recruiting and maintaining appropriate staff to ensure accreditation from DNV GL and maintaining all our licensure requirements.
- B. Document the category of license/certification that is applicable to the project and why. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.
- This is an acute care hospital project. We will pursue hospital licensure with the department of health and follow all regulations regarding the operation of an acute care accredited hospital through DNV GL.
- C. Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).
- We currently have students at Lexington Hospital Corporation who are studying medicine, nursing, radiology technology, laboratory technology, and hospital administration rotating through our facility. We believe very strongly in providing on the job training for those involved in healthcare and will operate educational programs at Haywood County Community Hospital.
4. Outstanding Projects:
- A. Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

<u>Outstanding Projects</u>					
<u>CON Number</u>	<u>Project Name</u>	<u>Date Approved</u>	<u>*Annual Progress Report(s)</u>		<u>Expiration Date</u>
			<u>Due Date</u>	<u>Date Filed</u>	
None					

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* Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

B. Describe the current progress, and status of each applicable outstanding CON

- Not Applicable

.

5. Equipment Registry – For the applicant and all entities in common ownership with the applicant.

A. Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)?

- Lexington Hospital Corporation owns a CT scanner and leases a MRI.

B. If yes, have you submitted their registration to HSDA? If you have, what was the date of submission? _____

- Yes

C. If yes, have you submitted your utilization to Health Services and Development Agency? If you have, what was the date of submission? _____

- Yes
- November 29th.

SECTION C: STATE HEALTH PLAN QUESTIONS

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <https://www.tn.gov/health/health-program-areas/health-planning/state-health-plan.html>) The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

1. The purpose of the State Health Plan is to improve the health of Tennesseans.
 - This project will provide inpatient and outpatient services to a community that currently has none allowing for healthcare to be provided in the community near to their home.
2. Every citizen should have reasonable access to health care.
 - There is currently no access to inpatient and outpatient services in Haywood County. This will provide access for the citizens of Haywood County.
3. The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system.
 - There is a tremendous need for outpatient and inpatient services to this county. The data presented above shows the need for the county and the relative effect it will have on the community.
4. Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers.
 - This hospital will be an accredited hospital by DNV GL and will participate in the Braden Health, PSO (<https://www.pso.ahrq.gov/psos/braden-health-psycho-social-outcomes>). Every citizen in Haywood County should know that their local hospital is following the highest standards.
5. The state should support the development, recruitment, and retention of a sufficient and quality health care workforce.
 - This rural hospital will help train and work with educational programs in and out of TN to provide students a place to learn how to care for a rural population.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.

Attached is the ad proof that will run in next week's paper, December 9. Cost to run is \$209.52.

I've copied my billing manager Zoe on this email- you may call her at (731) 772-9962 to pay over the phone, or you can give her the billing information and she can send an invoice at the end of the month.

Thanks,

Chris McCain
Sales/Design Editor

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Haywood County Community Hospital Inc, N/A
(Name of Applicant) (Facility Type-Existing)

owned by: Braden Health Inc with an ownership type of Whole Stock

and to be managed by: Haywood County Community Hospital Inc intends to file an application for a Certificate of Need for [PROJECT DESCRIPTION BEGINS HERE]: Establish a 49 bed rural acute care hospital at 2545 North Washington Avenue Brownsville, Tennessee 38012 with a project cost of 855,507.75.

We are requesting an emergency review under Public Chapter 1043.

The anticipated date of filing the application is: December 7th, 20 20

The contact person for this project is Kyle T. Kopec CCO | Director of Government Affairs
(Contact Name) (Title)

who may be reached at: Braden Health Inc 200 W Church St
(Company Name) (Address)

Lexington TN 38351 (731) / 968-3646
(City) (State) (Zip Code) (Area Code / Phone Number)

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

**Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243**

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

HF50 (Revised 01/09/2013 – all forms prior to this date are obsolete)

Brownsville Press Date LOI was Submitted 12/02/2020
Brownsville Press Date LOI was Published 12/09/2020

The Commercial Appeal Date LOI was Submitted 12/02/2020
The Commercial Appeal Date LOI was Published 12/05/2020

NOTIFICATION REQUIREMENTS

2. T.C.A. §68-11-1607(c)(9)(A) states that “...Within ten (10) days of the filing of an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution-based treatment center for opiate addiction has been filed with the agency by the applicant.”
3. T.C.A. §68-11-1607(c)(9)(B) states that “... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested.”

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. **Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**
2. **If the CON is granted and the project cannot be completed within the standard completion time period (3 years for hospital projects and 2 years for all others), please document why an extended period should be approved and document the “good cause” for such an extension.**

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

<u>Phase</u>	<u>Days Required</u>	<u>Anticipated Date [Month/Year]</u>
1. Initial HSDA decision date	30	January 2021
2. Architectural and engineering contract signed		January 2021
3. Construction documents approved by the Tennessee Department of Health	60	February 2021
4. Construction contract signed		January 2021
5. Building permit secured	30	March 2021
6. Site preparation completed		Completed
7. Building construction commenced		March 2021
8. Construction 40% complete		Completed
9. Construction 80% complete		Completed
10. Construction 100% complete (approved for occupancy)		May 2021
11. *Issuance of License		June 2021
12. *Issuance of Service		June 2021
13. Final Architectural Certification of Payment		June 2021
14. Final Project Report Form submitted (Form HR0055)		June 2021

*For projects that **DO NOT** involve construction or renovation, complete Items 11 & 12 only.

NOTE: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date

AFFIDAVIT

STATE OF Florida

COUNTY OF Collier

Kyle Tanner Grizkewitsch Kopec, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

Kyle T. Kopec | Chief
Compliance Officer

Sworn to and subscribed before me this _____ day of _____,
_____ a Notary (Month) (Year)

Public in and for the County/State of _____.

NOTARY PUBLIC

My commission expires _____, _____.
(Month/Day) (Year)

Appendixes

Attachment Section A-4AB.

Corporate Charter:

Certificate of Corporate Existence:



Tre Hargett
Secretary of State

Division of Business Services Department of State

State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

BEAU BRADEN
200 WEST CHURCH STREET
LEXINGTON, TN 38351

October 30, 2020

Request Type: Certificate of Existence/Authorization
Request #: 0387932

Issuance Date: 10/30/2020
Copies Requested: 1

Document Receipt

Receipt #: 005867120 Filing Fee: \$20.00
Payment-Credit Card - State Payment Center - CC #: 3791828701 \$20.00

Regarding: Haywood County Community Hospital, Inc
Filing Type: For-profit Corporation - Domestic Control #: 1137634
Formation/Qualification Date: 10/16/2020 Date Formed: 10/16/2020
Status: Active Formation Locale: TENNESSEE
Duration Term: Perpetual Inactive Date:
Business County: HAYWOOD COUNTY

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

Haywood County Community Hospital, Inc

- * is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;
- * has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- * has appointed a registered agent and registered office in this State;
- * has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
Secretary of State

Processed By: Cert Web User

Verification #: 042586426

Phone (615) 741-6488 * Fax (615) 741-7310 * Website: <http://tnbear.tn.gov/>



Business Services Online > Find and Update a Business Record

Business Information Search

As of November 10, 2020 we have processed all corporate filings received in our office through November 08, 2020 and all annual reports received in our office through November 09, 2020.

Click on the underlined control number of the entity in the search results list to proceed to the detail page. From the detail page you can verify the entity displayed is correct (review addresses and business details) and select from the available entity actions - file an annual report, obtain a certificate of existence, file an amendment, etc.

Search: 1-1 of 1

Search Name: Haywood County Community hospital ☐ Starts With ☐ Contains

Control #:

Active Entities Only: ☐ Search

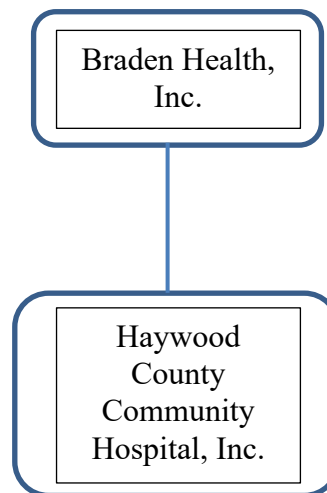
Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
001137634	CORP	Haywood County Community Hospital, Inc TENNESSEE	Entity	Active	10/16/2020	Active

1-1 of 1

Information about individual business entities can be queried, viewed and printed using this search tool for free.

If you want to get an electronic file of all business entities in the database, the full database can be downloaded for a fee by [Clicking Here](#).

[Click Here](#) for information on the Business Services Online Search logic.



Attachment Section A-5

N/A

Attachment Section A-6A – Lease Agreement

TABLE OF CONTENTS

PILOT LEASE AGREEMENT	Section 1
MEMORANDUM OFF ACILITY LEASE.....	Section 2
TAX AGREEMENT	Section 3
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RESOLUTION	Section 7
UCC FINANCING STATEMENT.....	Section 8

PILOT LEASE AGREEMENT

This Lease Agreement ("Lease") signed on October 27, 2020 and effective as of the 1st day of January, 2021, by and between the INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BROWNSVILLE AND HAYWOOD COUNTY, TENNESSEE, hereinafter referred to as ("Lessor"), and HAYWOOD COUNTY COMMUNITY HOSPITAL, INC. hereinafter referred to as ("Lessee").

WITNESSETH:

WHEREAS, Lessor, under the laws of the State of Tennessee, is authorized to acquire, own and lease industrial property and facilities in order to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Tennessee; and

WHEREAS, Lessor has purchased and acquired the real property and improvements located thereon (more specifically described in Exhibit A attached hereto) for the purpose of holding same for industrial purposes; and

WHEREAS, Lessor has been duly authorized to enter into a long-term lease with Lessee with reference to such property and to enter into agreements with Lessee; and

WHEREAS, Lessee desires to lease and rent the property from Lessor upon the terms and conditions as hereinafter set forth; and

WHEREAS, Guarantor has agreed to guarantee the Lessee's obligations under this Lease.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereby covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS

1.01 In addition to the words, terms, and phrases elsewhere defined in this Lease, the following words, terms and phrases as used in this Lease shall have the following respective meanings:

1. "Act" shall mean T.C.A. §7-53-101 through 7-53-311, and as amended from time to time.
2. "Rent" or "Rents" shall mean the amounts described in Article III hereof.
3. "Escrow Servicing Agreement" shall mean the Escrow Servicing Agreement of even date herewith among the Servicing Agent, Lessor and Lessee.
4. "Project" shall mean the Real Estate.
5. "Project Site" means the improved real estate located at 2545 North Washington Avenue, Brownsville, TN 38012 and further denoted as Map 67 Parcel 9.01.
6. "Real Estate" means the real property and improvements described in Schedule "A" attached hereto.
7. "Term" shall mean the time period beginning on the date hereof and extending through midnight on December 31, 2030.
8. "Servicing Agent" shall mean Banks Law Firm, P.A., acting in its role as servicing agent under the Escrow Servicing Agreement.

ARTICLE II

LEASE OF PROJECT - TERM

- Lease of Project. Lessor, for and in consideration of the rents, covenants, agreements and stipulations hereinafter set forth and to be performed by Lessee, has leased and rented, and does hereby lease and rent unto Lessee, and Lessee agrees to lease and rent from Lessor, the Project.
- Term. Unless earlier terminated pursuant to the provisions of this Lease, the duration of this Lease shall be for the Term.
- Option to Purchase Project. Notwithstanding the provisions of the immediately preceding sections of this Article II, the Term shall be terminated to the extent Lessee shall exercise its option to reacquire the Project either prior to the expiration of the Term or thereafter in accordance with the provisions set forth in Article IX hereof.

ARTICLE III

RENTS

Rents Payable. Lessee hereby covenants and agrees to pay to Lessor an annual rent of \$100.00 payable on or prior to January 1st of each year, in advance, beginning January 1, 2021.

ARTICLE IV

MAINTENANCE, REPAIR, AND UTILITIES

Lessee shall be responsible for the repair, maintenance and upkeep of the Project during the Term of this Lease. Lessee shall pay and hold Lessor harmless from bills or assessments for utilities, including but not limited to electricity, heating, water, gas, sewer rentals or other similar charges and any other related expenses arising out of or incidental to Lessee's use of the Project.

ARTICLE V

TAXES AND OTHER COVENANTS

- Payments in Lieu of Taxes. Lessor and Lessee recognize that under present law, including specifically TCA §7-53-305 (the "Act"), the assets owned by Lessor are exempt from all ad valorem taxation in the State of Tennessee. Irrespective of such exemption, however, Lessee agrees to make payments in lieu of taxes ("PILOT") to Lessor in accordance with provisions of this Article V. Lessor shall cause the appropriate officers of Haywood County and the City of Brownsville, Tennessee to submit annually to Lessee a statement of the taxes which would otherwise then be chargeable to the Project. However, nothing contained in this Article is intended or shall be construed to require the payment by Lessee of any greater amount in lieu of taxes that would be payable as taxes if the Project was privately owned as aforesaid. Further, other than pledging and granting a lien or security interest in the Project and Lessor's interest in this Lease to such entity lender specifically approved by Lessee, Lessor agrees that it will not encumber, grant a security interest in, sell, assign or transfer the Project, or any part thereof, or its interest in this Lease. During the Lease Term, Lessor also agrees that it will not take any such action with respect to the Project such that the exemption from ad valorem taxes would no longer apply to the Project.

See Exhibit B for the applicable PILOT under this Lease.

- Payment. The PILOT provided in this Article shall be due and payable to the City of Brownsville, Tennessee and to Haywood County, Tennessee on or prior to February 28, during the

1. Payment. The PILOT provided in this Article shall be due and payable to the City of Brownsville, Tennessee and to Haywood County, Tennessee on or prior to February 28, during the Term. Further, the tax abatements as set forth in this Article shall inure to the benefit of Lessee how ever, such abatement will not inure to the benefit of any assignee, transferee, or sublessee of Lessee unless such sublessee or assignee is approved in the sole and absolute discretion of Lessor . To the extent any such assignee or sublessee is not expressly approved, then, in such event, such sublessee or assignee will be responsible for PILOT equal to the full amount of all ad valorem taxes which would be assessed against the Project if privately owned. Further, if at any time during the term of this Lease, Lessee shall exercise its option to purchase and acquire the Project (or portions thereof) then Lessee acknowledges that upon closing thereof, the Real Estate so purchased will be subject to taxation as privately owned property under the laws of the State of Tennessee. As to such property, the PILOT shall terminate and Lessee shall pay that portion of the PILOT allocable to such property prorated for the portion of the year the Real Estate is subject to this Lease.

2. Other taxes. Lessee shall otherwise pay and discharge all other taxes applicable to or properly charged against the Project, and Lessee shall not be entitled to take a credit against the PILOT with reference to tax payments properly payable by Lessee, provided, however , Lessee shall be entitled to receive a credit against the PILOT in an amount equal to any leasehold tax which is assessed against Lessee pertaining only to this Lease. If a leasehold tax is assessed during any year of the Term and such leasehold tax is greater than the applicable PILOT due for such year , then Lessee shall be entitled to carry forward such excess leasehold tax so paid as a credit against PILOTs payable in future years during the Term. No such credits may be carried forward beyond the end of the Term.

7. Permitted Contests. Lessee shall be permitted to contest any tax or assessment against the Project as long as Lessee is contesting the same or the validity thereof in accordance with applicable Tennessee law and administrative procedures .

8. Minimum Capital Investment-Adjustments. Lessee acknowledges that one of the primary inducements for the tax abatements as set forth in this Article Vis Lessee's representation and commitment to make a capital investment and job creation with respect to the Project, which

will be of substantial benefit to the economy of the City of Brownsville and Haywood County, Tennessee. The following are terms and conditions of conditions of the PILOT incentives. A capital investment with respect to the Real Property of One Million (\$1,000,000.00) Dollars by August 1, 2021. A capital investment in personal property, including but not limited to, radiology equipment, IT infrastructure, lab equipment, monitor systems, furniture and fixtures in the amount of Five Million (\$5,000,000) by October 2021. If Lessee does not obtain the conditions stated above then the provisions for payments in lieu of taxes as set forth in Section 5.01 hereof may be reviewed and adjusted for such year and subsequent years by Lessor. Accordingly, at Lessor's request, Lessee shall furnish to Lessor such capital investment information and job creation, with such information being reasonable sufficient for Lessor to review and properly determine Lessee's compliance with this Section.

9. Minimum Number of New Jobs Created. The Project shall also create a minimum of one hundred thirty-four (134) new jobs by the end of the 2021 calendar year. If Lessee does not obtain the conditions stated above then the provisions for payments in lieu of taxes as set forth in Section 5.01 hereof may be reviewed and adjusted for such year and subsequent years by Lessor.

10. Timeline of progress.

October	November	December	Januaa	Februaa	March
<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>
Facili!Y Purchase		<u>Certificate ofNeed</u>			
<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	August	September
<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>
<u>Facili!Y</u> Improvements			Eguipment Installation and Training		
<u>October 2021</u>					
Hos2ital O2ening					

If Lessee does not obtain the conditions stated above then the provisions for payments in lieu of taxes as set forth in Section 5.01 hereof may be reviewed and adjusted for such year and subsequent years by Lessor. Lessor understands that certain aspects of the timeline of progress are

beyond Lessee's control, such as the Certificate of Need and therefore will not strictly adhere to the timeline. Lessee covenants with Lessor that it will use due diligence in obtaining the Certificate of Need from the State of Tennessee.

11. Operations. Lessee will operate the Project as an acute care full service hospital and emergency department. If Lessee does not obtain the conditions stated above then the provisions for payments in lieu of taxes as set forth in Section 5.01 hereof may be reviewed and adjusted for such year and subsequent years by Lessor.

5.09 Transfer of the title of the property from Lessor to Lessee is contingent upon Lessee being licensed and continued operations through the term of this agreement as a General Acute Care Hospital, Rural Acute Care Hospital or Critical Access Hospital. This shall include the Emergency Department, Inpatient/Outpatient Radiology Labs and other necessary functions of one of the three designations stated above.

ARTICLE VI

INSURANCE - COMPLIANCE WITH LAWS

6.01. Insurance. Lessee shall, during the Term insure the Project against loss or destruction or other casualty as Lessee shall deem appropriate in Lessee's sole and absolute discretion ; however, in no event shall Lessor be responsible for any loss, damage, destruction or injury to the Project or have any liability whatsoever in connection therewith.

6.01. Indemnity. Lessee shall keep , protect and save Lessor, its officers, members and directors harmless from any loss, cost or expenses of any kind or nature , and from any liability to any person or entity , on account of any damage or injury to persons or property arising out of any failure of Lessee to comply with and perform any of the requirements and provisions set forth in this Lease. Lessee agrees to hold Lessor, its officers, members and directors harmless from and to indemnify them against any and all claims made by anyone injured or otherwise damaged by any cause whatsoever to the extent same shall arise from Lessee's use of the Project and/or to the extent same shall not have arisen from the gross negligence of Lessor.

- Compliance with Laws, Etc. Lessee, in the use and occupancy of the Project, and in the conduct of its business and activities , shall at its own cost and expense, secure and maintain all necessary licenses and permits required for the lawful conduct of its business. Lessee shall at all times comply with all laws, regulations, rules, and ordinances promulgated or issued by any legally constituted authority, including environmental laws , and shall comply with the applicable orders, regulations and requirements of any governmental entity. Lessee represents and warrants that throughout the term of this Lease, the Project shall be used in the manner that will constitute a "project" within the meaning of 7-53-101(11) of the Act and that as of the date of the application submitted by Lessee, the project shall be developed and used as a commercial office uses and any proposed changes shall be submitted to the Lessor for written approval. Lessor reserves the right to terminate this Lease if Lessee's use of the Project is not consistent with the provisions of the Act or in violation of this paragraph.

- Condemnation. If the whole or any part of the Project shall be taken for any public or quasi-public use under any statute or by right of eminent domain or by private purchase in lieu thereof , such that the remaining portions of the Project shall be economically unfeasible for the Lessee ' s continued use thereof (as determined by Lessee), Lessee shall have the option, upon giving thirty (30) days' written notice prior to the date or time when possession thereof is to be taken by said public authority, to terminate this Lease and any rents shall be accounted for as between Lessor and Lessee as of the date that possession is to be taken by said public authority. In the event of such termination by Lessee, Lessee shall have the right to recover compensation and damage caused by condemnation from the condemnor attributable to such taking with all such awards or damages becoming the property of Lessee to the same extent as though Lessee was the owner of the Project.

ARTICLE VII

ASSIGNMENTS-SUBLEASES-REMOVAL OF PROPERTY

7.01 Assignment. Provided that any subsequent use or occupancy of the property constitutes a " project as defined in the Act, Lessee may assign this Lease to any person, firm, corporation or business organization without the consent of Lessor. No assignment of this Lease shall relieve the Lessee of any obligations required to be performed by Lessee and no extension of

time granted by the Lessor to any subsequent tenant, whether or not notice thereof is given to any predecessor, shall relieve Lessee or any future tenant hereunder of its obligations under this Lease. Further, no assignment shall be valid or effective until there is delivered to Lessor a duplicate original of the written instrument of assignment, in recordable form, containing the name and address of the assignee, and an assumption by the assignee of all obligations under this Lease to be performed by Lessee.

- Sublease. No subleasing shall diminish or relieve Lessee of any obligations under this Lease Agreement. Lessee may not sublease the whole or any part of the Project except upon the following conditions:

The prior written consent of Lessor must be obtained, and

- (b) The sublease shall provide that it is subject and subordinate to the rights of Lessor under this Lease and to any renewal, amendment or modification thereof, and

- (c) The sublease shall require the sublessee to give written notice to the Lessor of any alleged default of the sublessor (the within Lessee), and

- (d) Lessee shall furnish Lessor with a true copy of each sublease and of each extension or modification thereof.

- Continuation As A Project. Lessor shall not be required to consent to any assignment or sublease which would result in the Project being occupied or used for a purpose which would not qualify as a "project" within the meaning of the Act or in violation of the covenants contained herein.

ARTICLE VIII

DEFAULT AND TERMINATION

- Events of Default. The occurrence of any one or more of the following shall constitute an "Event of Default":

- Non-Payment of Rents - PILOT. If the Lessee shall default in the payment of the rent reserved herein or any part thereof, PILOT, or in making any other payment or reimbursement herein provided, and such default shall continue for more than thirty (30) days

following Lessor giving written notice thereof; however, no notice shall be required for failure to timely make PILOT; or,

- Compliance with Covenants. If the Lessee shall default in the observance of any of the other terms, covenants and conditions of this Lease and such default shall continue for more than thirty (30) days after written notice specifying such default, or if this Lease shall pass to or devolve upon one other than Lessee, other than by merger , incorporation or consolidation, or if the Project shall be occupied or utilized by someone other than the Lessee, its successors, assigns , licensees, or sub-lessees, except as herein provided; or

- Insolvency. If Lessee shall make any assignment for the benefit of creditors or file a voluntary petition in bankruptcy or be by any court adjudicated a bankrupt or take the benefit of any insolvency act or be dissolved pursuant thereto, voluntarily or involuntarily, and such involuntary petition is not withdrawn, dismissed or discharged within sixty (60) days from the filing thereof; or

- Attachment - Levies. An attachment or execution is levied upon Lessee' s interest under this Lease, which is not satisfied or released , stayed or superseded by an appropriate proceeding within thirty (30) days thereafter; or

- Receiver Appointed. A receiver or trustee is appointed for the property of Lessee or Lessee's business or assets and the order or decree appointing such receiver or trustee shall have remained in force undischarged or unstayed for thirty (30) days after the entry of such order or decree; or

- Remedies. Upon the happening of any one or more Events of Default, Lessor shall have the right, at its option, to declare this Lease terminated upon the giving of written notice sent by Lessor to Lessee; and thereafter Lessor shall have the right to recover possession thereof without interference by Lessee , subject however to the rights of Lessor' s mortgagee, and Lessee shall waive and does hereby waive all such other notices to quit possession of the Project or other statutory notices as may exist under the laws of the State of Tennessee or subdivision thereof. Should Lessor declare this Lease terminated and the Term ended , Lessor shall be entitled to recover from Lessee the rents and all other sums due and owing by Lessee to Lessor up to the date

of termination , plus the costs of curing all of Lessee's defaults existing at or prior to the date of termination, as well as the Deed from Escrow.

- Non-Waiver by Lessor or Lessee. The failure of Lessor or Lessee to insist, in one or more instances, upon the strict performance by Lessee or Lessor of any of the provisions of this Lease, shall not be construed as a waiver of any future breach of such provisions. Receipt by Lessor of rent with knowledge of a breach of any provision hereof shall not be deemed a waiver of such breach.

- Legal Fees and Expenses. If Lessor or Lessee shall use the services of an attorney to enforce any of the terms, covenants or conditions of this Lease or any extensions or renewals thereof, the prevailing party shall have the right to recover reasonable attorneys ' fees and expenses and costs reasonable incurred by such party in connection with any of the foregoing.

ARTICLE IX

OPTION TO PURCHASE

- Option To Purchase Project. Lessee shall have an option to purchase the Real Estate at any time during the Tenn (or for a period of one hundred eighty (180) days following the expiration or early termination of the Term) for an amount equal to One Hundred Dollars (\$100.00). To exercise such option Lessee shall:

- Give Notice. Give Lessor and the Servicing Agent at least thirty (30) days ' prior written notice of its intent to exercise its option to purchase the Project, which notice shall state the proposed purchase date, and

- Compliance with Escrow Servicing Agreement. Comply with the provisions of the Escrow Servicing Agreement and the covenants herein.

- Event of Default. Lessee shall have the right to exercise the options granted to it in this Article notwithstanding the fact that an Event of Default shall have occurred and be continuing.

- Escrow Servicing Agreement. Simultaneously with the execution and delivery of this Lease, Lessor has executed and delivered to the Servicing Agent the "Escrow Deed" (as same are defined in the Escrow Servicing Agreement) the Servicing Agent shall hold the Escrow Deed in accordance with the terms and provisions of the Escrow Servicing Agreement.

A. Payment of Lessor's Expenses. In the event Lessee shall exercise its option to purchase , Lessee shall pay or reimburse to Lessor all expenses reasonable incurred by Lessor, including counsel fees, in connection with such purchase.

B. Lessor Termination Rights. Upon expiration of the Term, this Lease shall terminate without further action required by either party. Upon such expiration, Lessee shall give such required notices to the Servicing Agent as required to cause the Servicing Agent to deliver to Lessee the Escrow Deed to the Project and to take such other actions as are required under the Escrow Servicing Agreement. If Lessee fails to take such action or give such notice to the Servicing Agent within thirty (30) days following written demand to do so being given by Lessor to Lessee, Lessor shall have the right to give such notice to the Servicing Agent in compliance with the requirements of the Escrow Servicing Agreement.

ARTICLE X
ENVIRONMENTAL
MATTERS

10.01. Lessee 's Environmental Representations and Warranties. The Lessee represents

and warrants to the Lessor and its successors and assigns that: The Project and its existing , prior and future uses comply, have at all times complied with and will at all times comply with , and Lessee is not in violation of, and has not violated and will not violate, in connection with the ownership, use, maintenance or operation of the Project and the conduct of the business related thereto and therein , any applicable federal, state, county or local statute , law, regulation, rule, ordinance, code, license or permit relating to environmental matters, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended by the Superfund Amendments and Reauthorization Act of 1986 , 42 U.S.C. 9601, et. seq., the Resource Conservation and Recovery Act of 1976 as amended by the Solid and Hazardous Waste Amendment of 1984, 42 U.S.C. 6901 et. seq., the Clean Air Act of 1986 , as amended , 42 U.S.C. 7401 , et. seq., the Clean Water Act of 1977, as amended , 33 U.S.C.

1251 , et. seq., the Toxic Substances Control Act of 1976, 15 U.S.C. 2601 , et. seq., the National Environmental Policy Act of 1975, 42 U.S.C. 4321, the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. 300, et. seq., the Tennessee Air Quality Control Act, T.C.A . 69-

3-101, et.seq. , the Tennessee Air Quality Act, T.C.A. 68-25-101, et.seq., the Tennessee
Solid Waste Disposal Act, T.C.A. 68-31-

101, et.seq., the Tennessee Hazardous Waste Management Act, T.C.A. 69-46-101, et.seq., the Tennessee Petroleum Underground Storage Tank Act, T.C.A. 68-53-101, et.seq., or any other federal, state or local statute, law, ordinance, code, rule regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning any petroleum, petroleum byproduct, (including, but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas, or hazardous, toxic, or regulated substance, product, material, waste, pollutant or contaminant, as may now or at any time hereafter be in effect.

- Without the limited generality of Section 1.0.01, Lessee represents and warrants to Lessor, its successors and assigns that:
 - Prior to the conveyance of the Project to the Lessor, Lessee has operated the Project and has at all times received, handled, used, stored, treated, shipped and disposed of all hazardous, toxic, or regulated substance, product, material, wastes pollutant or contaminant in strict compliance with all applicable environmental, health or safety statutes, ordinances, orders, rules, regulations or requirements and will continue to do so during the Term of this Lease Agreement and any extension thereof.
 - Prior to the conveyance of the Project to the Lessor, it has removed from and off the Project all such hazardous, toxic, or regulated substances, products, materials, wastes, pollutants or contaminants.
 - There are no violations of any statutes, orders, rules or regulations relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Project, and Lessee has no knowledge, nor has Lessee received any notice of any such violations.
 - No hazardous, toxic, or regulated substances, products, materials, wastes, pollutants or contaminants have been released into the environment, or deposited, discharged, placed or disposed of at, on or near the Project, nor has the Project been used at any time by any person or entity as a landfill or waste disposal site.
 - No notices of any violation of any of the matters referred to above relating to the Project or its use have been received by Lessee, and there are no writs, injunctions, decrees,

orders or judgments outstanding, no lawsuits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Project, nor is there any basis for such lawsuits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Project, nor is there any basis for such lawsuits, claims, proceedings or investigations being instituted or filed .

- Lessee further represents and warrants to Lessor, its successors and assigns that:
 - There are no monitoring wells on the Project for monitoring hazardous, toxic , or regulated substances , products, materials, wastes, pollutants or contaminants.
 - There are no underground storage tanks on the Project.
 - There is no evidence of PCB contamination from any power transformer , capacitor, or any other source on the Project.
 - There is no asbestos containing material (ACM) on the Project.
 - Lessee knows of no fact or circumstances that may give rise to any future civil, criminal , or administrative proceedings against it relating to environmental matters involving the Project.

- Lessee's Continuing Responsibility for Environmental Matters. Lessee covenants at its sole cost and expense , to remove or take remedial action with regard to any petroleum, petroleum byproduct, natural or synthetic gas, or hazardous, toxic, or regulated substance, product, material , waste, pollutant or contaminant released to the environment at, on, or near the Project during the Term of this Lease Agreement , or any extension thereof for which any removal or remedial action is required pursuant to law, ordinance , order, rule, regulation or governmental action provided that:

- No such removal or remedial action shall be taken except after reasonable advance written notice to Lessor.
 - Lessee shall indemnify Lessor for any action taken by Lessee in accordance with Section 10.05 hereof to Lessor's satisfaction.

Lessee shall at all times retain any and all liabilities arising from the handling, treatment, storage, transportation or disposal of hazardous materials by Lessee or by any of Lessee's contractors.

- Lessee's Indemnification.

- Lessee shall indemnify and hold Lessor and its officers, directors, agents, counsel and employees harmless from and against any and all liabilities, losses, claims, penalties, damages (including, without limitations, consequential damages, interest, penalties, fines and monetary sanctions), and costs (hereinafter "Loss"), and attorneys' and consultant's fees and expenses, court costs and all other out-of-pocket expenses (hereinafter "Expense") incurred or suffered by Lessor by reason of, resulting from, in connection with, or arising in any manner whatsoever out of the breach of any warrant or covenant or the inaccuracy of any representation of Lessee contained or referred to in this Article X. Lessor shall be entitled to conduct its own investigation in connection therewith and provide its own defense and charge Lessee with its expense incurred in connection therewith, including any Loss or Expense.

- All representations, warranties, covenants, agreements and indemnities of Lessee contained in this Article X shall survive the Term of this Lease Agreement and any extensions hereof and the consummation of the transactions contemplated in this Lease Agreement, and shall not be affected by any investigation by or on behalf of Lessee or by any information Lessee may have or obtain with respect thereof.

ARTICLE XI

MISCELLANEOUS PROVISIONS

I 1.01. Binding Effect. The obligations and responsibilities shall be binding upon, and the right and benefits shall inure to the successors and assigns of the parties hereto; but the liabilities of any successor to the interest of Lessor hereunder shall be limited to the performance of those obligations which arise and accrue during the period of ownership of the Project by any such successor.

11.02. Notices. All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, or sent by Federal Express or other nationally recognized overnight courier for next business day delivery, or sent by

certified or registered first class mail , return receipt requested , or sent by facsimile transmissi on,
and addressed to the party to whom such notice is directed at the address or facsimile number
set

forth below for such party. The address for notice for any party may be changed by any such party by giving notice in the manner set forth above.

Lessor:

Industrial Development Board of the City of Brownsville and Haywood County, Tennessee:

c/o David Prince
111 North Washington Avenue
Brownsville, Tennessee 38012
Email: dprince@insouth.com

With a copy to:

Banks Law Firm, P.A.
Michael J. Banks
108 South Washington Ave.
Brownsville, TN 38012
Email: michael@bankslawfirm.net

Lessee:

Haywood County Community Hospital, Inc
c/o Kyle T. Kopec
200 W. Church St
Lexington, TN 38351-2038
Email: Kyle.Kopec@BradenHealth.com

With a copy to:

Haywood County Community Hospital, Inc
c/o legal counsel
200 W Church St.
Lexington, TN 38351-2038

For transmissions sent by facsimile, a notice shall be deemed to be received upon receipt by the sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in this entirety to the recipient's facsimile

number; provided that if a notice or other communication is transmitted by facsimile on a day which is not a business day or after 5:00 P.M. on any business day at the addressee's location and time zone, such notice or communication shall be deemed to be duly received by the recipient at 9:00 A.M., in the recipient's time zone, on the first business day thereafter.

11.03 No Oral Agreements . It is expressly agreed between Lessor and Lessee that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this lease and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the authorized officers or agents of the necessary parties or party.

- Definitions. "Lessors" as used in this lease shall include Lessor's heirs , representatives , successors and assigns to Lessor's interest in the Project. "Lessee" shall include Lessee's heirs, representatives, successors and assigns, and if this Lease shall be validly assigned or sublet, shall also include Lessee's assignee or sublessees, as to the Project (or parts thereof) covered by such assignment or sublease. Where the term "Lessor" and "Lessee" appear, same shall include male , female or neuter , singular and plural, corporation, partnership or individual , as may be appropriate for the particular parties in the context for which it is used .

- Mortgages. Lessor shall have no right to mortgage or pledge the Project, or any part thereof , as security for any debt of Lessor or for any other purpose without the prior written consent of Lessee.

- Tennessee Law. This Lease shall be interpreted and construed pursuant to the laws of the State of Tennessee.

- Headings. The paragraph and section headings and captions used in this Lease are for convenience only and shall not have any bearing or meaning with respect to the contents or provisions of this Lease.

11.08. Cumulative Rights. All rights, powers and privileges conferred to both parties hereunder shall be cumulative and not restricted to those given by law.

- .09. Consent of Lessor and Lessee. In all matters referred to in this Lease where either party is permitted to make a request, or a matter is subject to being acceptable to either party, each

party agrees that it will not be unreasonable in making such request or in deciding whether such matter is acceptable.

II.10. Non-Recourse Obligations of Lessor. Anything in this Agreement to the contrary notwithstanding, except with respect to Lessor's gross negligence or willful misconduct, no recourse or relief shall be had under any rule of law or equity, statute or constitution, or by enforcement of any assessments, penalties, damages, judgments or otherwise for liability arising from this Agreement, or any other document or instrument related hereto (whether by breach of any obligation, monetary or non-monetary on the part of Lessor) against Lessor personally or its "Unrelated Assets" (as hereinafter defined) against any officer, member, director or representative of Lessor, including their successors, it being expressly understood and agreed that any liability or obligation of Lessor under these agreements are chargeable to and compensable solely and exclusively from Lessor's interest, if any, in and to the Project and any funds or proceeds (including rights to funds and proceeds) in actual possession of the Lessor in any manner derived from the Lessor's rights or interests under this Lease on the Project. Accordingly, any claim of liability, other than the foregoing, is hereby expressly waived by Lessee and any person or entity claiming by, through or under Lessee. As used in this Lease, the term "Unrelated Assets" means all assets and property, of every kind and description, owned or held by Lessor in conjunction with contracts and agreements having no connection, directly or indirectly, with the transactions contemplated by this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease to become effective on the

day and year first above written.

Remainder of page intentionally left blank. Signature page follows

LESSOR:

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF BROWNSVILLE AND HAYWOOD COUNTY,
TENNESSEE

By: DAYID PRINCE, President

LESSEE:

Haywood County Community Hospital, Inc

By: Beau R. Braden, Chief Executive Officer

STATE OF TENNESSEE
COUNTY OF HAYWOOD

BEFORE ME, the undersigned, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared DAYID PRINCE, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who upon oath acknowledged himself to be President of the Industrial Development Board of the City of Brownsville and Haywood County, Tennessee, the within named bargainor, and he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing his name as President of the Industrial Development Board of the City of Brownsville and Haywood County, Tennessee.

WITNESS my Hand and Notarial Seal this 11 day of October, 2020.


NOTARY PUBLIC



My Comm. Expires: 10/31/2021

STATE OF TENNESSEE
COUNTY OF HAYWOOD

BEFORE ME, the undersigned, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared Beau R. Braden, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who upon oath acknowledged himself to be Chief Executive Officer of Haywood County Community Hospital, Inc the within named bargainer, a corporation, and he as such Chief Executive Officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing his name as Chief Executive Officer.

WITNESS my Hand and Notarial Seal this 27th day of October, 2020.


NOTARY PUBLIC



My Comm. Expires: 10/31/2021

EXHIBIT A

Being in the 7th Civil District of Haywood County, Tennessee, and being more particularly described as follows, to-wit:

Beginning at a point in the north right-of-way of U.S. Highway 70A-79 (North Washington Avenue - 66 feet wide), said point being the southeast corner of the Richard Miller property (Bk 193, Pg. 593) and located 167.02 feet (call 167.89 feet) northeast of City of Brownsville Manhole 52A; thence N 03 degrees 36' 29" W along the east line of said Richard Miller property and the east line of the Edna Miller property (Bk 99, Pg 200) a distance of 1,343.84 feet to a point in the O. C. Baker property (Bk. 234, Pg 272); thence with the common line between Tract II and said O. C. Baker property the following eight calls: N 77 degrees 31' 35" E a distance of 221.03 (call 331.03 in Bk 173, Pg 465; call 221.03 in Bk. 119, Pg 302) to a point; thence N 63 degrees 13' 48" E a distance of 128.37 feet to a point; thence N 44 degrees 55' 07" E a distance of 183.41 feet to a point; thence N 63 degrees 00' 49" E a distance of 209.26 feet to a point; thence N 74 degrees 30' 54" E a distance of 230.12 feet to a point, being the northeast corner of the described tract; thence S 08 degrees 56' 58" E a distance of 194.53 feet (call 197.38 feet) to an iron rod found; thence S 28 degrees 07' 52" E passing an iron rod found at 648.85 feet a total distance of 727.57 feet to a point; thence S 22 degrees 05' 50" E a distance of 121.82 feet to an iron rod found at the northeast corner of the West Tennessee Healthcare, Inc. property (Bk 229, Pg 557); thence along the north line of said West Tennessee Healthcare, Inc. property S 64 degrees 32' 24" W a distance of 59.04 feet to the southeast corner of the Jerald W. White and wife Claudia K. White property (Bk 137, Pg 752); thence along the east line of said White property N 24 degrees 27' 55" W a distance of 200.00 feet to an iron rod found at the northeast corner of said White property; thence along the north line of said White property S 64 degrees 32' 24" W a distance of 175.27 feet (call 175.00 feet) to a point in the east line of a 40 foot wide ingress/egress easement; thence along the west line of said ingress/egress easement, said White property and said West Tennessee Healthcare, Inc. property S 24 degrees 27' 55" E a distance of 395.24 feet (call 398.15 feet) to a point in the north line of said U. S. Highway 70A-79; thence with the north line of said U. S. Highway 70A-79 along a curve to right having a radius of 5696.58 feet an arc distance of 459.42 feet (chord: S 63 degrees 13' 59" W, 459.30 feet); thence S 65 degrees 32' 37" W a distance of 727.20 feet to the Point of Beginning.

Being the same property conveyed to Haywood County School Board by deed recorded in Record Book 179, Page 835, Register's Office, Haywood County, Tennessee.

LESS AND EXCEPTING FROM THE ABOVE DESCRIPTION IS THE FOLLOWING:

BEGINNING at a point at the southwest corner of Lauren K. Dowling as described in Record Book 58 Page 650, and being in the north margin of North Washington Avenue (ROW 66 feet); runs thence with said margin, south 69 degrees 25 minutes 02 seconds west 142.41 feet to an iron pin set (all pins set are 1/2" by 18" with identification cap stamped EVANS-RLS 2524); runs thence with a new

severance line through the Haywood County School Board as described in Record Book 179 Page 835 the following calls: north 16 degrees 54 minutes 22 seconds west 146.74 feet to an iron pin set; thence north 67 degrees 38 minutes 44 seconds west 131.35 feet to an iron pin set; thence north 16 degrees 22 minutes

- seconds west 109.04 feet to an iron pin set; thence north 06 degrees 00 minutes 20 seconds east 137.80 feet; thence north 51 degrees 06 minutes 09 seconds west 171.78 feet to an iron pin set, said pin being the northwest corner of the herein described tract; thence north 72 degrees 32 minutes 07 seconds east 509.17 feet to an iron pin set in the west line of the Silicon Ranch Corporation as described in Record Book 142 Page 428; runs thence with said west line, south 20 degrees 21 minutes 09 seconds east 284.16 feet to a 1/2 inch iron pin found; thence south 14 degrees 19 minutes 07 seconds east 121.82 feet to a 1/2 inch iron pin found, said pin being the northeast corner of aforementioned Dowling; runs thence with the north line of said Dowling, south 72 degrees 19 minutes 07 seconds west 59.04 feet to a power pole, said pole being the southeast corner of Jerald W. White as described in Deed Book 137 Page 835; runs thence with the east line of said White, north 16 degrees 41 minutes 12 seconds west 200.00 feet to a 1 inch pipe found, said pipe being the northeast corner of White; runs thence south 72 degrees 19 minutes 07 seconds west 175.27 feet to a 1 inch pipe found, said pipe being the northwest corner of said White; runs thence with the west line of White and continuing with the west line of Dowling, south 16 degrees 41 minutes 12 seconds east 395.24 feet to the POINT OF BEGINNING containing within these calls 184212.54 square feet or 4.23 acres of land as surveyed on January 21, 2020 by Evans & Associates Land Surveying , 320 South Washington, Brownsville, Tennessee. (731-432-1381) Said acreage being subject to all right of ways and easements, if any exist. There is an existing 40' ingress/egress easement along the west line of Dowling and White as described in Record Book 68, page 650, Register 's Office, Haywood County, Tennessee.

This being the property conveyed to Southwest Human Resource Agency Head Start by deed recorded in Record Book 185 Page 174 in the Register's Office of Haywood County, Tennessee.

Notice per T.C.A. 66-24-121 No survey was performed at the time of closing. The legal description herein is the same as in the previous deed of record. No opinion is rendered as to the accuracy of the legal description.

Map 067, Parcel 009.01

EXHIBIT B

BROWNSVILLE/HAYWOOD COUNTY IDB
Brownsville Hospital • 10 YEAR DRAFT PILOT

REAL PROPERTY VALUE - \$ 2,999,200

TAX YEAR	APPRAISED VALUE	ASSESSED VALUE	County Tax Rate	Annual County Tax Liability	PILOT Discount Rate	County In-lieu Taxes Due	City Tax Rate	Annual City Tax Liability	PILOT Discount Rate	City In-lieu Taxes Due	Total Taxes Due	PILOT Taxes Due
2020	\$2,999,200	\$ 1,199,680	\$2.76	\$33,111	0%	\$ -	\$ 1.96	\$23,514	0%	\$-	\$ 56,625	\$ -
2021	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$33,111	10%	\$3,311	\$ 1.96	\$ 23,514	10%	\$2,351	\$ 56,625	\$ 5,662
2022	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	20%	\$ 6,622	\$ 1.96	\$23,514	20%	\$ 4,703	\$ 56,625	\$ 11,325
2023	\$2,999,200	\$ 1,199,680	\$ 2.76	\$33,111	30%	\$ 9,933	\$ 1.96	\$ 23,514	30%	\$7,054	\$ 56,625	\$ 16,987
2024	\$2,999,200	\$ 1,199,680	\$ 2.76	\$33,111	40%	\$13,244	\$ 1.96	\$23,514	40%	\$9,405	\$56,625	\$ 22,650
2025	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$33,111	50%	\$16,556	\$ 1.96	\$23,514	50%	\$11,757	\$56,625	\$ 28,312
2026	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	60%	\$ 19,867	\$ 1.96	\$ 23,514	60%	\$14,108	\$ 56,625	\$ 33,975
2027	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$33,111	70%	\$ 23,178	\$ 1.96	\$ 23,514	70%	\$16,460	\$ 56,625	\$ 39,637
2028	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$33,111	80%	\$ 26,489	\$ 1.96	\$ 23,514	80%	\$18,811	\$ 56,625	\$ 45,300
2029	\$2,999,200	\$ 1,199,680	\$ 2.76	\$33,111	90%	\$29,800	\$ 1.96	\$ 23,514	90%	\$21,162	\$ 56,625	\$ 50,962
			\$331,112			\$149,000	\$235,137			\$105,812	\$566,249	\$254,812

PERSONAL PROPERTY VALUE \$ 4,000,000

TAX YEAR	APPRAISED VALUE	ASSESSED VALUE	County Tax Rate	Annual County Tax Liability	PILOT Discount Rate	County In-lieu Taxes Due	City Tax Rate	Annual City Tax Liability	PILOT Discount Rate	City In-lieu Taxes Due	Total Taxes Due	PILOT Taxes Due
2020	4,000,000	1,200,000	2.76	\$33,120	0%		\$ 1.96	\$23,520	0%		56,640	
2021	4,000,000	1,200,000	2.76	\$33,120	10%	3,312	\$ 1.96	\$23,520	10%	2,352	56,640	5,664
2022	4,000,000	1,200,000	2.76	\$33,120	20%	6,624	\$ 1.96	\$23,520	20%	4,704	56,640	11,328
2023	4,000,000	1,200,000	2.76	\$33,120	30%	9,936	\$ 1.96	\$23,520	30%	7,056	56,640	16,992
2024	4,000,000	1,200,000	2.76	\$33,120	40%	13,248	\$ 1.96	\$23,520	40%	9,408	56,640	22,656
2025	4,000,000	1,200,000	2.76	\$33,120	50%	16,560	\$ 1.96	\$23,520	50%	11,760	56,640	28,320
2026	4,000,000	1,200,000	2.76	\$33,120	60%	19,872	\$ 1.96	\$ 23,520	60%	14,112	56,640	33,984
2027	4,000,000	1,200,000	2.76	\$33,120	70%	23,184	\$ 1.96	\$23,520	70%	16,464	56,640	39,648
2028	4,000,000	1,200,000	2.76	\$33,120	80%	26,496	\$ 1.96	\$23,520	80%	18,816	56,640	45,312
2029	4,000,000	1,200,000	2.76	\$33,120	90%	29,808	\$ 1.96	\$23,520	90%	21,168	56,640	50,976
			\$31,200			\$149,040	\$235,200			\$105,840	\$566,400	\$254,880

Total City/County Taxes Due	
Real	\$566,249
Personal	56,640
	\$ 1,132,649
Total PILOT Taxes Due	
Real	\$254,812
Personal	254,880
	509,692
PILOT Discount	\$622,957

This Instrument Prepared by:
Banks Law Firm, P.A.
108 South Washington Ave.
Brownsville, Tennessee 38012

MEMORANDUM OF FACILITY LEASE

THIS MEMORANDUM OFF ACILITY LEASE is made and entered into as of the 1 day of June, 2020 (the "Effective Date"), by and between the **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BROWNSVILLE AND HAYWOOD COUNTY, TENNESSEE**, a public, nonprofit corporation organized and existing under the laws of the State of Tennessee ("Landlord"), and **Haywood County Community Hospital, Inc**, a For-Profit corporation organized and existing under the laws of the State of Tennessee ("Tenant").

WIT NE S SETH:

Landlord, for and in consideration of the rents to be paid and of the other covenants and agreements to be kept and performed by Tenant, does hereby lease to Tenant, and Tenant does hereby take and hire from Landlord, all that certain piece or parcel of land, together with all appurtenances thereto, situated, lying and being in Brownsville and Haywood County, Tennessee, being more particularly described in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Demised Premises").

TO HAVE AND TO HOLD the same subject to all the provisions and conditions contained in that certain Facility Lease Agreement, dated as of October 7, 2020, by and between Landlord and Tenant (as amended or supplemented from time to time, the "Lease"), which Lease is incorporated herein by this reference.

- The rate of rental and all terms of Tenant ' s occupancy of the Demised Premises are set forth in the Lease.
- The term of the Lease shall commence on the Effective Date, and shall terminate on December 31, 2031_, unless extended or earlier terminated pursuant to the provisions of the Lease.
- Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanic's or other liens for such labor or materials shall attach to or affect the estate or interest of Landlord in and to the Demised Premises. Landlord ' s interest in the Demised Premises shall not be subject to any mechanic's or other liens, on account of such labor or materials.
- The sole purpose of this instrument is to give notice of said Lease and all of their respective terms, covenants and conditions to the same extent as if the same were fully set forth herein.

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and date first above written.

LANDLORD:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF BROWNSVILLE AND
HAYWOOD COUNTY, TENNESSEE**

By: 1/2 " ?tJ / I
Name: David Prince
Title: Chairman

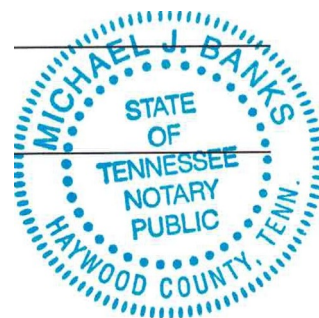
STATE OF TENNESSEE
COUNTY OF HAYWOOD

Personally appeared before me, /h t c J Q, el ks, Notary Public, David Prince, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the foregoing instrument for the purposes therein contained and who further acknowledged that he is Chairman of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BROWNSVILLE AND HAYWOOD COUNTY, TENNESSEE, a public, nonprofit corporation organized and existing under the laws of the State of Tennessee, the within named bargainor, and that he is authorized to execute this instrument on behalf of said corporation.

WITNESS my hand, at office, this 2: day of c, c) our- "Mey 2020.

Notary Public

6/23/21
My Commission Expires



TENANT:

**HAYWOOD COUNTY COMMUNITY HOSPITAL,
INC**

By: 

Name: Beau R. Braden

Title: Chief Executive Officer, Braden Health

STATE OF TENNESSEE

COUNTY OF HAYWOOD

Personally appeared before me, Michael J. Banks, Notary Public, BEAU R. BRADEN, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that s/he executed the foregoing instrument for the purposes therein contained and who further acknowledged that he is the Chief Executive Officer of Haywood County Community Hospital, Inc., a Tennessee company organized and existing under the laws of the State of Tennessee, the within named bargainer, and that he is authorized to execute this instrument on behalf of said company.

WITNESS my hand, at office, this 23 day of October 2020 .


Notary Public

6/23/21
My Commission Expires

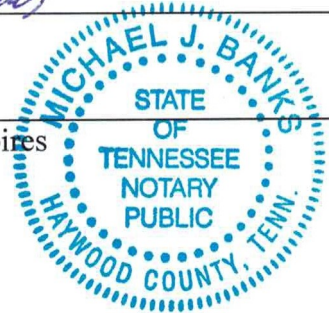


EXHIBIT A
DESCRIPTION OF LAND

Being in the 7th Civil District of Haywood County, Tennessee, and being more particularly described as follows, to-wit:

Beginning at a point in the north right-of-way of U.S. Highway 70A-79 (North Washington Avenue - 66 feet wide), said point being the southeast corner of the Richard Miller property (Bk 193, Pg. 593) and located 167.02 feet (call 167.89 feet) northeast of City of Brownsville Manhole 52A; thence **N 03 degrees 36' 29"** W along the east line of said Richard Miller property and the east line of the Edna Miller property (Bk 99, Pg 200) a distance of 1,343.84 feet to a point in the O. C. Baker property (**Bk. 234, Pg 272**); thence with the common line between Tract II and said O. C. Baker property the following eight calls: **N 77 degrees 31' 35" E** a distance of 221.03 (call 331.03 in Bk 173, Pg 465; call 221.03 in Bk. 119, Pg 302) to a point; thence **N 63 degrees 13' 48" E** a distance of 128.37 feet to a point; thence **N 44 degrees 55' 07" E** a distance of 183.41 feet to a point; thence **N 63 degrees 00' 49" E** a distance of 209.26 feet to a point; thence **N 74 degrees 30' 54" E** a distance of 230.12 feet to a point, being the northeast corner of the described tract; thence **S 08 degrees 56' 58" E** a distance of 194.53 feet (call

197.38 feet) to an iron rod found; thence **S 28 degrees 07' 52" E** passing an iron rod found at 648.85 feet a total distance of 727.57 feet to a point; thence **S 22 degrees 05' 50" E** a distance of 121.82 feet to an iron rod found at the northeast corner of the West Tennessee Healthcare, Inc. property (Bk 229, Pg 557); thence along the north line of said West Tennessee Healthcare, Inc, property **S 64 degrees 32' 24" W** a distance of 59.04 feet to the southeast corner of the Jerald

W. White and wife Claudia K. White property (Bk 137, Pg 752); thence along the east line of said White property **N 24 degrees 27' 55" W** a distance of 200.00 feet to an iron rod found at the northeast corner of said White property; thence along the north line of said White property **S 64 degrees 32' 24" W** a distance of 175.27 feet (call 175.00 feet) to a point in the east line of a 40 foot wide ingress/egress easement; thence along the west line of said ingress/egress easement, said White property and said West Tennessee Healthcare, Inc, property **S 24 degrees 27' 55" E** a distance of 395.24 feet (call 398.15 feet) to a point in the north line of said U.

S. Highway 70A-79; thence with the north line of said U.S. Highway 70A-79 along a curve to right having a radius of 5696.58 feet an arc distance of 459.42 feet (chord: **S 63 degrees 13' 59" W**, 459.30 feet); thence **S 65 degrees 32' 37" W** a distance of 727.20 feet to the Point of Beginning.

Being the same property conveyed to Haywood County School Board by deed recorded in Record Book 179, Page 835, Register's Office, Haywood County, Tennessee.

LESS AND EXCEPTING FROM THE ABOVE DESCRIPTION IS THE FOLLOWING:

BEGINNING at a point at the southwest corner of Lauren K. Dowling as described in Record Book 58 Page 650, and being in the north margin of North Washington

Avenue (ROW 66 feet); runs thence with said margin, south 69 degrees 25 minutes 02 seconds west 142.41 feet to an iron pin set (all pins set are 1/2" by 18" with identification cap stamped EVANS-RLS 2524); runs thence with a new severance line through the Haywood County School Board as described in Record Book 179 Page 835 the following calls: north 16 degrees 54 minutes 22 seconds west 146.74 feet to an iron pin set; thence north 67 degrees 38 minutes 44 seconds west 131.35 feet to an iron pin set; thence north 16 degrees 22 minutes 12 seconds west 109.04 feet to an iron pin set; thence north 06 degrees 00 minutes 20 seconds east 137.80 feet; thence north 51 degrees 06 minutes 09 seconds west 171.78 feet to an iron pin set, said pin being the northwest corner of the herein described tract; thence north 72 degrees 32 minutes 07 seconds east 509.17 feet to an iron pin set in the west line of the Silicon Ranch Corporation as described in Record Book 142 Page 428; runs thence with said west line, south 20 degrees 21 minutes 09 seconds east 284.16 feet to a 1/2 inch iron pin found; thence south 14 degrees 19 minutes 07 seconds east 121.82 feet to a 1/2 inch iron pin found, said pin being the northeast corner of aforementioned Dowling; runs thence with the north line of said Dowling, south 72 degrees 19 minutes 07 seconds west 59.04 feet to a power pole, said pole being the southeast corner of Jerald W. White as described in Deed Book 137 Page 835; runs thence with the east line of said White, north 16 degrees 41 minutes 12 seconds west 200.00 feet to a 1 inch pipe found, said pipe being the northeast corner of White; runs thence south 72 degrees 19 minutes 07 seconds west 175.27 feet to a 1 inch pipe found, said pipe being the northwest corner of said White; runs thence with the west line of White and continuing with the west line of Dowling, south 16 degrees 41 minutes 12 seconds east 395.24 feet to the POINT OF BEGINNING containing within these calls 184212.54 square feet or 4.23 acres of land as surveyed on January 21, 2020 by Evans & Associates Land Surveying, 320 South Washington, Brownsville, Tennessee. (731-432-1381) Said acreage being subject to all right of ways and easements, if any exist. There is an existing 40' ingress/egress easement along the west line of Dowling and White as described in Record Book 68, page 650, Register's Office, Haywood County, Tennessee.

This being the property conveyed to Southwest Human Resource Agency Head Start by deed recorded in Record Book 185 Page 174 in the Register's Office of Haywood County, Tennessee.

Notice per T.C.A. 66-24-121: No survey was performed at the time of closing. The legal description herein is the same as in the previous deed of record. No opinion is rendered as to the accuracy of the legal description.

Map 067, Parcel 009.01

TAX AGREEMENT

THIS TAX AGREEMENT (this "Agreement") is made and entered into as of October *fl* , 2020 (the "Effective Date"), by and between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BROWNSVILLE AND HAYWOOD COUNTY, TENNESSEE**, a public , nonprofit corporation organized and existing under the laws of the State of Tennessee (together with its successors and assigns , the "IDB"), and **HAYWOOD COUNTY COMMUNITY HOSPITAL INC.**, a Tennessee corporation (together with its successors and assigns, the "Company").

WITNESSETH:

WHEREAS, the IDB is a public , nonprofit corporation and a public instrumentality of the City of Brownsville, Tennessee (the "City") and Haywood County, Tennessee (the "County") and is authorized under Chapter 53, Title 7, Tennessee Code Annotated, as amended and supplemented from time to time (the "Act"), to enter into lease agreements with manufacturing, industrial, commercial and financial enterprises with respect to one or more projects for such payments and upon such terms and conditions as the Board of Directors of the IDB may deem advisable in accordance with the provisions of the Act in order to maintain and increase employment opportunities by inducing such enterprises to locate in or to remain in the State of Tennessee ; and

WHEREAS , to induce the Company, to acquire and construct a certain healthcare facility (as further defined in the Facility Lease, the "Facility") located in the City and the County , and to induce Company to equip the Facility , the IDB has agreed to acquire and own the Facility, which Facility shall be leased by the IDB to the Company pursuant to a certain Facility Lease Agreement (as amended or supplemented from time to time, the "Facility Lease"), dated of even date herewith; and

WHEREAS, the Board of Directors of the IDB, pursuant to Section 7-53-102 of the Act, has found and determined that the agreement by the IDB to acquire, own and lease such Facility will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, will alleviate conditions of unemployment and has induced or will induce the Company to acquire and construct the Facility and has induced or will induce Company to equip the Facility, thereby increasing employment opportunities in the City and the County; and

WHEREAS, the IDB is authorized by law and has deemed it necessary to acquire and construct the Facility (the Facility being sometimes referred to as the "Project") as aforesaid, which acquisition of the Facility has occurred of even date herewith; and

WHEREAS, the City and the County have delegated authority to the IDB to enter into payment in lieu of tax incentives such as that set forth in this Agreement, and

WHEREAS, the IDB, the Company now desire to enter into this Agreement governing payments in lieu of ad valorem taxes with respect to the property leased to the Company pursuant to the Facility Lease.

NOW, THEREFORE, for and in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, it is agreed as follows:

- **Definitions.** In addition to the words and terms elsewhere defined in this Agreement, the following terms as used herein shall have the following meaning :

- "Applicable Ad Valorem Taxes" means any ad valorem taxes on the Facility, as applicable, that, but for ownership of the Facility by the IDB, would have been due and payable by the Company to the County pursuant to T.C.A. § 67-5-102 or to the City pursuant to T.C.A. § 67-5-103.

- "Force Majeure Event" means any of the following that prohibits, delays or materially interferes with the healthcare operation of the Facility: strikes; lock-outs; acts of the public enemy; the enactment, imposition or modification of any applicable law which occurs after the Effective Date and precludes operations; confiscation or seizure by any government or public authority; wars or war-like action (whether actual and pending or expected, and whether de jure or de facto); blockades; insurrections; riots; civil disturbances; governmental restrictions; epidemics; landslides; earthquakes; fires; hurricanes; floods; wash-outs; explosions; failure of major equipment or machinery critical to the operation of the Project for their respective intended purposes as long as diligent efforts are being made to repair or replace the same; nuclear reaction or radiation; radioactive contamination; or any other cause, whether of the kind herein enumerated or otherwise, which is not reasonably within the control of Company, but specifically excluding any financial condition, lack of funds, lack of financing, insolvency, or bankruptcy of such party.

- **In Lieu of Tax Payments.** Company shall make, on behalf of the Company with respect to the Facility Lease, in lieu of all liability and payments for Applicable Ad Valorem Taxes (the "In Lieu of Tax Payments") to the County and to the City for each calendar year, expressed as a percentage of the Applicable Ad Valorem Taxes, as set forth below:

<u>Applicable Year</u>	<u>Percentage of Applicable Ad Valorem Taxes to be Paid:</u>
Effective Date through December 31, 2021	100% - (In Lieu of Tax Payments equal to all Applicable Ad Valorem Taxes shall be paid)
2022	10%
2023	20%
2024	30%
2025	40%
2026	50%
2027	60%
2028	70%
2029	80%

2030	90%
January 1 , 2031 through the expiration or termination of the Facility Lease	100%

Notwithstanding the foregoing or anything to the contrary herein contained, if the Facility ceases to be operated as an General Acute Care Hospital, Rural Acute Care Hospital or Critical Access Hospital. This shall include the Emergency Department, Inpatient/Outpatient Radiology Labs and other necessary functions of one of the three designations stated above. Other than during periods of restoration following a casualty or periods of renovation, and in either event with the restoration or renovation being undertaken with commercially reasonable diligence to completion, and, further, subject to being excused as a result the occurrence of a Force Majeure Event, then the In Lieu of Tax Payments shall be 100% during such period during which operations have ceased (In Lieu of Tax Payments equal to all Applicable Ad Valorem Taxes shall be paid). An extension of time for performance hereunder attributable to a Force Majeure Event shall be limited to the period of delay due to such Force Majeure Event, which period shall be deemed to commence from the time of the commencement of the Force Majeure. Notwithstanding the foregoing , however, no Force Majeure Event shall excuse the Company from timely paying any money as provided in this Agreement.

- Special Provisions Regarding In Lieu of Tax Payments. Notwithstanding the provisions of Sections 2, although changes in applicable law are expected to have eliminated the potential taxation of the leasehold interests in the Property, if for some unforeseen reason the Company or the Company's tenant is required to pay ad valorem taxes by reason of its leasehold interests in the Property ("Leasehold Taxes"), then the amount of Leasehold Taxes actually paid by the Company shall be deducted from the In Lieu of Tax Payments next due either from the Company with respect to the Facility or until such time as the full amount of Leasehold Taxes actually paid by the Company during the term of the Facility Lease shall have been deducted from In Lieu of Tax Payments. Notwithstanding the foregoing or anything else contained in the Facility Lease, in the event that the Company determine that the Company possesses or may possess a positive leasehold value in its leasehold interest in the Facility Lease, as calculated pursuant to Section 67-5-605 of the Tennessee Code Annotated , or the Company shall have the continuing option to require the IDB to take all reasonable steps, at no additional cost to the IDB, to restructure the Facility Lease to eliminate the potential positive leasehold value. Such options may include, but are not limited to, an arrangement by which the IDB issues and the Company (if it so elects) receives an industrial revenue bond or note to finance all or a portion of the Project, and to repay the same through the payment of rent under the Facility Lease, provided that such bond or note shall be a limited obligation of the IDB payable only from such rent and without recourse to the City and the County. However, provided that the Company exercise the option to require IDB to take such reasonable steps, the Company shall each pay one-half all of IDB's reasonable and substantiated attorney's fees and expenses related to the restructure of the transaction to utilize a bond or note structure for the Facility Lease.

- Permitted Contests. It is agreed and understood that the Company or any other person (a "Contesting Party"), may , in good faith at its own expense, contest the Applicable Ad Valorem Taxes, or the amount of any In Lieu of Tax Payments based thereon, after giving

notice of its intention to do so to the IDB. In the event of any such contest, the Contesting Party may permit the taxes or the In Lieu of Tax Payments so contested to remain unpaid during the period of such contest and any appeal therefrom unless the IDB shall notify the Contesting Party, that by non-payment of such items the Project, or any part thereof, may be imminently subject to loss or forfeiture, in which event such taxes, In Lieu of Tax Payments, assessments or charges shall be promptly paid or secured by the Contesting Party' s posting a bond in form and substance reasonably satisfactory to the IDB. The IDB shall, if requested by the Contesting Party, and provided that the IDB shall be indemnified and held harmless against and from all costs and expenses (including reasonable attorneys ' fees) which may be reasonably incurred by the IDB in connection therewith, cooperate fully with the Contesting Party in any such contest.

Reports and Document Filing.

Intentionally Omitted.

- **Annual Report Pursuant to the Act.** Annua lly, the Company shall each file the report required to be filed pursuant to Section 7-53-305(e) of the Act on or before October 1 of each year. A copy of this report shall also be filed with the Haywood County Assessor of Property. This form can be filed online at https://smartfile.cot.tn.gov/Filing/FilingType/Info/SOT_PILOT, if desired.

- **Cost Versus Benefits Analysis.** The Company hereby submits the "Cost Versus Benefits Analysis For Payment In Lieu of Ad Valorem Tax" forms, attached hereto as **Schedule 1** and incorporated herein by this reference, as required by Section 7-53-305(b) of the Act.

- **Tax Bill to be Sent by City and County.** IDB, and the Company shall endeavor in good faith to cause both the County Trustee and the City Tax Collector to send to the Company and the IDB bills for the In Lieu of Tax Payments on or before the first (1st) day of November of each year, and the payment thereof shall be made by Company on or before the last day of February for In Lieu of Tax Payments for the immediately preceding year.

- **Miscellaneous.** This Agreement shall be construed in accordance with the laws of the State of Tennessee , and if any one or more of the provisions of this Agreement shall be held in valid , illegal or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, legality or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed the same as if such invalid, illegal or unenforceable provision had never been contained herein.

- **Counterparts.** This Agreement may be executed in counterparts each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

(Signatures on following page)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

IDB:

THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF BROWNSVILLE
AND HAYWOOD COUNTY

By: 11/2,

Name: David Prince
Title: Chairman

COMPANY:

Haywood County Community Hospital, Inc.,
a Tennessee company

By: 
Name Beau R. Braden
: Titl Chief Executive Officer, Braden Health
e:

SCHEDULE 1

COST VERSUS BENEFIT ANALYSIS FOR PAYMENT IN LIEU OF AD VALOREM TAX FORM

[SEE ATTACHED]

Cost Versus Benefit Analysis for Payment in Lieu of Ad Valorem Tax											
Date		Person completing Form: <u>Michael Banks</u>									
		Title: <u>Attorney</u>									
Lessor: <u>Haywood County, Tennessee</u>		Lessee: <u>Haywood County Community Hospital</u>									
Lease Term	Term Beginning Date	Total Term Ending Date December 31, 2025									
Step 1	134	Number of New Jobs	Annual Company wage	Direct cost	Indirect cost	See Note 1	Direct & indirect cost				
Step 2	\$	+	\$ 43,138	0							
Step 3	\$	x	0.091	=	\$0.00	x	0.61	=	\$0.00	0.300	\$0.00
Direct & indirect cost		See Note 1		New Total Annual State Tax		See Note 1		New Annual State Sales Tax		New Annual Local Sales Tax	
<p>Additional comments and information about costs or benefits associated with the project may be attached.</p> <p>Summary:</p> <p>Total of New and indirect Jobs: <u>134</u></p> <p>First Year PILOT Payment County: <u>\$</u></p> <p>First Year PILOT Payment City: <u>\$</u></p> <p>Total of direct and indirect cost: <u>\$</u></p> <p>Total First year PILOT: <u>\$</u></p> <p>Total of New Annual State Sales Tax and New Annual Local Sales Tax: <u>\$ 0.00</u></p> <p>To be completed by Comptroller of Treasury</p> <p>Market Value of Leased Real Property: <u>2,309,340</u></p> <p>Market Value of Leased Machinery & Equipment: <u>4,000</u></p> <p>Market Value of Leased Land: <u>689,676.00</u></p> <p>Total Appraised Value: <u>\$ 6,999,200.00</u></p> <p>Total Assessed Value: <u>\$ 2,399,680.00</u></p>											

Footnote 1 | Economic factors and multipliers provided by University of Tennessee for Business and Economic Research, Updated November 28 2011

Footnote 2 | First Year PILOT calculated based on first year of operations

THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BROWNSVILLE
AND HAYWOOD COUNTY, TENNESSEE

and

HAYWOOD COUNTY COMMUNITY HOSPITAL

EQUIPMENT LEASE AGREEMENT

DATED AS OF OCTOBER 27TH, 2020

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EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE AGREEMENT (as amended or supplemented from time to time, this "Lease"), dated as of October 23, 2020, by and between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BROWNSVILLE AND HAYWOOD COUNTY, TENNESSEE**, a public, nonprofit corporation organized and existing under the laws of the State of Tennessee (together with its successors and assigns, the "IDB"), and **HAYWOOD COUNTY COMMUNITY HOSPITAL**, a Tennessee corporation (together with its successors and assigns, "Haywood County Community Hospital").

WITNESS ETH:

WHEREAS, the IDB is a public, nonprofit corporation and a public instrumentality of the City of Brownsville, Tennessee (the "City") and Haywood County, Tennessee (the "County"), and is authorized under Chapter 53, Title 7, Tennessee Code Annotated, as amended and supplemented from time to time (the "Act"), to enter into lease agreements with manufacturing, industrial, commercial, and financial enterprises with respect to one or more projects for such payments and upon such terms and conditions as the Board of Directors of the IDB may deem advisable in accordance with the provisions of the Act in order to maintain and increase employment opportunities by inducing such enterprises to locate in or to remain in the State of Tennessee; and

WHEREAS, to induce Haywood County Community Hospital, a Tennessee corporation (the "Company") to acquire and construct a certain healthcare facility located at 2545 North Washington Ave., in the City and the County (the Land and Building being referred to as the "Facility"), and to equip said Facility with the Equipment (as defined below), the IDB has agreed to acquire and own the Facility, which Facility shall be leased by the IDB to the Company pursuant to a certain Facility Lease Agreement (as amended or supplemented from time to time, the "Facility Lease"), dated of even date herewith, and to acquire and own the Equipment, which Equipment shall be leased by the IDB to Haywood County Community Hospital pursuant to this Lease; and

WHEREAS, the Board of Directors of the IDB, pursuant to Section 7-53-102 of the Act, has found and determined that the agreement by the IDB to acquire, construct, equip and lease such healthcare facility will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, will alleviate conditions of unemployment and has induced or will induce the Company to acquire and construct the Facility, and has induced or will induce Haywood County Community Hospital to equip and operate the Facility, thereby increasing employment opportunities in the City and the County; and

WHEREAS, the IDB has not made and does not intend to make any profit by reason of its business or venture in which it may engage or by reason of its entering into this Lease, and no part of the IDB's net earnings, if any, will ever inure to the benefit of any person, firm or corporation except the City and/or the County; and

WHEREAS, the IDB is authorized by law and has deemed it necessary to acquire the Facility and acquire the Equipment (the Facility and the Equipment being sometimes referred

to as the "Project") as aforesaid , which acquisition of the Facility has occurred of even date herewith; and

WHEREAS, the IDB proposes to lease the Equipment to Haywood County Community Hospital and Haywood County Community Hospital desires to lease the Equipment from the IDB upon the terms and conditions set forth herein .

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I
DEFINITION
S

Section 1.1 Definitions of Terms. In addition to the words and terms defined in the preamble hereto and elsewhere defined in this Lease, the following words and terms as used herein, whether or not the words have initial capitals , shall have the following meaning , unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

- " Act" shall have the meaning set forth in the preamble hereto.
 - "Additional Rental Payments" means that portion of the Rental Payments described in Section 5.2(b) hereof.
 - "Basic Rental Payments" means that portion of the Rental Payments described in Section 5.2(a) hereof .
 - "Building" means all buildings , structures , improvements , and fixtures located on the Land.
 - "City " shall have the meaning set forth in the preamble hereto.
 - "Company" shall have the meaning set forth in the first paragraph hereof.
 - "Condemnation" means the taking of title to, or the use of, the Equipment under the exercise of the power of eminent domain by any governmental entity or any other person acting under governmental authority.
 - "County" shall have the meaning set forth in the preamble hereto.
 - "Equipment" means those items of furniture , fixtures , personal property and equipment and related property acquired by the IDB and leased to Haywood County Community Hospital pursuant to this Lease, including all such items (i) conveyed to the IDB by Haywood County Community Hospital upon delivery of an executed Bill of Sale in the form attached as **Exhibit B**, (ii) acquired by Haywood County Community Hospital in its capacity as agent for the IDB pursuant to

Article IV here of, and (iii) acquired in substitution therefor and any renewals or replacements thereof pursuant hereto.

(i) "Equipment Security Documents" means, collectively, the Security Agreement and any financing statements related thereto.

5. "Event of Default" or "Default" means any of those events defined as Events of Default by Section 10.1 of this Lease.

A. "Facility" shall have the meaning set forth in the preamble hereto.

2) "Facility Lease" shall have the meaning set forth in the preamble hereto.

3) "Facility Security Documents" means, collectively, the Facility Deed of Trust and any financing statements related thereto.

4) "Fiscal Year" means the fiscal year, as such from time to time exists, of Haywood County Community Hospital.

5) "IDB" shall have the meaning set forth in the first paragraph hereof.

6) "Land" means the real estate and interests in real estate described in Exhibit A, attached hereto and incorporated herein by this reference, less such real estate and interest in real estate as may be taken by the exercise of the power of eminent domain as provided in Article VII of the Facility Lease and less such real estate and interest in real estate as may be sold to the Company pursuant to Article XI of the Facility Lease.

7) "Lease" shall have the meaning set forth in the first paragraph hereof.

8) "Lien" means any interest in Property securing an obligation owed to any one, whether such interest is based on the common law, statute, or contract, and including, but not limited to, the security interest arising from a mortgage, security agreement, encumbrance, pledge, conditional sale, trust receipt, lease, consignment, or bailment for security purposes. The term "Lien" also includes reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases, and other similar title exceptions and encumbrances, including, but not limited to, mechanics', materialmen's, warehousemen's, carriers', and other similar encumbrances affecting real property. For the purposes of this Lease, one shall be deemed to be the owner of any Property which he, she, or it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in someone else for security purposes.

9) "Net Proceeds" means so much of the gross proceeds with respect to which that term is used as remains after payment of all expenses, costs, and taxes, including reasonable attorneys' fees and extraordinary expenses, incurred in obtaining such gross proceeds.

10) "Parties" means the IDB and Haywood County Community Hospital.

2) "Permitted Encumbrances" means: (i) all Liens, if any, of record as of the date hereof, together with all future Liens arising out of transactions

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anics ', materialmen's, warehousemen's, carriers ', and

other similar Liens to the extent permitted by Section 8.5 of this Lease; and (iii) Liens for taxes at the time not delinquent.

3) "Project" shall have the meaning set forth in the preamble hereto.

4) "Property" means any interest in any kind of property or assets, whether real, personal, or mixed, tangible or intangible.

5) "Rental Payments" means, collectively, the Basic Rental Payments and the Additional Rental Payments.

6) "Security Agreement" shall have the meaning set forth in the preamble hereto.

(aa) "State" means the State of Tennessee.

(bb) "Substitute Equipment" shall have the meaning set forth in Section 7.2(a) hereof.

(cc) "Tax Agreement" means that certain Tax Agreement of even date herewith entered into by and among the IDB, Haywood County Community Hospital and the Company.

(dd) "Term" shall have the meaning set forth in Section 3.2 hereof.

Section 1.2 References to Lease. The words "hereof," "herein," "hereunder," and other words of similar import refer to this Lease as a whole.

Section 1.3 References to Articles, Sections, Etc. References to Articles, Sections, and other subdivisions of this Lease are to the designated Articles, Sections, and other subdivisions of this Lease as originally executed.

Section 1.4 Headings. The headings of this Lease are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II REPRESENTATIONS, WARRANTIES, AND COVENANTS

Section 2.1 Representations, Warranties, and Covenants of the IDB. The IDB hereby represents, warrants, and covenants as follows as the basis for the undertakings on its part herein contained:

a) That the IDB: (i) was legally created and exists under the provisions of the Act; (ii) has the power under the provisions of the Act to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder; and (iii) has been duly authorized, by proper action, to execute, deliver and perform this Lease and the Equipment Security Documents;

b) That, to the best of the IDB's knowledge, the Project constitutes a "project" within the meaning of the Act, and the IDB is entering into this Lease to accomplish the public purposes of the Act;

c) That the IDB will undertake the acquisition and ownership of the Project in accordance with the terms and provisions hereof and of the Facility Lease, in order to induce and cause the Company to provide the Facility and Haywood County Community Hospital to operate the Facility, such Facility to be leased to or occupied by (i) industrial, commercial, financial or service enterprises or (ii) similar corporations or enterprises, thereby maintaining and increasing employment opportunities, and furthering the welfare of the residents of the City, the County and the State;

d) That the IDB will not pledge the rentals and other amounts derived from the Equipment other than to secure those obligations secured by the Security Agreement and will not mortgage or encumber the Equipment except pursuant to Section 4.4 hereof;

e) That nothing in this Lease shall be construed to require or permit the IDB to operate the Project other than as lessor; and

f) That, to the best of the IDB's knowledge, all requirements of the Act have been complied with.

Section 2.2 Representations, Warranties, and Covenants of Haywood County Community Hospital. Haywood County Community Hospital hereby represents, warrants, and covenants as follows as the basis for the undertakings on its part herein contained:

D. That Haywood County Community Hospital: (i) is a corporation duly incorporated and validly existing under the laws of the State of Tennessee; (ii) has the power and authority to enter into this Lease; and (iii) has duly authorized the execution, delivery, and performance of this Lease; and

E. That the execution and delivery of this Lease and the Equipment Security Documents will be valid and binding on Haywood County Community Hospital and that neither the execution nor delivery of the foregoing documents, nor the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, will conflict with or result in a breach of any of the terms, conditions, or provisions of any agreement or instrument to which Haywood County Community Hospital is now a party or by which it is bound, or constitute a default hereunder or under any of the foregoing, or result in the creation or imposition of any Lien upon any Property of Haywood County Community Hospital under the terms of any instrument or agreement, other than the respective Liens, if any, under the Equipment Security Documents and this Lease; and

F. That the Project constitutes a "project" within the meaning of the Act, and throughout the Term, Haywood County Community Hospital will not take, permit to be taken, fail to take, or permit to fail to be taken, any action which would cause the Project not to constitute a "project" within the meaning of the Act; and

G. That the reduction in property taxes as set forth in the Tax Agreement has induced and caused Haywood County Community Hospital to provide said Project; and

H. That, to Haywood County Community Hospital's knowledge, the execution, delivery and performance in accordance with the respective terms of this Lease, the Equipment Security Documents (as applicable) and any other documents executed and delivered in connection with this transaction do not and will not (i) violate any applicable law or (ii) conflict with, result in a breach of or constitute a default under any indenture, agreement or other instrument to which Haywood County Community Hospital is a party or by which Haywood County Community Hospital or any of Haywood County Community Hospital ' s properties may be bound;and

I. That there is no action , su it , proceeding or, to Haywood County Community Hospital' s know ledge, any inquiry or investigation at law or in equity or before or by any public board or body pending or, to Haywood County Community Hospital ' s knowledge , threatened against or affecting Haywood County Community Hospital' s Property, wherein an unfavorable dec isi on, ruling or finding would have a materia l, adverse effect on the validity or enforceability of this Lease or the Equipment Security Documents, which has not been previously disclosed.

ARTICLE III
DEMISING CLAUSE:
TERM

Section 3.1 Demise of Equipment. The IDB demises and leases to Haywood County Community Hospita l, and Haywood County Community Hospital leases from the IDB, the Equipment, subject only to Permitted Encumb rances , in accordance with the provisions of this Lease, to have and to hold for the Term.

Section 3.2 Lease Term. The Term of this Lease shall commence as of the date hereof and shall terminate on December 31, 2031, unless earlier terminated pursuant to the provisions of Article X or Article XI her eof; PROVIDED, HOWE VER, that in no event shall any termination of this Lease be effective, and despite such purported termination the Term hereof shall continue on a month-to-month basis, until the later of: (a) the date the IDB provides written notice to Haywood County Community Hospital of the expiration of the Term; (b) the date Haywood County Community Hospital either acquires title to the Equipment or provides written notice to the IDB stating that it does not intend to exercise the option to purchase the Equipment pursuant to Article XI hereof; (c) the date all liabilit ies , reasonable costs, and reasonable expenses of the IDB, including those of its legal counse l, incurred pursuant to, or in connection with, this Lease shall have been fully paid and discharged to the reasonable satisfaction of the IDB; or (d) the date all other reasonable liabilities, costs, and expenses which Haywood County Community Hospital herein assumes or agrees to pay shall have been fully paid or satisfactory provision made therefor.

ARTICLE IV
ACQUISITION OF THE EQUIPMENT

Section 4.1 Agreement to Equip the Project. The IDB and Haywood County Community Hospital agree to the following:

13. The IDB agrees that it shall acquire any Equipment presently owned by Haywood County Community Hospital at the Facility, and Haywood County Community Hospital agrees that it shall commence, or will continue if such work shall have theretofore commenced, the acquisition and installation, in or about the Building and wholly within the boundary lines of the Land, of the Equipment on behalf of itself and the IDB. Such installation shall be in a good and workmanlike manner. Haywood County Community Hospital shall have the sole responsibility for, and the IDB hereby appoints Haywood County Community Hospital as its agent with respect to, the acquisition and installation of the Equipment, and may perform the same itself or through agents, contractors and others selected by it, and may make or issue such contracts, orders, receipts and instructions, and in general do or cause to be done all such other things, as it may in its sole discretion consider requisite or advisable for the acquisition of the Equipment, installing the Equipment and fulfilling its obligations under this Section 4.1. Haywood County Community Hospital shall have full authority and the sole right under this Lease to supervise and control, directly or indirectly, all aspects of the acquisition and installation of the Equipment.

14. In order to effectuate the purposes of this Lease, as and when requested by Haywood County Community Hospital, the IDB will make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper, all for equipping and completing the Project, and for evidencing the IDB's ownership thereof.

Section 4.2 Payment of Expenses of Equipment Security Documents. Haywood County Community Hospital agrees to be liable and pay for recording expenses, reasonable legal fees, and other reasonable fees and expenses incurred or to be incurred by or on behalf of the IDB in connection with or as an incident to the Equipment Security Documents.

Section 4.3 Other Amounts Payable by Haywood County Community Hospital. Haywood County Community Hospital agrees to pay all reasonable costs and expenses (including reasonable attorneys' fees), not otherwise paid under the terms of this Lease reasonably incurred by the IDB in connection with, or as a direct or indirect result of, or in connection with the administration or enforcement of, and compliance with, this Lease and the Equipment Security Documents, or otherwise in regard to the Equipment. Haywood County Community Hospital may, however, without creating a default hereunder, contest in good faith the necessity, and the reasonableness of, any costs, expenses, fees, amounts, liabilities and obligations referred to in this Section 4.3 and in Section 8.2 hereof.

Section 4.4 Further Collateralization. The IDB agrees to subordinate its interest in the Equipment in favor of any lender or financial institution that has taken or that takes a Lien

against the Equipment and the IDB agrees to grant a non-recourse security interest in and to the Equipment in favor of any now existing or future lender or financial institution to secure indebtedness owed by Haywood County Community Hospital to such lender or financial institution, whether such

indebtedness is presently existing or hereafter incurred. The form of subordination agreement and security agreement executed by the IDB shall be in form and substance reasonably satisfactory to such lender or financial institution.

ARTICLE V RENTAL PROVISIONS: PREPAYMENT

Section 5.1 Quiet Enjoyment. The IDB hereby covenants and agrees that it will not take any action, other than pursuant to Article X of this Lease, to prevent Haywood County Community Hospital from having quiet and peaceable possession and enjoyment of the Equipment during the Term and will, at the request of Haywood County Community Hospital, and at the requesting person's cost, to the extent that it may lawfully do so, join in any legal action in which Haywood County Community Hospital asserts its right to such possession and enjoyment.

Section 5.2 Rental Payments; Basic Rental Payments; and Additional Rental Payments. Haywood County Community Hospital covenants and agrees to pay, or cause to be paid, as and for rental and for use of the Equipment, throughout the Term, the Basic Rental Payments and the Additional Rental Payments as provided in this Section, in funds which constitute lawful monies of the United States of America for the payment of public and private debts, as at the time of payment:

* Basic Rental Payments. Haywood County Community Hospital shall, throughout the Term, pay, or cause to be paid, as "Basic Rental Payments," in a lump sum on the Effective Date, the amount of One and No/100 Dollars (\$1.00), the payment and receipt of which the parties hereby acknowledge.

* Additional Rental Payments Haywood County Community Hospital shall from time to time pay, as Additional Rental Payments, an amount sufficient to pay the following costs and expenses:

- All amounts due in respect of the Equipment under the Tax Agreement at such time as such payments are due under the Tax Agreement;
- The reasonable fees and other costs, not otherwise paid under this Lease, incurred by the IDB by reason of its leasing of the Equipment or in connection with its administration and enforcement of, and compliance with, this Lease, or otherwise in connection with the Equipment, including without limitation the reasonable fees and other costs incurred by the IDB for services of any engineers, architects, attorneys or independent accountants, if any, as may reasonably be employed in connection with any of the foregoing, in each case within thirty (30) days of receipt of written demand therefor from the person entitled to payment thereof; and

- All amounts advanced by the IDB under authority of this Lease or otherwise and which Haywood County Community Hospital is obligated to repay pursuant to the terms hereof within such time as set forth herein, or if no such period of time is provided, then within thirty (30) days of receipt of written demand from the IDB therefor.

* Payments of Additional Rental Payments shall be made by Haywood County Community Hospital directly to the IDB or to such other persons entitled to such payment as the IDB may direct.

* In the event Haywood County Community Hospital shall fail to make any payment required by this Section, the payment so in default shall continue as an obligation hereunder of Haywood County Community Hospital until the amount in default shall have been fully paid, and Haywood County Community Hospital shall pay, or cause to be paid, the same with interest thereon from the date of default until so paid at a rate per annum equal to twelve percent (12%) or the maximum rate of interest allowable by applicable law, whichever is less.

* Haywood County Community Hospital shall make the payments required by this Section without any further notice thereof except as may be specifically required by this Section.

Section 5.3 General Obligation; Obligations of Haywood County Community Hospital Unconditional. Haywood County Community Hospital shall pay to or upon the order of the IDB, at or before the time when payable pursuant to Section 5.2(b) above, all reasonable costs and liabilities incurred by the IDB in connection with this Lease, under the Equipment Security Documents, or otherwise as a result of the transactions contemplated by this Lease.

3. The obligations of Haywood County Community Hospital to make the payments required in Section 5.2 hereof, and to perform and observe any and all of the other covenants and agreements on its part contained herein, shall be a general obligation of Haywood County Community Hospital and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim which Haywood County Community Hospital otherwise may have against the IDB. Haywood County Community Hospital shall not:

(i) suspend, discontinue, or abate any payment required by Section 5.2 hereof (except as provided in this Section 5.3); (ii) fail to observe any of its other covenants or agreements in this Lease or the Equipment Security Documents; or (iii) except as provided in Article XI hereof, terminate this Lease for any cause whatsoever, including, without limiting the generality of the foregoing, failure to complete the Project; failure of Haywood County Community Hospital to use the Equipment as contemplated in this Lease or otherwise; any change or delay in the time of availability of the Project; any defect in the title, design, operation, merchantability, fitness, or condition of the Project or in the suitability of the Project for the purposes or needs of Haywood County Community Hospital; failure of consideration; eviction or constructive eviction; destruction of or damage to the Project; commercial frustration of purpose; the taking by Condemnation of title to or the use of all or any part of the Project; any change in the taxation or other laws of the United States of America or of the State or any political subdivision of either; any declaration or finding that any portion of this Lease is invalid or unenforceable; and any failure of the IDB or Haywood

County Community Hospital to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or in connection with this Lease or otherwise.

4. Nothing contained in this Section shall be construed to release the IDB from the performance of any of the agreements on its part contained in this Lease, and in the event the IDB should fail to perform any such agreement on its part, Haywood County Community Hospital may institute such action against the IDB, as Haywood County Community Hospital may deem necessary to compel performance; provided, however, that anything contained herein to the contrary notwithstanding, no such action shall: (i) violate the agreements on the part of Haywood County Community Hospital contained in subsection (a) above; (ii) diminish the amounts required to be paid by Haywood County Community Hospital pursuant to any provision of this Lease; or

7. seek to impose any pecuniary liability on the IDB payable from any source other than as provided in the Equipment Security Documents, or any personal or pecuniary liability on any officer or director of the IDB. Haywood County Community Hospital may, at its own cost and expense, and in its own name or in the name of the IDB, prosecute or defend any action or proceeding or take any action involving third persons which Haywood County Community Hospital deems reasonably necessary in order to secure or protect its right to possession, occupancy, and use of the Project, and in such event the IDB shall, provided Haywood County Community Hospital shall pay, or cause to be paid, all costs (including attorneys' fees) reasonably incurred by the IDB in connection therewith as such costs accrue, cooperate fully with Haywood County Community Hospital.

ARTICLE VI MAINTENANCE, MODIFICATIONS, TAXES, AND INSURANCE

Section 6.1 Maintenance of the Equipment. Throughout the Term, Haywood County Community Hospital shall, at its own expense, keep and maintain the Equipment, or cause the Equipment to be kept and maintained, in good condition, repair, and working order (ordinary wear and tear excepted), making, or causing to be made, all repairs and replacements thereto (whether ordinary or extraordinary, structural or nonstructural, or foreseen or unforeseen), and operate the Equipment, or cause the Equipment to be operated, as deemed necessary and proper by Haywood County Community Hospital.

Section 6.2 Modification of the Equipment.

- Haywood County Community Hospital, at its own cost and expense, may make such additions, renewals, replacements, or improvements to or alterations of the Equipment, or may construct or place on the Facility, such additional or renewal or replacement facilities, furnishings, or equipment, as Haywood County Community Hospital may deem desirable to attain the purposes herein contemplated, provided that such additions, renewals, replacements, improvements, alterations, facilities, furnishings, or equipment shall not impair the fair market value, structural soundness, or usefulness of the Facility.

- At the request of Haywood County Community Hospital , the IDB shall join in any application for such municipal and other governmental permits and authorizations as Haywood County Community Hospital may deem necessary or advisable in connection with any such construction, acquisition or installation, provided that Haywood County Community Hospital

shall indemnify and hold the IDB harmless, or cause the IDB to be indemnified and held harmless, against and from all costs and expenses, including attorneys' fees, which may be incurred by the IDB in connection with any such joinder or application.

Section 6.3 Substitutions and Replacements of the Equipment. All improvements, fixtures, personal property, equipment, accessions and other Property which shall be placed or installed in or upon the Facility as a substitute for, or in renewal or replacement of, any part of the Equipment, shall become a part of the Equipment.

Section 6.4 Taxes, Assessments, and Utility Charges.

10. Haywood County Community Hospital shall pay, or cause to be paid, as the same shall respectively become due: (i) all taxes, in lieu of tax payments, regulatory fees, and governmental charges of any kind whatsoever, including ad valorem taxes, that may at any time be lawfully assessed or levied against or with respect to the Equipment (subject in each case to the Tax Agreement), excluding, however, any taxes levied upon or with respect to the income or revenues of the IDB from the Equipment; (ii) all utility or other charges, including "service charges," incurred or imposed for the operation, maintenance, use, occupancy, upkeep, and improvement of the Equipment; and (iii) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements which are in respect of the Equipment or any part thereof.

11. Haywood County Community Hospital or any other person may, in good faith and at its own expense, contest any such taxes, in lieu of tax payments, assessments, and other charges, after giving notice of its intention to do so to the IDB; provided that Haywood County Community Hospital shall pay any amounts that it concedes to be due pending the determination of such contest. In the event of any such contest, Haywood County Community Hospital or such other person, as applicable, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the IDB shall notify Haywood County Community Hospital or such other person, as applicable, that by nonpayment of any such items the Equipment, or any part thereof, may be imminently subject to loss or forfeiture, in which event such taxes, assessments, or charges shall be paid promptly or secured by posting a bond in form and substance satisfactory to the IDB. The IDB shall, if requested by Haywood County Community Hospital or such other person, as applicable, and provided that the IDB shall be indemnified and held harmless against and from all costs and expenses (including attorneys' fees) which may be reasonably incurred by the IDB in connection therewith, cooperate fully with Haywood County Community Hospital or such other person, as applicable, in any such contest.

Section 6.5 Insurance Required.

☐ At all times throughout the Term, Haywood County Community Hospital shall maintain insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums in respect thereto, including but not necessarily limited to:

- property insurance with Causes of Loss - Special Form or equivalent "all risk" coverage, including vandalism and malicious mischief insurance;
- commercial general liability insurance with a combined single limit of not less than \$1,000,000 per occurrence; and
- workers' compensation coverage and any other type of insurance required by the laws of the State in connection with the operation of the Project as contemplated hereby

□ Any of the insurance required above may provide deductible provisions in amounts not exceeding that in similar policies carried by businesses of a size and character similar to Haywood County Community Hospital, and Haywood County Community Hospital shall be a self-insurer to the extent of the amount of the deductible obtained and when the availability of insurance is limited and thus requires Haywood County Community Hospital to be a self-insurer above the deductible obtained. The Net Proceeds of the insurance carried pursuant to the provisions of this Section shall be paid and applied as provided by Section 6.7 hereof.

Section 6.6 Insurers and Policies. Each insurance policy required by Section 6.5 hereof shall be issued by one or more financially responsible insurers. Before the expiration of any such policy Haywood County Community Hospital shall furnish the IDB evidence satisfactory to the IDB, that such policy has been renewed or replaced, or is no longer required by this Lease. Without limiting the generality of the foregoing, all insurance policies carried pursuant to Section 6.5 hereof shall name Haywood County Community Hospital and the IDB as parties insured thereunder as the respective interest of each of such parties may appear, and each policy shall provide that losses thereunder shall be adjusted by Haywood County Community Hospital, with the insurer on behalf of the insured parties.

Section 6.7 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.5 hereof shall be applied as follows:

- c. The Net Proceeds of the insurance carried pursuant to Section 6.5(a)(i) hereof shall be applied as provided in Section 7.1 hereof; and
- d. The Net Proceeds of the insurance carried pursuant to Sections 6.5(a)(ii) and 6.5(a)(iii) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 6.8 Advances by IDB.

- c. In the event Haywood County Community Hospital shall fail to pay, or fail to cause to be paid, any tax, assessment, or governmental charge required to be paid by the provisions of Section 6.4 hereof, prior to the date upon which such tax, assessment or charge would become delinquent, or maintain, or cause to be maintained, the full insurance coverage required by the provisions of Section 6.5 hereof, the IDB, with not less than ten (10) days' prior written notice to Haywood County Community Hospital, may (but shall be under no obligation to) pay

such tax, assessment, or governmental charge or obtain or maintain the required policy of insurance, and pay the premium or premiums on the same.

d. All amounts so advanced by the IDB pursuant to subsection (a) of this Section shall be paid by Haywood County Community Hospital as Additional Rent pursuant to Section 5.2(b) hereof to the IDB or to such other person as the IDB may direct, together with interest thereon from the date of such advance to the date of payment at a rate per annum equal to twelve percent (12%) or the maximum rate of interest allowable by applicable law, whichever is less.

ARTICLE VII DAMAGE, DESTRUCTION, CONDEMNATION, ETC.

Section 7.1 Damage or Destruction. (a) In the event the Equipment shall be damaged or destroyed (in whole or in part) at any time during the Term:

- Haywood County Community Hospital shall promptly give , or cause to be given , written notice of such damage or destruction to the IDB;
 - all Net Proceeds of insurance resulting from damage to or destruction of the Equipment shall be paid to Haywood County Community Hospital;
 - Haywood County Community Hospital shall, if and to the extent desired by Haywood County Community Hospital, promptly replace , repair , or restore the Equipment to such condition , value , and utility to allow the Equipment to operate as it was designed to operate prior to such damage or destruction, with such changes, alterations, and modifications (including the substitution and addition of other Property) , as Haywood County Community Hospital may desire , and the IDB may convey any damaged or destroyed Equipment that is not repaired to Haywood County Community Hospital by quitclaim bill of sale.

c. All such replacements , repairs, or restoration of the Equipment made pursuant to this Section , whether or not requiring the expenditure of monies of Haywood County Community Hospital, shall automatically become a part of the Equipment the same as if specifically described herein upon delivery by Haywood County Community Hospital to the IDB of an executed Bill of Sale with respect thereto in the form attached as **Exhibit B.**

d. Haywood County Community Hospital shall be entitled to any insurance proceeds, or the applicable portion thereof, resulting from damage to or destruction of any Property that, at the time of such damage or destruction, is not part of the Equipment.

Section 7.2 Condemnation.

- In the event all or any part of the title to, or the use of, the Equipment shall be taken by Condemnation during the Term:
- Haywood County Community Hospital shall promptly give, or cause to be given, written notice of any Condemnation proceedings of, or affecting, the Equipment, or any portion thereof, to the IDB;
 - all Net Proceeds of any Condemnation award shall be paid to the Company, and the IDB agrees to assign to Haywood County Community Hospital its rights to any Condemnation award received by it;
 - Haywood County Community Hospital may if it desires , (A) promptly restore the Equipment (excluding any Property taken by Condemnation) to such condition, value , and utility to allow the Equipment to operate as it was designed to operate prior to such Condemnation, with such changes, alterations, and modifications (which do not increase expense, as Haywood County Community Hospital desires , at no cost to the IDB) or (B) acquire, by construction or otherwise , equipment ("Substitute Equipment"), of such nature and value to allow the Equipment to operate as it was designed to operate prior to such Condemnation, with such changes, alterations, and modifications as may be then required by Haywood County Community Hospital .
 - The restored portions of the Equipment, or the Substitute Equipment, whether or not requiring the expenditure of the moneys of Haywood County Community Hospital , shall automatically become part of the Equipment upon delivery by Haywood County Community Hospital to the IDB of an executed Bill of Sale with respect thereto in the form attached as **Exhibit B.**
- Haywood County Community Hospital shall also be entitled to the proceeds of any Condemnation award, or the applicable portion thereof, resulting from damage to, or taking of, any Property which, at the time of such damage or taking, is not part of the Equipment.

ARTICLE VIII SPECIAL COVENANTS

Section 8.1 No Warranty of Condition or Suitability; Use of Project. Haywood County Community Hospital acknowledges its full familiarity with the Equipment, and it represents that it is solely responsible for the plan under which the Equipment will be operated and maintained , licensed , approved, certified and accredited in order to be put in to service for patient care. The

IDB makes no representations or warranties , either express or implied , as to the condition, title, design, operation, merchantability, or fitness of the Project, or that it is, or will be, suitable for the purposes or needs of Haywood County Community Hospital.

Section 8.2 Indemnity and Hold Harmless Provisions. Haywood County Community Hospital hereby releases the IDB, its members, agents, employees, and consultants (each, an "Indemnified Party") from; agrees that the Indemnified Parties shall not be liable for; and agrees to reimburse and indemnify and hold the Indemnified Parties harmless from and against, any and all: (a) liability for loss or damage to Property or any injury to or death of any and all persons that may be occasioned by any cause whatsoever pertaining to the Project or arising by reason of or in connection with the acquisition, occupation, or use of said Project; (b) liability, loss or expense suffered by the Indemnified Parties for any liability arising from, or expense incurred by reason of, the IDB's leasing of the Equipment , and all causes of action and reasonable attorneys' fees and any other expense incurred in defending any suits or actions which may arise as a result of any of the foregoing excluding the IDB's obligations to Haywood County Community Hospital hereunder; and (c) costs and expenses of the Indemnified Parties incurred as a result of carrying out the IDB's obligations under this Lease, the Equipment Security Documents, or any other document herein contemplated; provided, however , that in no event shall any Indemnified Party be released from liability for, or have any rights to any indemnification or reimbursement hereunder with respect to, any such liabilities, losses, damage , costs or expenses that result from such Indemnified Party's gross negligence, fraud or willful misconduct .

Section 8.3 Reimbursement of the IDB. Notwithstanding that it is the intention of the parties that the IDB shall not incur any pecuniary liability by reason of this Lease, or the Equipment Security Documents, or by reason of any actions , documents , statutes, ordinances, or regulations pertaining to the foregoing, Haywood County Community Hospital shall promptly pay any and all reasonable costs and expenses, as such costs and expenses accrue, which may be incurred by, or judgments which may be rendered against , the IDB or any of its officers, employees, or agents at any time or times during, or subsequent to the Term: (a) in enforcing any of the terms, covenants , conditions, or provisions of this Lease or (b) in defending any action , suit, or proceeding brought against the IDB or any of its respective officers , employees, or agents as a result of (i) the violation of, or failure to comply with, any present or future Federal, State, or municipal law, ordinance, regulation, or order or (ii) any alleged failure, neglect, misfeasance, or default on the part of Haywood County Community Hospital , or any of the employees, servants, agents, or independent contractors of any of the foregoing in connection with, arising from, or growing out of, this Lease or in connection with the Equipment Security Documents, or the Equipment , or any operations conducted in, or any use of, said Equipment , or any action pertaining to, or connected with , any of the foregoing.

Section 8.4 Compliance with Orders, Ordinances, Etc.

☐ Haywood County Community Hospital shall throughout the Term, without expense to the IDB, promptly comply, or promptly cause compliance, with all statutes, codes, laws, acts, ordinances , orders, judgments , decrees , injunctions, rules , regulations, permits , licenses, authorizations, directions, contract provisions , and requirements

of all Federal, State, county, municipal, and other governments , departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials , and officers, foreseen or

un foreseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Equipment, or any part thereof, or to any of the streets, roads, passageways, sidewalks, curbs, gutters adjoining the Equipment, or any part thereof, or to any use, manner of use, or condition of the Equipment, or any part thereof.

☐ Notwithstanding the provisions of subsection (a) of this section, Haywood County Community Hospital or any other person may, in good faith and at his, her, or its own expense, upon prior written notice to the IDB, contest the validity or the applicability of any requirement of the nature referred to in subsection (a) of this section. In such event, Haywood County Community Hospital, or any such person, as applicable, may fail to comply with the requirement or requirements so contested during the period of such contest, and any appeal therefrom, unless the IDB or the Trustee shall notify Haywood County Community Hospital, or any such person, as applicable, that by failure to comply with such requirement or requirements, the Equipment, or any part thereof, may be imminently subject to loss or forfeiture, in which event Haywood County Community Hospital shall promptly take such action with respect thereto as shall be satisfactory to the IDB. The IDB shall, if requested by Haywood County Community Hospital, or such other person, as applicable, and provided that the IDB shall be indemnified and held harmless against and from all costs and expenses (including attorneys' fees) which may be reasonably incurred by the IDB in connection therewith, cooperate fully with Haywood County Community Hospital, or such other person, as applicable, in any such contest.

Section 8.5 Discharge of Liens and Encumbrances.

☐ Haywood County Community Hospital shall not permit or create, or suffer to be permitted or created, any Lien, except for Permitted Encumbrances, upon the Equipment or any part thereof, by reason of any labor, materials, or services rendered or supplied, or claimed to be rendered or supplied. Haywood County Community Hospital shall immediately give notice to the IDB of the filing or assertion of any such Lien of which it has knowledge, and except for Permitted Encumbrances shall, within thirty (30) days after receipt of actual notice of the filing or assertion of any such Lien, satisfy the Lien or cause it to be discharged of record or otherwise prevent the enforcement thereby by payment, deposit, filing the requisite bond, or taking such other action as shall be reasonably satisfactory to the IDB.

☐ Notwithstanding the provisions of subsection (a) of this section, Haywood County Community Hospital, or any other person, may, in good faith and at his, her, or its own expense, upon prior written notice to the IDB, contest any such Lien. In such event, Haywood County Community Hospital, or any such person, as applicable, may permit the Lien or encumbrance so contested to remain undischarged and unsatisfied during the period of such contest, and any appeal therefrom. The IDB shall, if requested by Haywood County Community Hospital, and provided that the IDB shall be indemnified and held harmless against and from all costs and expenses (including attorneys' fees) which may be reasonably incurred by the IDB in connection therewith, cooperate fully with Haywood County Community Hospital, or such other persons, as applicable, in any such contest.

Section 8.6 Restriction Against Certain Religious Activities. Haywood County Community Hospital hereby covenants that, for such period as may be required by law, no part of the Project shall be used for sectarian instruction , or as a place of religious worship , or in

connection with any part of a program of a school or department of divinity of any religious denomination. If at any time the applicable law would permit the Project to be used for a purpose prohibited by this Section, such prohibition shall, to that extent, be of no further force or effect.

Section 8.7 Further Assurances and Corrective Instruments. The IDB and Haywood County Community Hospital agree that they will, from time to time, execute, acknowledge and deliver , or cause to be executed, acknowledged and delivered , such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

ARTICLE IX ASSIGNMENT; REMOVAL OF EQUIPMENT; ETC.

Section 9.1 Assignment and Subleasing.

3) This Lease may be assigned and the Equipment subleased , as a whole or in part, by Haywood County Community Hospital without the necessity of obtaining the consent of the IDB, subject, however , to each of the following conditions:

- no assignment shall relieve Haywood County Community Hospital from primary liability for any obligations under this Lease, and in the event of any such assignment, Haywood County Community Hospital shall continue to remain primarily liable for payment of the amounts specified in this Lease and for performance and observance of the other agreements on its part provided to be performed and observed by Haywood County Community Hospital to the same extent as though no assignment had been made ;
- the assignee or sublessee shall assume the obligations of Haywood County Community Hospital hereunder to the extent of the interest assigned or subleased; and
- Haywood County Community Hospital shall , within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the IDB a true and complete copy of each assignment, assumption of obligation or sublease , as the case may be.

4) Haywood County Community Hospital may contract for the performance by others of operations or services on, or in connection with, the Equipment, or any part thereof, for any lawful purpose; provided , however, that any such contract shall not be inconsistent with the provisions of this Lease or the Equipment Security Documents and that Haywood County Community Hospital shall remain fully obligated and responsible under this Lease, to the same extent as if such contract had not been executed.

Section 9.2 Restrictions on Pledge or Sale of Equipment by IDB. The IDB agrees that, it will not pledge sell, assign, transfer or convey the Equipment or any portion thereof during the Term, except as otherwise permitted or required herein.

Section 9.3 Removal of the Equipment. In the event Haywood County Community Hospital determines from time to time that any item constituting a part of the Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, Haywood County Community Hospital may remove such item constituting a part of the Equipment, and may sell, trade-in, exchange, or otherwise dispose of the same, as a whole or in part. The IDB shall promptly execute any and all instruments deemed necessary by Haywood County Community Hospital, in its sole discretion, to fully effectuate the provisions of this Section.

Section 9.4 Installation of Haywood County Community Hospital 's Own Machinery. Haywood County Community Hospital may, from time to time, in its sole discretion and at its own expense, install machinery, equipment and other tangible and movable property in the Building or on the Land that is not Equipment subject to this Lease. All such machinery, equipment and other tangible and movable property shall remain the sole property of Haywood County Community Hospital in which the IDB shall have no interest.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined. Each of the following shall be an "Event of Default" under this Lease, and the terms "Event of Default" or "Default" shall mean, whenever they are used in such Lease, any one or more of the following events:

3. The failure by Haywood County Community Hospital to pay, or cause to be paid, within thirty (30) days of when due, the Basic Rental Payments specified to be paid under Section 5.2 hereof.
4. The filing by Haywood County Community Hospital of a voluntary petition in bankruptcy or any petition or other pleading seeking any reorganization, composition, readjustment, liquidation, or similar relief under any present or future law or regulation, or the seeking of or consent to or acquiescence in the appointment of any trustee, receiver, or liquidator of all or any substantial part of its assets or of its interest in the Equipment, or the making of a general assignment for the benefit of creditors, or the admission in writing of the inability by Haywood County Community Hospital to pay its debts generally as the same shall become due;
5. The adjudication of Haywood County Community Hospital to be bankrupt or insolvent, or the filing of a petition or other pleading against Haywood County Community Hospital seeking an adjudication of bankruptcy, reorganization, composition, readjustment, liquidation, or similar relief under any present or future law or regulation, which shall remain undismissed or unstayed for an aggregate of sixty (60) days (whether or not consecutive), or the entry of an order or decree by a court of competent jurisdiction, without the consent or acquiescence of Haywood County Community Hospital, appointing a trustee in bankruptcy or

reorganization or a receiver or liquidator of Haywood County Community Hospital , of all or any substantial part of its Property, or of the Equipment , which order or decree shall continue unvacated or unstayed on appeal or otherwise and in effect for a period of ninety (90) days (whether consecutive or not);

6. The occurrence of a "default" or an "event of default" by Haywood County Community Hospital under the Facility Lease or the Tax Agreement, that is not cured within any applicable cure period as provided therein;

7. Subject to Section 10.6, the failure by Haywood County Community Hospital to observe and perform any covenant , condition, or agreement hereunder on its part to be observed or performed (except obligations referred to in paragraphs (a), (b) or (c) of this Section for which no such notice must be given) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied , is given to Haywood County Community Hospital by the IDB, unless the IDB shall agree in writing to an extension of such time prior to its expiration; provided , however, if the failure stated in the notice cannot be corrected within the applicable period, the IDB will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Haywood County Community Hospital within the applicable period and diligently pursued until the default is corrected.

Section 10.2 Remedies on Default.

□ Whenever an Event of Default shall have occurred and be continuing , the IDB may take any one or more of the following remedial steps:

- Declare, by written notice to Haywood County Community Hospital , to be immediately due and payable , whereupon the same shall become due and payable: (A) all unpaid Rental Payments payable at such time pursuant to Section 5.2 hereof; and (B) all other payments then due or accrued under this Lease;
 - Withhold any or all further performance under this Lease (except that Haywood County Community Hospital may, nevertheless, exercise any option granted pursuant to Article XI hereof, in which event , IDB shall perform its obligations thereunder);
 - Re-enter and take possession of the Equipment without terminating this Lease, and sublease the Equipment for the account of Haywood County Community Hospital , holding Haywood County Community Hospital liable for the difference in the rent and other amounts payable by such sublessee in such subleasing and the Rental Payments and other amounts payable by Haywood County Community Hospital hereunder (except that Haywood County Community Hospital may, nevertheless, exercise any option granted pursuant to Article XI hereof , in which event, the IDB shall perform its obligations thereunder);

- Terminate this Lease and convey the Equipment to Haywood County Community Hospital by quitclaim bill of sale; and/or
- Take any other action or proceeding permitted by the terms of this Lease.

□ Whenever any Event of Default shall have occurred and be continuing, the IDB may take, in addition to the above and the following, whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments then due or accrued, or to enforce performance and observance of any obligation, agreement, warranty or covenant of Haywood County Community Hospital under this Lease.

□ No action taken pursuant to this Section shall relieve Haywood County Community Hospital from its obligation to make all payments required under Section 5.2 hereof.

□ Notwithstanding the foregoing provisions of this Section, until final action pursuant to this Section shall have been taken which would preclude any of the foregoing actions, Haywood County Community Hospital may (i) pay all accrued unpaid Rental Payments (exclusive of such Rental Payments accrued solely by virtue of acceleration thereof as provided in Section I 0.2(a)(i) hereof), in which event, this Lease shall be fully reinstated as if an Event of Default had not occurred and otherwise fully cure all Events of Default, and/or (ii) exercise any option granted pursuant to Article XI hereof.

Section I 0.3 Remedies Cumulative. No remedy herein conferred upon or reserved to the IDB is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Lease, or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the IDB to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Lease.

Section 10.4 Agreement to Pay Attorneys' Fees and Expenses. In the event Haywood County Community Hospital shall default under any of the provisions of this Lease, and the IDB shall employ attorneys or incur other expenses for the collection of amounts payable hereunder, or the enforcement of performance or observance of any obligations or agreements on the part of Haywood County Community Hospital herein contained, Haywood County Community Hospital shall, on demand therefor, pay to the IDB the reasonable fees of such attorneys and such other expenses so incurred.

Section 10.5 Delay or Omission Not a Waiver. No delay or omission of the IDB to exercise any right or power accruing upon any breach of any covenant or agreement contained herein, or upon the happening of any other Default hereunder, shall impair any such right or power, or shall be construed to be a waiver of any such right or power, or shall be construed to be a waiver of any other Default hereunder, or any acquiescence therein; and every such power, right, or remedy contained herein of the IDB may be exercised from time to time and as often as may be

deemed expedient by the IDB. Any waiver, permit, consent, or approval of any form or character on the part of the IDB of any breach of, or default under, this Lease, or any waiver on the part of the IDB of any provision or condition herein, must be in writing and shall be effective only to the extent specifically set forth in such writing.

Section 10.6 Force Majeure Provision. The provisions of Section 10.1(e) are subject to the following limitations: if, by reason of force majeure, Haywood County Community Hospital is unable in whole or in part to carry out the agreements of Haywood County Community Hospital on its part herein contained, Haywood County Community Hospital shall not be deemed in default during the continuance of such inability and for the duration of any delay caused by such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders of any kind of any governmental body, including the government of the United States or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides, lightning; earthquake; fire; hurricane; storms; floods; washouts; droughts; arrests; restraint of government and people, civil disturbances; explosions, breakage or accident to machinery, transmission pipes, or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of Haywood County Community Hospital, in each case which has the effect of making it impossible (as distinguished from impracticable) for Haywood County Community Hospital to perform, it being agreed that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of Haywood County Community Hospital, and Haywood County Community Hospital shall not be required to make settlement of strikes, lockouts, and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of Haywood County Community Hospital, unfavorable to Haywood County Community Hospital.

ARTICLE XI

OPTIONS: PURCHASE OF EQUIPMENT: ETC.

Section 11.1 Option to Terminate. Haywood County Community Hospital shall have, and is hereby granted, the option to terminate this Lease at any time by (i) paying to the appropriate person the amounts required by Section 11.4 hereof; and (ii) giving the IDB notice in writing of such termination.

Section 11.2 Option to Purchase the Equipment. Subject to compliance with Section 5.3, Haywood County Community Hospital shall have, and is hereby granted, the option to purchase all or any portion of the Equipment; provided that if all of the Additional Rental Payments under Section 5.2(b) have not been paid in full, Haywood County Community Hospital shall also pay so much thereof as the IDB may require, in writing. The purchase price payable by the Company in the event of its purchase pursuant to this Section shall be a sum equal to One Hundred Dollars (\$100).

Section 11.3 Conveyance on Exercise of Option to Purchase the Equipment. At the closing of any purchase pursuant to this Lease, the IDB shall upon receipt of the purchase price deliver to Haywood County Community Hospital the following: documents (including,

without limitation , a quitclaim bill of sale) conveying to the Company good and marketable title to the Equipment as it then exists, subject to the following: (i) those Liens (if any) to which title to said

Property was subject when conveyed to the IDB; (ii) those Liens created by Haywood County Community Hospital or to the creation or suffering of which Haywood County Community Hospital consented; (iii) those Liens resulting from the failure of Haywood County Community Hospital to perform or observe any of the agreements on its part contained in this Lease; (iv) Permitted Encumbrances; and (v) any Lien other than a Lien resulting from the action or inaction of the IDB.

Section 11.4 Payments Upon, and Conditions For, Early Termination. Termination by Haywood County Community Hospital of this Lease pursuant to Section 11.1 hereof or the purchase of the Equipment pursuant to Section 11.2 hereof shall not be effective until Haywood County Community Hospital shall have made the following payments:

- To the IDB, an amount certified by the IDB sufficient to pay all unpaid fees and expenses (including attorneys' fees) of the IDB due and payable under Section 4.2, Section 4.3 and Section 5.2(b) hereof; and
- To the appropriate person, an amount sufficient to pay all other fees, expenses, or charges, if any, then due and payable or accrued under this Lease or the Equipment Security Documents and not otherwise paid or provided for.

Section 11.5 Continuation of Certain Provisions. Upon termination of this Lease, the liabilities of Haywood County Community Hospital under such Lease shall terminate, except that its liabilities and obligations under Section 8.2 and Section 8.3 of this Lease, and as otherwise herein expressly provided, shall nevertheless survive.

ARTICLE XII MISCELLANEOUS S

Section 12.1 Certificates and Opinions. Any certificate or opinion made or given by an officer or director of the IDB may be based (whether or not expressly so stated), insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer or director knows that the certificate or representations with respect to the matter upon which his or her certificate or opinion may be based are erroneous; and any certificate or opinion made or given by counsel may be based (insofar as it relates to factual matters, information with respect to which is in the possession of the IDB) upon the certificate or opinion of, or representation by, an officer or director of the IDB, unless such counsel knows that the certificate or representations with respect to the matters upon which his or her certificate or opinion may be based as aforesaid are erroneous.

Section 12.2 Limited Liability of the IDB. No recourse shall be had against the IDB for the payment or performance, or failure of performance by IDB, of any obligations, warranties, covenants, terms, conditions or other agreements contained in this Lease, the Equipment Security Documents, or in any other documents whatsoever, except to the extent of the IDB's interest in the Project, it being understood that Haywood County Community Hospital and all other persons shall look solely to the IDB's interest in the Equipment and this

Lease, including any proceeds or awards related thereto, for satisfaction of any and all liabilities and obligations incurred hereunder. No recourse under or upon any obligation, covenant, agreement or certification contained in this

Lease, the Equipment Security Documents, or in any other document whatsoever, or under any judgment obtained against the IDB , or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Lease, the Equipment Security Documents or any other document , shall be had against any in corporator , member, director or officer, as such, past, present or future, of the IDB, either directly or through the IDB or any receiver thereof.

Section 12.3 Notices. All notices , consents, approvals, deliveries and other communications hereunder shall be properly given only if made in writing and sent by hand delivery, U.S . Certified Mail, Return Receipt Requested, or nationally recognized overnight delivery service (such as Federal Express or UPS), with all delivery charges paid by the sender and addressed as follows:

To the IDB:	The Industrial Development Board of The City of Brownsville and Haywood County, Tennessee 111 North Washington Avenue Brownsville, Tennessee 38012 Attn: Chairman
To the Company:	Haywood County Community Hospital , Inc c/o Kyle T. Kopec 200 W. Church St Lexington, TN 38351-2038 Email: Kyle.Kopec@BradenHealth.com
With a copy to:	Haywood County Community Hospital , Inc c/o legal counsel 200 W Church St. Lexington, TN 38351- 2038

Section 12.4 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the IDB, Haywood County Community Hospital and the respective heirs, executors , successors, administrators, and assigns of the foregoing.

Section 12.5 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.6 Limitation of Rights. Except as otherwise expressly provided herein, nothing in this Lease, express or implied , shall be construed to confer upon any person, other than the IDB and Haywood County Community Hospital , any right, remedy or claim , legal or equitable , under or by reason of this Lease or any provisions hereo f.

Section 12.7 Execution of Counterparts. This Lease may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 12.8 Applicable Law. This Lease has been executed and delivered in the State of Tennessee. The Parties intend that this Lease shall be construed and governed exclusively by the applicable laws of the State of Tennessee and the United States of America.

Section 12.9 Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Sections in this Lease have been prepared for convenience of reference only and shall not control, affect the meaning, or be taken as an interpretation of any provision of this Lease.

Section 12.10 No Liability of the City or the County. Neither the City nor the County shall, in any event, be liable for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever herein contained by or of the IDB and neither the Equipment Security Documents, nor any of the IDB's agreements or obligations herein or otherwise shall be construed to constitute an indebtedness of the City or the County within the meaning of any constitutional or statutory provision whatsoever.

Section 12.11 Net Lease. This Lease shall be deemed and construed to be a fully "net lease," and Haywood County Community Hospital shall pay absolutely net during the Term the rent and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff, other than those herein expressly provided.

Section 12.12 Not Partners. Nothing contained herein or in any other document shall be deemed to render the IDB or Haywood County Community Hospital partners or venturers for any purpose.

Section 12.13 Conflicting Provisions. In the event of a conflict between the provisions of this Lease and the Facility Lease, the provisions hereof shall prevail as to matters related to the Equipment, and the provisions of the Facility Lease shall prevail as to matters related to the Facility.

Section 12.14 Entire Agreement. This Lease, the Equipment Security Documents, the Facility Lease, the Facility Security Documents, the Tax Agreement, and the other written agreements signed by the IDB, the Company and Haywood County Community Hospital of even date herewith related to the transactions contemplated herein constitute the final, complete and entire understanding of such parties and supersede all prior agreements and negotiations with respect to the matters herein or therein contained. Except as may be otherwise expressly provided herein, this Lease may not be amended except by a written instrument signed by the Parties.

Section 12.15 Schedules/Exhibits. All schedules and exhibits referenced in this Lease are attached hereto and incorporated herein by reference.

Section 12.16 Business Days. If any date specified in this Lease for the performance of an obligation, the giving of a notice or the expiration of a time period falls on a day other than a

business day, then this Lease shall be automatically revised so that such date falls on the next occurring business day.

[Signatures on Following Page]

IN WITNESS WHEREOF, the IDB has caused this Lease to be executed in its corporate name and on its behalf by its authorized officer, and the Company has caused this Lease to be executed in its name and on its behalf by its authorized officer, all as of the date first above written.

IDB:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF BROWNSVILLE AND
HAYWOOD : NT YJ ENNE SS EE**

By: lcJaz.-l
Name: /s/0-0.(.) P1/Jtt
Title: Chairman

**HAYWOOD COUNTY COMMUNITY
HOSPITAL:**

**HAYWOOD COUNTY COMMUNITY
HOSPITAL,
a Tennessee corporation**

By: _____
Name: Beau R. Braden
Title: Chief Executive Officer

SIGNATURE PAGE TO EQUIPMENT LEASE

EXHIBIT A

DESCRIPTION OF LAND

Being in the 7th Civil District of Haywood County, Tennessee, and being more particularly described as follows, to-wit:

Beginning at a point in the north right-of-way of U.S. Highway 70A-79 (North Washington Avenue - 66 feet wide), said point being the southeast corner of the Richard Miller property (Bk 193, Pg. 593) and located 167.02 feet (call 167.89 feet) northeast of City of Brownsville Manhole 52A; thence N 03 degrees 36' 29" W along the east line of said Richard Miller property and the east line of the Edna Miller property (Bk 99, Pg 200) a distance of 1,343.84 feet to a point in the O. C. Baker property (Bk. 234, Pg 272); thence with the common line between Tract II and said O. C. Baker property the following eight calls: N 77 degrees 31' 35" Ea distance of 221.03 (call 331.03 in Bk 173, Pg 465; call 221.03 in Bk. 119, Pg 302) to a point; thence N 63 degrees 13' 48" Ea distance of 128.37 feet to a point; thence N 44 degrees 55' 07" Ea distance of 183.41 feet to a point; thence N 63 degrees 00' 49" E a distance of 209.26 feet to a point; thence N 74 degrees 30' 54" E a distance of 230.12 feet to a point, being the northeast corner of the described tract; thence S 08 degrees 56' 58" E a distance of 194.53 feet (call 197.38 feet) to an iron rod found; thence S 28 degrees 07' 52" E passing an iron rod found at 648.85 feet a total distance of 727.57 feet to a point; thence S 22 degrees 05' 50" Ea distance of 121.82 feet to an iron rod found at the northeast corner of the West Tennessee Healthcare, Inc. property (Bk 229, Pg 557); thence along the north line of said West Tennessee Healthcare, Inc, property S 64 degrees 32' 24" W a distance of 59.04 feet to the southeast corner of the Jerald W. White and wife Claudia K. White property (Bk 137, Pg 752); thence along the east line of said White property N 24 degrees 27' 55" W a distance of 200.00 feet to an iron rod found at the northeast corner of said White property; thence along the north line of said White property S 64 degrees 32' 24" W a distance of 175.27 feet (call 175.00 feet) to a point in the east line of a 40 foot wide ingress/egress easement; thence along the west line of said ingress/egress easement, said White property and said West Tennessee Healthcare, Inc, property S 24 degrees 27' 55" E a distance of 395.24 feet (call 398.15 feet) to a point in the north line of said U.S. Highway 70A-79; thence with the north line of said U. S. Highway 70A-79 along a curve to right having a radius of 5696.58 feet an arc distance of 459.42 feet (chord: S 63 degrees 13' 59" W, 459.30 feet); thence S 65 degrees 32' 37" W a distance of 727.20 feet to the Point of Beginning.

Being the same property conveyed to Haywood County School Board by deed recorded in Record Book 179, Page 835, Register's Office, Haywood County, Tennessee.

LESS AND EXCEPTING FROM THE ABOVE DESCRIPTION IS THE FOLLOWING:

BEGINNING at a point at the southwest corner of Lauren K. Dowling as described in Record Book 58 Page 650, and being in the north margin of North Washington Avenue (ROW 66 feet); runs thence with said margin, south 69 degrees 25 minutes 02 seconds west 142.41 feet to an iron pin set (all pins set are 1/2" by 18" with identification cap stamped EVANS-RLS 2524); runs thence with a new severance line through the Haywood County School Board as described in Record Book 179 Page 835 the following calls: north 16 degrees 54 minutes 22 seconds west 146.74 feet to an iron pin set; thence north 67 degrees 38 minutes 44 seconds west 131.35 feet to an iron pin set; thence north 16 degrees 22 minutes 12 seconds west 109.04 feet to an iron pin set; thence north 06 degrees 00 minutes 20 seconds east 137.80 feet; thence north 51 degrees 06 minutes 09 seconds west 171.78 feet to an iron pin set, said pin being the northwest corner of the herein described tract; thence north 72 degrees 32 minutes 07 seconds east 509.17 feet to an iron pin set in the west line of the Silicon Ranch Corporation as described in Record Book 142 Page 428; runs thence with said west line, south 20 degrees 21 minutes 09 seconds east 284.16 feet to a 1/2 inch iron pin found; thence south 14 degrees 19 minutes 07 seconds east 121.82 feet to a 1/2 inch iron pin found, said pin being the northeast corner of aforementioned Dowling; runs thence with the north line of said Dowling, south 72 degrees 19 minutes 07 seconds west 59.04 feet to a power pole, said pole being the southeast corner of Jerald W. White as described in Deed Book 137 Page 835; runs thence with the east line of said White, north 16 degrees 41 minutes 12 seconds west 200.00 feet to a 1 inch pipe found, said pipe being the northeast corner of White; runs thence south 72 degrees 19 minutes 07 seconds west 175.27 feet to a 1 inch pipe found, said pipe being the northwest corner of said White; runs thence with the west line of White and continuing with the west line of Dowling, south 16 degrees 41 minutes 12 seconds east 395.24 feet to the POINT OF BEGINNING containing within these calls 184212.54 square feet or 4.23 acres of land as surveyed on January 21, 2020 by Evans & Associates Land Surveying, 320 South Washington, Brownsville, Tennessee. (731-432-1381) Said acreage being subject to all right of ways and easements, if any exist. There is an existing 40' ingress/egress easement along the west line of Dowling and White as described in Record Book 68, page 650, Register's Office, Haywood County, Tennessee.

This being the property conveyed to Southwest Human Resource Agency Head Start by deed recorded in Record Book 185 Page 174 in the Register's Office of Haywood County, Tennessee.

Notice per T.C.A. 66-24-121: No survey was performed at the time of closing. The legal description herein is the same as in the previous deed of record. No opinion is rendered as to the accuracy of the legal description.

Map 067, Parcel 009.01

A-2

EXIDBITB

BILL OF SALE

For good and valuable consideration , the receipt and sufficiency of which is hereby acknowledged, **HAYWOOD COUNTY COMMUNITY HOSPITAL , A TENNESSEE CORPORATION** (the "Company"), by these presents hereby TRANSFERS, CONVEYS, BARGAINS AND SELLS all of its right, title and interest in and to the personal property and equipment set forth on **Schedule 1**, attached hereto and incorporated herein by this reference (the "Equipment "), to **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BROWNSVILLE AND HAYWOOD COUNTY, TENNESSEE** (the " IDB"). The Equipment is conveyed to the IDB on an AS-IS, WHERE-IS basis.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of
October *fl* , 2020

COMPANY:

**HAYWOOD COUNTY COMMUNITY
HOSPITAL, Inc.**, a Tennessee corporation

By: _____ - -

Name: *L.W.* -

Title : *(! EC)*

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (" Agreement "), made and entered into as of the n day of Ocfo4tr, 2020, by and among, **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BROWNSVILLE AND HAYWOOD COUNTY, TENNESSEE**, a public, nonprofit corporation organized and existing under the laws of the State of Tennessee (together with its successors and assigns, the "IDB"), **HAYWOOD COUNTY COMMUNITY HOSPITAL, INC.**, a TENNESSEE CORPORATION (together with its successors and assigns, the "Company "), and **HAYWOOD COUNTY COMMUNITY HOSPITAL, INC** (hereinafter referred to as "Escrow Agent");

WITNESS ETH:

WHEREAS, by quitclaim deed of even date herewith, the IDB has acquired title to certain real property located in Brownsville, Haywood County, Tennessee (such real property is hereinafter referred to as the "Facility"), and being the same Facility which is the subject of that certain Facility Lease Agreement by and between the IDB and the Company dated October 1, 2020 (the "Facility Lease"), a copy of which has been provided to the Escrow Agent and is incorporated herein by this reference; and

WHEREAS, pursuant to the terms of the Facility Lease, the IDB has agreed to deliver its quitclaim deed of conveyance of the Facility to the Escrow Agent to be held in escrow in accordance with the terms of this Agreement; and

WHEREAS, the IDB has executed and hereby delivers to Escrow Agent its original quitclaim deed conveying the Facility to the Company (the "Deed"), which is attached to this Agreement and incorporated herein, and which is to be distributed by Escrow Agent in accordance with the terms of this Agreement and Article VIII of the Facility Lease.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto intending to be legally bound, hereby agree as follows:

i. The Company and the IDB do hereby appoint Escrow Agent to serve as the escrow agent hereunder.

j. Contemporaneously with full execution hereof, the IDB has delivered the original Deed to Escrow Agent to be held in accordance with this Agreement.

k. Escrow Agent hereby agrees to hold and deliver the Deed pursuant to the terms and conditions of this Agreement.

l. The IDB and the Company have agreed that the Deed is to be placed in escrow to assure performance of the IDB ' s reconveyance obligations under the Facility Lease. The IDB and the Company hereby agree and acknowledge that the Deed is to be held and /or distributed by the Escrow Agent in accordance with the following terms:

IT IS ACKNOWLEDGED THAT THIS AGREEMENT IS SUBJECT TO THE TERMS AND CONDITIONS OF THE FACILITY LEASE, INCLUDING , WITHOUT LIMITATION, THE COVENANTS CONTAINED IN ARTICLE V, THE DEED ESCROW AND OPTION CLOSING PROVISIONS THEREIN. Notwithstanding the

foregoing , Escrow Agent shall follow any joint written instruction concerning the Deed and/or purchase price from the IDB and the Company , or any instruction from a court of competent jurisdiction. At any time from and after the end of the Term (as defined in the Facility Lease), the Escrow Agent may give written notice to the IDB and the Company in accordance with Section 8 hereinbelow requesting instructions as to how to deliver the Deed and conclude the escrow hereunder. If, within thirty (30) days after said notice to the parties, the Escrow Agent does not either receive joint instructions from said parties , a direction from the IDB as set forth in (i) above, or written notice from the Company as set forth in (ii) above, then the Escrow Agent may interplead the Deed pursuant to Section 7 hereof.

m. This Escrow Agreement shall terminate and be of no further force or effect upon the release of the Deed to the Company and disbursement of the purchase price to the IDB. Any claim against Escrow Agent , if at all, related to this Escrow Agreement, must be made in writing and received by Escrow Agent within one year of termination of this Agreement or be forever barred.

n. The Escrow Agent shall not be liable for any actions taken or omitted upon the advice of counsel or upon a reasonable interpretation of any advice, instructions or documents provided to it which it reasonably believes to be genuine or duly authorized. Escrow Agent shall not be required to investigate the authority of the person(s) executing and delivering such advice , instructions, or documents , or otherwise verify the accuracy of the statements or information provided therein.

o. Except as set forth in the last sentence of this paragraph, if the Escrow Agent shall incur any liability, damage or expense arising out of or resulting from any claim that the Escrow Agent has improperly distributed the Deed hereunder, the Company shall indemnify and hold the Escrow Agent harmless therefrom. If the Escrow Agent deems it necessary to seek counsel for any matter concerning its duties hereunder, the Company shall reimburse the Escrow Agent for such costs. The Escrow Agent shall not be responsible for the genuineness of any signature and may rely conclusively upon, and shall be protected in acting upon, any list, advice, judicial order or decree, certificate, notice, request, consent, statement, instruction or other instrument believed by it in good faith to be genuine or to be signed or presented by the proper party, or duly authorized or properly made. The Escrow Agent shall not be responsible for any of the agreements contained herein except for the performance of its duties as expressly set forth herein. The Escrow Agent's duties and obligations hereunder shall be governed solely by the provisions of this Agreement, and the Escrow Agent shall not have any duties other than the duties expressly imposed herein and shall not be required to take any action other than in accordance with the terms hereof. The Escrow Agent shall not be bound by any notice of, or demand with respect to, any waiver, modification, amendment, termination, cancellation, rescission or other action under or with respect to this Agreement unless duly executed by all of the other parties hereto, and, if the Escrow Agent's rights or duties are affected thereby, unless the Escrow Agent shall have given its prior written consent thereto. In the event of any controversy or dispute hereunder, or with respect to any question as to the construction of this Agreement, or any action to be taken by the Escrow Agent hereunder, the Escrow Agent may, in its sole and absolute discretion, interplead the Deed into the Haywood County Chancery Court or United States District Court, together with such legal pleadings as it may deem appropriate, and thereupon Escrow Agent shall be discharged from all further duties and liabilities under this Escrow Agreement. Escrow Agent shall incur no liability for any action taken or omitted in good faith. The Escrow Agent's liability hereunder shall be limited solely to gross negligence or willful misconduct on its part.

p. All notices, consents, approvals, deliveries and other communications hereunder shall be properly given only if made in writing and sent by hand delivery, U.S. Certified Mail, Return Receipt Requested, or nationally recognized overnight delivery service (such as Federal Express or UPS), with all delivery charges paid by the sender and addressed as follows:

To the Escrow Agent:	Banks Law Firm, P.A. 108 South Washington Ave. Brownsville, TN 38012
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To the IDB:	The Industrial Development Board of The City of Brownsville and Haywood County, Tennessee 111 North Washington Avenue Brownsville, Tennessee 38012 Attn: Chairman
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To the Company: HAYWOOD COUNTY COMMUNITY
 HOSPITAL, INC.
 200 W. CHURCH ST.
 LEXINGTON, TN 38351

All notices shall be deemed effective upon confirmed receipt or rejection thereof. A party may change its address for notices by written notice to the other parties as specified herein.

q. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns. The Company shall give prompt notice to all parties hereto of any transfer of its leasehold interest created by the Facility Lease and the identity and contact information of the transferee for the purposes of Section 9 hereof. From and after such a transfer, the transferee, as the successor to such leasehold interest, shall be deemed the Company hereunder. This Escrow Agreement shall be enforced, interpreted and applied in accordance with the laws of the State of Tennessee.

r. Time is of the essence of this Agreement.

s. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.


[Remainder of page intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal as of the date and year first above written.

Escrow Agent:


BANKS LAW FIRM, P.A.

By: Michael J. Banks

By: 
Name: Michael Banks
Title: Attorney


IDB:

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF BROWNSVILLE AND
HAYWOOD COUNTY, TENNESSEE**


By: _____
Name: David Prince
Title: Chairman

COMPANY:

**HAYWOOD COUNTY COMMUNITY
HOSPITAL, INC**

By: 
Name: Beau R. Braden
Title: Chief Executive Officer, Braden Health

CLOSING CERTIFICATE OF

HAYWOOD COUNTY COMMUNITY HOSPITAL, INC.

The undersigned, Haywood County Community Hospital, Inc., ("Hospital"), hereby warrants, represents and certifies to The Industrial Development Board of The City of Brownsville and Haywood County, Tennessee (the "IDB"), as follows:

- Haywood County Community Hospital, Inc is a corporation, duly organized and validly existing and in good standing under the laws of the State of Tennessee, and it has all requisite power and authority to own, operate and lease its properties and to carry on its business as contemplated by the Tax Agreement, as hereinafter defined.
- The following described documents (the "Documents") have been duly authorized, executed, and delivered on behalf of the Company, and as of the date hereof are in full force and effect: (1) that certain Tax Agreement; by and among the IDB, and Hospital.
- Braden Health has, under the laws of the State of Tennessee, the capacity and the power to engage in the activity and use of the Facility (as defined in the Tax Agreement).
- Throughout the Term of the Facility Lease, the Company will use or cause the Facility to be used for distribution, warehousing or manufacturing, retail or any other use which may now or hereafter be deemed a "project" within the meaning of Chapter 53, Title 7, Tennessee Code Annotated (the "Act"), and throughout the Term of the Facility Lease, Braden Health will not take, knowingly permit to be taken, fail to take, or knowingly permit to fail to be taken, any action which would cause the Project not to constitute a "project" within the meaning of the Act;
- To the knowledge of the undersigned, there is no action, suit, proceeding or, to the knowledge of the undersigned, any inquiry or investigation at law or in equity or before or by any public board or body pending or threatened against or affecting Haywood County Community Hospital, Inc or the subject property or, to the knowledge of the undersigned, any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Resolution adopted by the Board of Directors of the IDB (the "Resolution") or the validity or enforceability of the Documents.
- All insurance policies required of Haywood County Community Hospital, Inc in full force and effect.
- Haywood County Community Hospital, Inc has duly authorized, by all necessary action, the execution, delivery, receipt and due performance of the Documents and any and all such other agreements as may be required to be executed, delivered, received and performed by Braden Health to carry out, give effect to and consummate the transactions contemplated by the Resolution.

[Signature on following page]

IN WITNESS WHEREOF, the undersigned has hereunto subscribed its signature as of
04/01/20 July 1, 2020.

Haywood County Community Hospital, Inc,
a Tennessee corporation

By: _____
Name: Beau R. raden
Title: Chief Executive Officer, Braden Health

**SIGNATURE PAGE TO CLOSING CERTIFICATE OF
BRADEN HEALTH**

RESOLUTION

Resolution authorizing and approving all documents, instruments, actions, and matters, necessary or appropriate for, or pertaining to, the **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BROWNSVILLE AND HAYWOOD COUNTY, TENNESSEE** entering into a Tax Agreement and certain related documents in connection with the granting of a payment in lieu of tax incentive for a emergency department and acute care facility operated by Haywood County Community Hospital, Inc.

WITNESSETH:

WHEREAS, The Industrial Development Board of The City of Brownsville and Haywood County, Tennessee (the "Board"), is a public, nonprofit corporation organized and existing under, and by virtue of, the provisions of Chapter 53, Title 7, Tennessee Code Annotated, as amended (the "Act"); and

WHEREAS, the purpose of said Act, as stated therein, being to authorize the incorporation in the several municipalities in the State of Tennessee of public corporations to finance, acquire, construct, own, lease, equip and/or dispose of properties to the end that such corporations may be able to, among other things, maintain and increase employment opportunities by promoting industry , trade, commerce, tourism, and recreation by inducing manufacturing, industrial, governmental, educational, financial service, commercial, and recreational enterprises to locate or to remain in the State of Tennessee; and

WHEREAS, the Board is authorized by the Act to, among other things, acquire, construct and equip projects (as defined in the Act), enter into loan agreements and otherwise borrow money for the purpose of carrying out its powers, lease projects to others and to charge and collect rent therefor, sell projects to others through options in leases or otherwise, secure its obligations with its interest in projects or any part thereof, with a pledge of the revenues and receipts therefrom, and by a pledge of its interest under the leases relating thereto, and to negotiate and require payments in lieu of ad valorem taxes; and

WHEREAS, the Board desires to induce Haywood County Community Hospital, Inc., a Tennessee company (together with its successors and assigns, the "Company") to acquire and construct a certain healthcare facility (as further defined in the Facility Lease, the "Facility") located in Brownsville, Tennessee (the "City") and Haywood County, Tennessee (the "County"), which Facility shall be acquired and owned by the Board and leased by the Board to the Company pursuant to a certain Facility Lease Agreement (as amended or supplemented from time to time; and

WHEREAS, the Board of Directors of the Board, pursuant to Section 7-53-102 of the Act, has found and determined that the agreement by the Board to acquire and lease such healthcare facility will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, will alleviate conditions of unemployment and has induced or will induce the Company to locate the Facility in the City and County, thereby increasing employment opportunities in the City and the County; and

WHEREAS, the Board is authorized by law and has deemed it necessary to acquire and for the Company to construct the Facility (the Facility being sometimes referred to as the "Project") as aforesaid; and

WHEREAS, in connection with the Facility Lease, the Board is authorized by law and deems it necessary to enter into a certain Tax Agreement (the "Tax Agreement"), by and among the Board, and the Company to memorialize their understanding regarding a tax abatement and provisions for certain in lieu of ad valorem tax payments for the Project during the term of such lease; and

WHEREAS, in connection with the Facility Lease, the Board is authorized by law and deems it necessary to enter into a certain Escrow Agreement (the "Escrow Agreement") , by and among the Board, the Company and Banks Law Firm, P.A., as escrow agent ("Escrow Agent"), to hold a quitclaim deed for the reconveyance of the Facility from the Board to the Company as provided in the Facility Lease; and

WHEREAS, pursuant to its authority under the Act, the Haywood County Commission passed Resolution #022001 on February 17, 2020, delegating the authority to negotiate payment in lieu of tax agreements; and

WHEREAS, pursuant to its authority under the Act, the Brownsville City Board passed Resolution #945 on March 10, 2020, delegating the authority to negotiate payment in lieu of tax agreements; and

WHEREAS, the following documents have been presented to the Board for approval in connection with the transactions herein contemplated:

- The proposed form of the Facility Lease;
 - The proposed form of the Tax Agreement;
- The proposed form of the Equipment Lease; and
- The proposed form of the Escrow Agreement.

WHEREAS, it appears to the Board that all of such documents are, or will be in due form and that the execution, delivery , and implementation thereof will be necessary and advantageous to the Board in furthering the purposes of the Act; and

WHEREAS, in light of Executive Orders signed by Tennessee Governor Bill Lee (the "Executive Orders"), the Board is authorized to conduct its meetings electronically after determining that it is necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak.

NOW, THEREFORE, be it resolved by the Board of Directors of The Industrial Development Board of The City of Brownsville and Haywood County, Tennessee as follows:

Section 1. Electronic Meetings. The Board hereby determines that it is necessary to conduct its meetings electronically, pursuant to the Executive Orders, in order protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak.

Section 2. Findings with Respect to the Project. The Board hereby finds with respect to the Project that the acquisition, renovation, improvement, expansion, equipping, installation and leasing thereof by means of the Facility Lease and the Tax Agreement will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare and will alleviate conditions of unemployment; and that the acquisition, equipping and leasing of the Project, and the payments in lieu of ad valorem taxes under the Tax Agreement, will be necessary and advantageous in furthering the Board's public purposes under the Act.

Section 3. Approval of the Facility Lease. The general form, content, and provisions of the Facility Lease, as presented to this meeting of the Board of Directors, by and between the Board and the Company are hereby in all particulars approved, and the Chairman and the Secretary of the Board, or either of them, are hereby authorized, empowered and directed to execute, acknowledge and deliver said Facility Lease in the name, and on behalf, of the Board.

Said Facility Lease is to be in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officers of the Board executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions.

The officers of the Board are hereby authorized, empowered, and directed, from and after the execution of the Facility Lease, to do all acts and things, and to execute all documents, as may be necessary or convenient to carry out and to comply with the provisions of said Facility Lease.

Section 4. Approval of the Tax Agreement. The general form, content, and provisions of the Tax Agreement, as presented to this meeting of the Board of Directors, by and among the Company, Haywood County Community Hospital, Inc. and the Board, are hereby in all particulars approved, and the Chairman and the Secretary of the Board, or either of them, are hereby authorized, empowered and directed to execute, acknowledge and deliver said Tax Agreement in the name, and on behalf, of the Board.

Said Tax Agreement is to be in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officers of the Board executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions.

The officers of the Board are hereby authorized, empowered, and directed, from and after the execution and delivery of the Tax Agreement, to do all acts and things, and to execute all documents, as may be necessary or convenient to carry out and to comply with the provisions of said Tax Agreement, as executed and delivered.

Section 5. Approval of the Escrow Agreement. The general form, content, and provisions of the Escrow Agreement, as presented to this meeting of the Board of Directors, by and among the among the Board, the Company and the Escrow Agent, are hereby in all particulars approved, and the Chairman and the Secretary of the Board, or either of them, are hereby

authorized , empowered and directed to execute, acknowledge and deliver said Escrow Agreement in the name, and on behalf, of the Board.

Said Escrow Agreement is to be in substantially the form now before this meeting of the Board of Directors, or with such changes therein as shall be approved by the officers of the Board executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions.

The officers of the Board are hereby authorized , empowered, and directed, from and after the execution and delivery of the Escrow Agreement , to do all acts and things, and to execute all documents, as may be necessary or convenient to carry out and to comply with the provisions of said Escrow Agreement , as executed and delivered.

Section 6. Miscellaneous Acts. The appropriate officers of the Board are hereby authorized , empowered, and directed to do any and all such acts and things , and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded , in any appropriate public offices, all such documents, instruments , memoranda and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution or any of the documents herein authorized and approved, or for the acquisition and equipping of the Project for the foregoing purposes, including, without limitation, the execution, delivery and recordation of any deeds, bills of sale, invoices, financing statements, memoranda, certificates or other documents or instruments as they may deem necessary or desirable in connection with the foregoing.

Section 7. Limited Obligation and Liability. Neither the City, the County, and the State of Tennessee, nor any other political subdivision thereof, shall be liable for the performance of any pledge, mortgage, obligation, agreement, or certification, of any kind whatsoever of the Board, nor any of the pledges, mortgages, agreements, obligations or certifications of the Board shall be construed to constitute an indebtedness of the City, the County, or the State of Tennessee, or any other political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever.

No recourse shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Board (i) under or upon any statement, obligation, covenant, agreement or certification contained in any of the foregoing documents or certification whatsoever;

6. under any judgment obtained against the Board; (iii) by the enforcement of any assessment against the Board; (iv) by any legal or equitable proceeding; (v) by virtue of any constitution or statute or otherwise or (vi) under any circumstances, under or independent of the foregoing documents or any other document or certification whatsoever, either directly or through the Board, or otherwise. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents.

Section 8. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

Section 9. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment thereof, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Resolution, and the exhibits and attachments thereof, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

[Signature on following page]

The Chairman held a roll call vote as follows:

MEMBER	Present	AYE	NAY
Joe Barden	<u>Y</u>	<u>(I</u>	_____
Aubrey Bond	<u>yJ</u>	<u>'t</u>	_____
David Coulston	<u>'i</u>	<u>'I</u>	_____
Shea Davis	<u>f</u>		_____
Marvin DeBerry	<u>y;</u>	<u>JO</u>	_____
Jack Fox	<u>YJ</u>	<u>'I</u>	_____
Pat Mann			_____
David Prince	<u>)C</u>	<u>YJ</u>	_____
Sheronda Rogers	<u>'I</u>	<u>'/</u>	_____

Approved and adopted this 20th day of October, 2020.

BOARD:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF BROWNSVILLE AND
HAYWOOD COUNTY, TENNESSEE**

By: _____ /s/
Name: DAVID PRINCE
Title: Chairman

SIGNATURE PAGE TO RESOLUTION OF THE BOARD



UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A NAME & PHONE OF CONTACT AT FILER (Optional)	
B. EMAIL CONTACT AT FILER (Optional)	
C. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Michael J. Banks 108 S. Washington Ave. Brownsville, TN 38012	7 j

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

A. the DEBTOR'S NAME: Provide **only** Debtor name (1a or 1b) (use exact full name; do not omit, modify, or abbreviate any part of Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here **O** and provide the Individual Debtor Information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME The Industrial Development Board of the City of Brownsville and Haywood County, Tennessee					
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S) INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 111 North Washington Ave		CITY Brownsville	STATE TN	POSTAL CODE 38012	COUNTRY

B. DEBTOR'S NAME: Provide **only** Debtor name (2a or 2b) (use exact full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here **D** and provide the Individual Debtor Information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME					
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S) INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

C. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide **only ONE** Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Haywood County Community Hospital, Inc.					
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S) INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS 200 West Church Street		CITY Lexington	STATE TN	POSTAL CODE 38351	COUNTRY

D. COLLATERAL: This financing statement covers the following collateral:

See Exhibit A and Exhibit B attached hereto and incorporated herein by reference .

Maximum principal indebtedness for Tennessee recording tax purposes is \$0.00

E. Check .QIII'. If applicable and check .QIII'. one box: Collateral is **D** held in Trust (see UCC1Ad, Item 17 and instructions)
O being administered by a Decedent's Personal Representative

6a. Check I20' If applicable and check .QIII'. one box:
O Public-Finance Transaction **O** Manufactured-Home Transaction **DA** Debtor is a Transmitting Utility **O** Agricultural Lien **O** Non-UCC Filing

• ALTERNATIVE DESIGNATION (if applicable): **O** Lessee/Lessor **O** Consignee/Consignor **O** Seller/Buyer **O**
Bailee/Bailor **O** Licensee/Licensor

• OPTIONAL FILER REFERENCE DATA:

Tennessee Secretary of State

NOTE: All information on this form is public record.

UCC FINANCING STATEMENT (TN FORM UCC1) (REV. 12/1/2016)

EXHIBIT A
DESCRIPTION OF COLLATERAL

Debtor: The Industrial Development Board of The City of Brownsville
and Haywood County, Tennessee

Secured Party: Haywood County Community Hospital, Inc.

Reference: Equipment Lease

All items of furnishings, fixtures, accessions, equipment and related property now or hereafter located or installed on the land described on Exhibit B attached hereto (the "Land"), or on the buildings, structures, fixtures, accessions and other facilities now or hereafter located on the Land (the "Building"), any related property acquired and installed in the Building or elsewhere on the Land in substitution therefor and renewals and replacements thereof, and which are leased by the Debtor to the Secured Party pursuant to that certain Equipment Lease Agreement, dated as of October 1st, 2020, by and between Debtor and Secured Party, as amended from time to time; and together with all products and proceeds of the foregoing, including insurance proceeds.

EXHIBITS
PROPERTY DESCRIPTION

Being in the 7th Civil District of Haywood County, Tennessee, and being more particularly described as follows, to-wit:

Beginning at a point in the north right-of-way of U.S. Highway 70A-79 (North Washington Avenue - 66 feet wide), said point being the southeast corner of the Richard Miller property (Bk 193, Pg. 593) and located 167.02 feet (call 167.89 feet) northeast of City of Brownsville Manhole 52A; thence N 03 degrees 36' 29" W along the east line of said Richard Miller property and the east line of the Edna Miller property (Bk 99, Pg 200) a distance of 1,343.84 feet to a point in the O. C. Baker property (Bk. 234, Pg 272); thence with the common line between Tract II and said O. C. Baker property the following eight calls: N 77 degrees 31' 35" Ea distance of 221.03 (call 331.03 In Bk 173, Pg 465; call 221.03 in Bk. 119, Pg 302) to a point; thence N 63 degrees 13' 48" E a distance of 128.37 feet to a point; thence N 44 degrees 55' 07" E a distance of 183.41 feet to a point; thence N 63 degrees 00' 49" Ea distance of 209.26 feet to a point; thence N 74 degrees 30' 54" E a distance of 230.12 feet to a point, being the northeast corner of the described tract; thence S 08 degrees 56' 58" Ea distance of 194.53 feet (call 197.38 feet) to an iron rod found; thence S 28 degrees 07' 52" E passing an iron rod found at 648.85 feet a total distance of 727.57 feet to a point; thence S 22 degrees 05' 50" Ea distance of 121.82 feet to an iron rod found at the northeast corner of the West Tennessee Healthcare, Inc. property (Bk 229, Pg 557); thence along the north line of said West Tennessee Healthcare, Inc, property S 64 degrees 32' 24" W a distance of 59.04 feet to the southeast corner of the Jerald W. White and wife Claudia K. White property (Bk 137, Pg 752); thence along the east line of said White property N 24 degrees 27' 55" W a distance of 200.00 feet to an iron rod found at the northeast corner of said White property; thence along the north line of said White property S 64 degrees 32' 24" W a distance of 175.27 feet (call 175.00 feet) to a point in the east line of a 40 foot wide ingress/egress easement; thence along the west line of said ingress/egress easement, said White property and said West Tennessee Healthcare, Inc, property S 24 degrees 27' 55" E a distance of 395.24 feet (call 398.15 feet) to a point in the north line of said U. S. Highway 70A-79; thence with the north line of said U. S. Highway 70A-79 along a curve to right having a radius of 5696.58 feet an arc distance of 459.42 feet (chord: S 63 degrees 13' 59" W, 459.30 feet); thence S 65 degrees 32' 37" W a distance of 727.20 feet to the Point of Beginning.

Being the same property conveyed to Haywood County School Board by deed recorded in Record Book 179, Page 835, Register's Office, Haywood County, Tennessee.

LESS AND EXCEPTING FROM THE ABOVE DESCRIPTION IS THE FOLLOWING:

BEGINNING at a point at the southwest corner of Lauren K. Dowling as described in Record Book 58 Page 650, and being in the north margin of

North Washington Avenue (ROW 66 feet); runs thence with said margin, south 69 degrees 25 minutes 02 seconds west 142.41 feet to an iron pin set (all pins set are 1/2" by 18" with identification cap stamped EVANS-RLS 2524); runs thence with a new severance line through the Haywood County School Board as described in Record Book 179 Page 835 the following calls: north 16 degrees 54 minutes 22 seconds west 146.74 feet to an iron pin set; thence north 67 degrees 38 minutes 44 seconds west 131.35 feet to an iron pin set; thence north 16 degrees 22 minutes 12 seconds west 109.04 feet to an iron pin set; thence north 06 degrees 00 minutes 20 seconds east 137.80 feet; thence north 51 degrees 06 minutes 09 seconds west 171.78 feet to an iron pin set, said pin being the northwest corner of the herein described tract; thence north 72 degrees 32 minutes 07 seconds east 509.17 feet to an iron pin set in the west line of the Silicon Ranch Corporation as described in Record Book 142 Page 428; runs thence with said west line, south 20 degrees 21 minutes 09 seconds east 284.16 feet to a 1/2 inch iron pin found; thence south 14 degrees 19 minutes 07 seconds east 121.82 feet to a 1/2 inch iron pin found, said pin being the northeast corner of aforementioned Dowling; runs thence with the north line of said Dowling, south 72 degrees 19 minutes 07 seconds west 59.04 feet to a power pole, said pole being the southeast corner of Jerald W. White as described in Deed Book 137 Page 835; runs thence with the east line of said White, north 16 degrees 41 minutes 12 seconds west 200.00 feet to a 1 inch pipe found, said pipe being the northeast corner of White; runs thence south 72 degrees 19 minutes 07 seconds west 175.27 feet to a 1 inch pipe found, said pipe being the northwest corner of said White; runs thence with the west line of White and continuing with the west line of Dowling, south 16 degrees 41 minutes 12 seconds east 395.24 feet to the POINT OF BEGINNING containing within these calls 184212.54 square feet or 4.23 acres of land as surveyed on January 21, 2020 by Evans & Associates Land Surveying, 320 South Washington, Brownsville, Tennessee. (731-432-1381) Said acreage being subject to all right of ways and easements, if any exist. There is an existing 40' ingress/egress easement along the west line of Dowling and White as described in Record Book 68, page 650, Register's Office, Haywood County, Tennessee.

This being the property conveyed to Southwest Human Resource Agency Head Start by deed recorded In Record Book 185 Page 174 in the Register's Office of Haywood County, Tennessee.

Notice per T.C.A. 66-24-121: No survey was performed at the time of closing. The legal description herein is the same as In the previous deed of record. No opinion is rendered as to the accuracy of the legal description.

Map 067, Parcel 009.01



UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (Optional)	
B. EMAIL CONTACT AT FILER (Optional)	
C. SEND ACKNOWLEDGMENT TO: (Name and Address)	
Michael J. Banks 108 S. Washington Ave. Brownsville, TN 38012	7 J

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

6. DEBTOR'S NAME: Provide **only** Debtor name (1a or 1b) (use exact full name; do not omit, modify, or abbreviate any part of the Debtor's name); If any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here **D** and provide the Individual Debtor Information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME			
The Industrial Development Board of the City of Brownsville and Haywood County, Tennessee			
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S) INITIAL(S)	SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE
111 North Washington Ave	Brownsville	TN	38012

7. DEBTOR'S NAME: Provide **only** Debtor name (2a or 2b) (use exact full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here **D** and provide the Individual Debtor Information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME			
Haywood County Community Hospital, Inc.			
2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S) INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE

8. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only **Q** Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME			
Haywood County Community Hospital, Inc.			
3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S) INITIAL(S)	SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE
200 West Church Street	Lexington	TN	38351

9. COLLATERAL: This financing statement covers the following collateral:

See Exhibit A and Exhibit B attached hereto and incorporated herein by reference.

Maximum principal indebtedness for Tennessee recording tax purposes is \$0.00

10. Check **I2IIIY**. If applicable and check **I2IIIY**. one box: Collateral is **D** held in Trust (see UCC1Ad, Item 17 and Instructions)
D being administered by a Decedent's Personal Representative

6a. Check **I2IIIY**. If applicable and check **Qnb£** one box:
D Public-Finance Transaction **O** Manufactured-Home Transaction **DA** Debtor is a Transmitting Utility **D** Agricultural Lien **D** Non-UCC Filing

1. ALTERNATIVE DESIGNATION (if applicable): **D** Lessee/Lessor **O** Consignee/Consignor **O** Seller/Buyer **O** Bailee/Bailor **D** Licensee/Licensor

2. OPTIONAL FILER REFERENCE DATA:

Tennessee Secretary of State

NOTE: All information on this form is public record.



UCC FINANCING STATEMENT ADDENDUM
FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as Item 1a or 1b on Financing Statement; If line 1b was left blank because individual Debtor name did not fit, check here <input checked="" type="radio"/>	
OR	Ba. ORGANIZATION'S NAME The Industrial Development Board of the City of Brownsville and Haywood County, Tennessee
	9b. INDIVIDUAL'S SURNAME
	FIRST PERSONAL NAME ADDITIONAL NAME(S) INITIAL(S) SUFFIX
THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY	

3. DEBTOR'S NAME: Provide (10a or 10b) only. ☒ additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

OR	10a. ORGANIZATION'S NAME				
	10b. INDIVIDUAL'S SURNAME				
	INDIVIDUAL'S FIRST PERSONAL NAME				
	INDIVIDUAL'S ADDITIONAL NAME(S) INITIAL(S)			SUFFIX	
10c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

4. ☐ ADDITIONAL SECURED PARTY'S NAME. ☒ ASSIGNOR SECURED PARTY'S NAME: Provide only name (11a or 11b)

OR	11a. ORGANIZATION'S NAME				
	11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S) INITIAL(S)	SUFFIX	
	11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

5. ADDITIONAL SPACE FOR ITEM 4 (COLLATERAL):

13. EZJ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS (if applicable)	14. This FINANCING STATEMENT: <input type="checkbox"/> covers Unperfected collateral <input type="checkbox"/> covers perfected collateral <input checked="" type="checkbox"/> is filed as a fixture filing
15. Name and address of a RECORD OWNER of real estate described in Item 16 (If Debtor does not have a record interest):	16. Description of real estate: See Exhibit 8 attached hereto.

17. MISCELLANEOUS:

Note: All information on this form is public record.

EXHIBIT A
DESCRIPTION OF COLLATERAL

Debtor: The Industrial Development Board of The City of Brownsville
and Haywood County, Tennessee

Secured Party: Haywood County Community Hospital, Inc.

Reference: Equipment Lease

All items of furnishings, fixtures, accessions, equipment and related property now or hereafter located or installed on the land described on Exhibit B attached hereto (the "Land"), or on the buildings, structures, fixtures, accessions and other facilities now or hereafter located on the Land (the "Building"), any related property acquired and installed in the Building or elsewhere on the Land in substitution therefor and renewals and replacements thereof, and which are leased by the Debtor to the Secured Party pursuant to that certain Equipment Lease Agreement, dated as of October 11, 2020, by and between Debtor and Secured Party, as amended from time to time; and together with all products and proceeds of the foregoing, including insurance proceeds.

North Washington Avenue (ROW 66 feet); runs thence with said margin, south 69 degrees 25 minutes 02 seconds west 142.41 feet to an iron pin set (all pins set are 1/2" by 18" with identification cap stamped EVANS-RLS 2524); runs thence with a new severance line through the Haywood County School Board as described in Record Book 179 Page 835 the following calls: north 16 degrees 54 minutes 22 seconds west 146.74 feet to an iron pin set; thence north 67 degrees 38 minutes 44 seconds west 131.35 feet to an iron pin set; thence north 16 degrees 22 minutes 12 seconds west 109.04 feet to an iron pin set; thence north 06 degrees 00 minutes 20 seconds east 137.80 feet; thence north 51 degrees 06 minutes 09 seconds west 171.78 feet to an iron pin set, said pin being the northwest corner of the herein described tract: thence north 72 degrees 32 minutes 07 seconds east 509.17 feet to an iron pin set in the west line of the Silicon Ranch Corporation as described in Record Book 142 Page 428; runs thence with said west line, south 20 degrees 21 minutes 09 seconds east 284.16 feet to a 1/2 inch iron pin found; thence south 14 degrees 19 minutes 07 seconds east 121.82 feet to a 1/2 inch iron pin found, said pin being the northeast corner of aforementioned Dowling; runs thence with the north line of said Dowling, south 72 degrees 19 minutes 07 seconds west 59.04 feet to a power pole, said pole being the southeast corner of Jerald W. White as described in Deed Book 137 Page 835; runs thence with the east line of said White, north 16 degrees 41 minutes 12 seconds west 200.00 feet to a 1 inch pipe found, said pipe being the northeast corner of White; runs thence south 72 degrees 19 minutes 07 seconds west 175.27 feet to a 1 inch pipe found, said pipe being the northwest corner of said White: runs thence with the west line of White and continuing with the west line of Dowling, south 16 degrees 41 minutes 12 seconds east 395.24 feet to the POINT OF BEGINNING containing within these calls 184212.54 square feet or 4.23 acres of land as surveyed on January 21, 2020 by Evans & Associates Land Surveying, 320 South Washington, Brownsville, Tennessee. (731-432-1381) Said acreage being subject to all right of ways and easements, if any exist. There is an existing 40' ingress/egress easement along the west line of Dowling and White as described in Record Book 68, page 650, Register's Office, Haywood County, Tennessee.

This being the property conveyed to Southwest Human Resource Agency Head Start by deed recorded in Record Book 185 Page 174 in the Register's Office of Haywood County, Tennessee.

Notice per T.C.A. 66-24-121: No survey was performed at the time of closing. The legal description herein is the same as in the previous deed of record. No opinion is rendered as to the accuracy of the legal description.

Map 067, Parcel 009.01

Attachment Section A-6B-1 a-d

TN

Tennessee Property Viewer

Aerial Photography

Street Map

Show FEMA DFIRM Flood Map

Hide Property Lines

Zoom In

Zoom Out

Pan

Identify

Help

Measure

Search

Search Results

Property Detail

Hide Parcel Highlight(s)

Clear Selection Completely

County:

Haywood

Owner:

HAYWOOD COUNTY BOARD OF EDUCATION

Owner 2:

Address:

N WASHINGTON AVE 2545

Parcel Number:

067 009.01

Deeded Acreage:

0

Calculated Acreage:

27.37

Subdivision:

Subdivision Lot:

Date of Imagery:

2016

Click [here](#) for the most up-to-date ownership and assessment information.

Click [here](#) if there is a problem with this property.

Export PDF of this map

The property maps represented on this site are compiled from information maintained by your local county Assessor's office and are a best-fit visualization of how all the properties in a county relate to one another. The property lines are determined by examining detailed property descriptions on deeds and by using surveys created by a licensed surveyor but are not conclusive evidence of property ownership in any court of law. If you feel your property is drawn in error, you should contact your local Assessor's office and work with them to resolve the discrepancy.

TDOT | TN Comptroller - OLG | State of Tennessee, Comptroller of the Treasury, Office...

esri

TN

Tennessee Property Viewer

Aerial Photography

Street Map

Show FEMA DFIRM Flood Map

Show Property Lines

Zoom In

Zoom Out

Pan

Identify

Help

Measure

Search

Search Results

Property Detail

Hide Parcel Highlight(s)

Clear Selection Completely

County:

Haywood

Owner:

HAYWOOD COUNTY BOARD OF EDUCATION

Owner 2:

Address:

N WASHINGTON AVE 2545

Parcel Number:

067 009.01

Deeded Acreage:

0

Calculated Acreage:

27.37

Subdivision:

Subdivision Lot:

Date of Imagery:

2016

Click [here](#) for the most up-to-date ownership and assessment information.

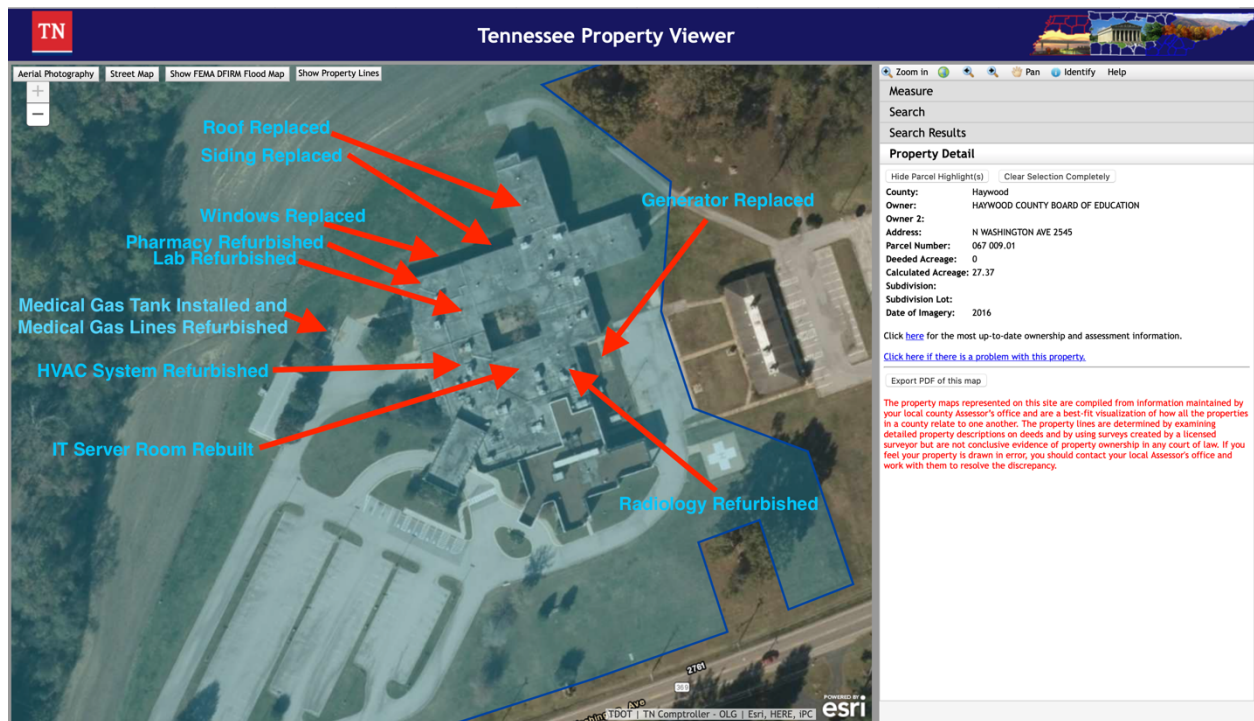
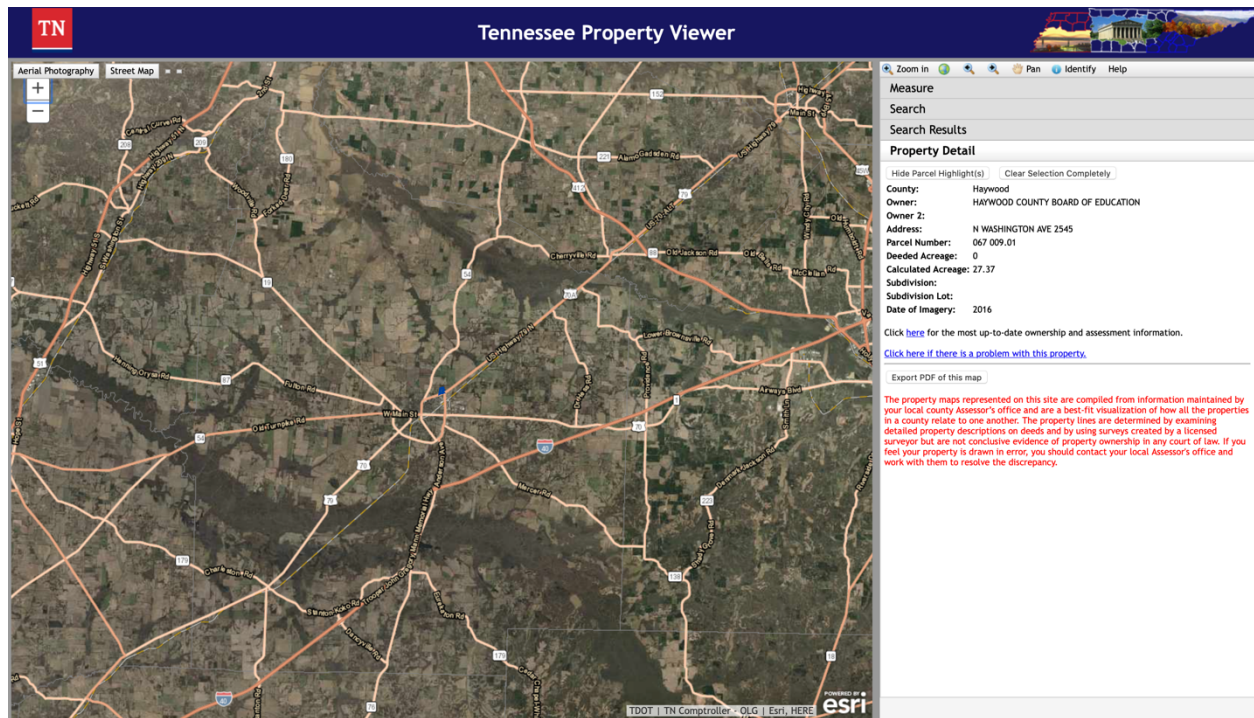
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The property maps represented on this site are compiled from information maintained by your local county Assessor's office and are a best-fit visualization of how all the properties in a county relate to one another. The property lines are determined by examining detailed property descriptions on deeds and by using surveys created by a licensed surveyor but are not conclusive evidence of property ownership in any court of law. If you feel your property is drawn in error, you should contact your local Assessor's office and work with them to resolve the discrepancy.

TDOT | TN Comptroller - OLG | Esri, HERE

esri

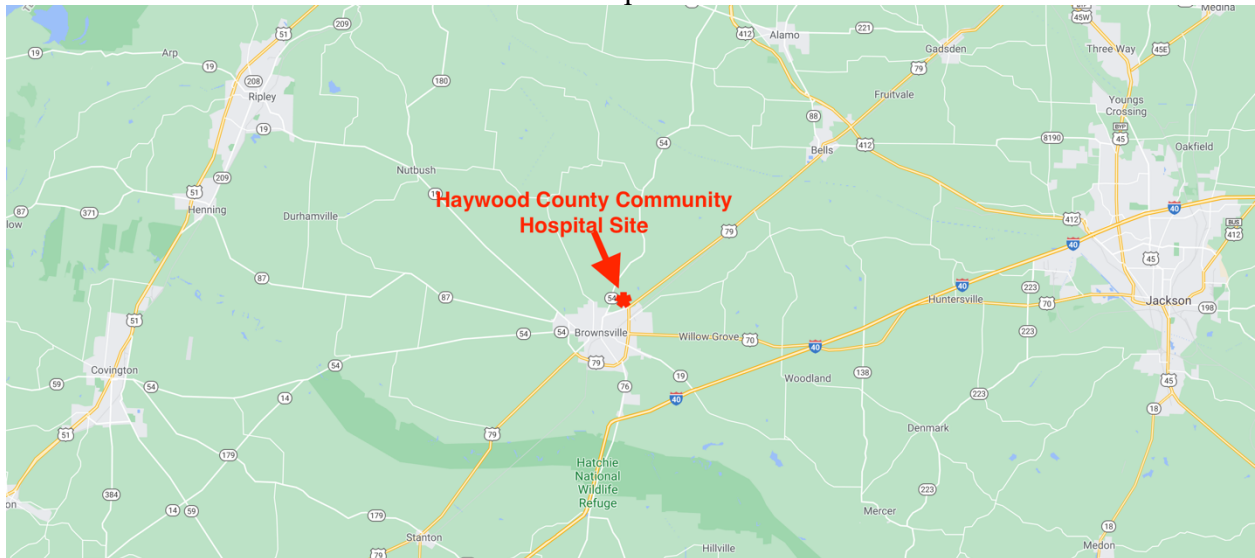


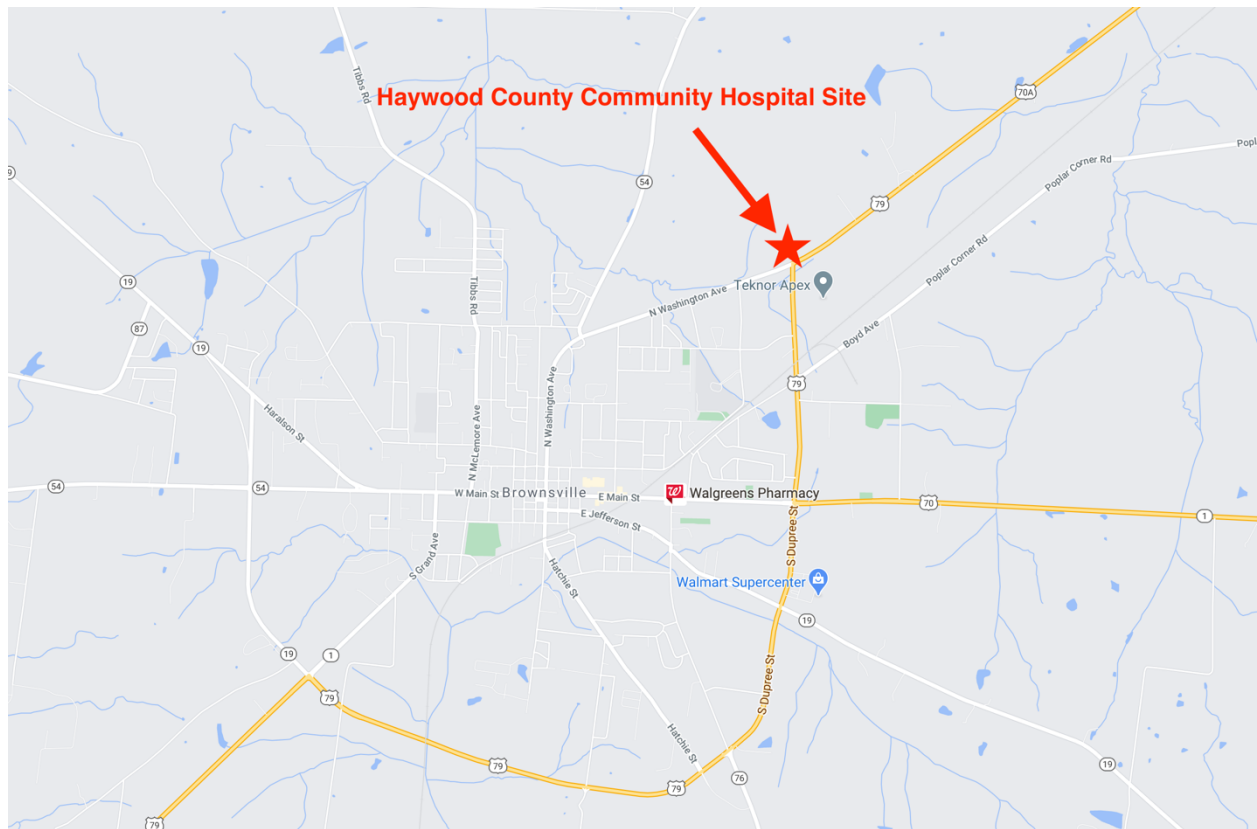
Attachment Section A 6B-2



Attachment Section A-6B-3

The site is located on the State Highway 79 loop that surrounds Brownsville in Haywood County. This location is easy to find and is well positioned to help patients find the hospital. Furthermore, since this is a closed site and is being renovated and re-opened, the people of Haywood County are familiar with where the hospital was located in the past.





Lexington Hospital Corp.
Statements of Income

<i>Month-to-date and Year-to-date</i>	MTD 09/30/2020	YTD 09/30/2020
Revenue:		
Net patient service revenue	\$ 2,152,994	\$ 10,330,992
Other operating revenue	-	951,547
Total revenue	2,152,994	11,282,539
Expenses:		
Salaries and wages	711,565	4,195,996
Employee benefits	143,116	1,008,320
Supplies and other	883,863	5,068,682
Depreciation and amortization	11,069	50,748
Total expenses	1,749,612	10,323,745
Income before other income (expense)	403,382	958,794
Other income (expense):		
Interest income	109	1,400
Income before income taxes	403,491	960,194
Provision for income taxes	140,000	308,000
Net income (loss)	\$ 263,491	\$ 652,194

Lexington Hospital Corp.*Balance Sheet*

For Period Ending September 30, 2020

	9/30/2020 Current Month	8/31/2020 Prior Month	Increase (Decrease)
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 7,618,039	\$ 7,500,323	\$ 117,716
Net Patient Accounts Receivable	6,413,622	6,116,458	297,164
Inventories	242,684	257,684	(15,000)
Prepaid Expenses and other	805,054	793,353	11,701
Total Current Assets	15,079,398	14,667,818	411,581
Property and Equipment			
Net Property and Equipment	1,125,918	1,147,658	(21,741)
Other Assets	102,438	102,438	-
Total Assets	16,307,754	15,917,914	389,840
LIABILITIES & STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts Payable	793,424	767,417	26,008
Accrued Expenses	752,374	752,682	(308)
Due to Third Party Payers	2,786,201	2,810,461	(24,260)
Other Liabilities	8,651,779	8,511,779	140,000
Total Current Liabilities	12,983,779	12,842,339	141,440
Long Term Debt			
Net Long Term Debt	2,447,399	2,462,491	(15,091)
Total Liabilities	15,431,179	15,304,830	126,349
Stockholders' equity:			
Common stock	150,309	150,309	-
Additional paid in capital	74,074	74,074	-
Retained earnings	652,193	388,702	263,491
Total stockholders' equity	876,576	613,085	263,491
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	16,307,754	15,917,914	389,840

STRICKLAND ROOFING CO INC

P.O. BOX 2164 JACKSON, TENNESSEE 38302



(731) 424-7496
FAX (731) 423-0869

November 20, 2020

Henderson County Community Hospital
Terry Stewart

Project:
Haywood Park Community Hospital
2545 North Washington Avenue
Brownsville, TN 38012

Re: Re-roof existing building

1. Remove any debris from roof
2. Install ½" HD Polyiso insulation
3. Install 60 mil TPO mechanically fastened roof system (color: white)
4. Install new 60 mil TPO membrane at new parapet wall
5. Install new 24 ga pre-finish metal coping at new parapet wall
6. Re-flash all penetrations per manufacturer's specifications
7. At ballast roof area, remove ballast and membrane, then install 1-1/2" Polyiso insulation and 60 mil TPO mechanically fastened roof system
8. Remove all job related debris
9. Provide owner with 15 year manufacturer's warranty

Budget Cost: \$355,939.00

Note: Screen wall to be removed by others

Note: New parapet wall to be installed by others

Note: Recommend roof drains and plumbing be evaluated to ensure they are in working order

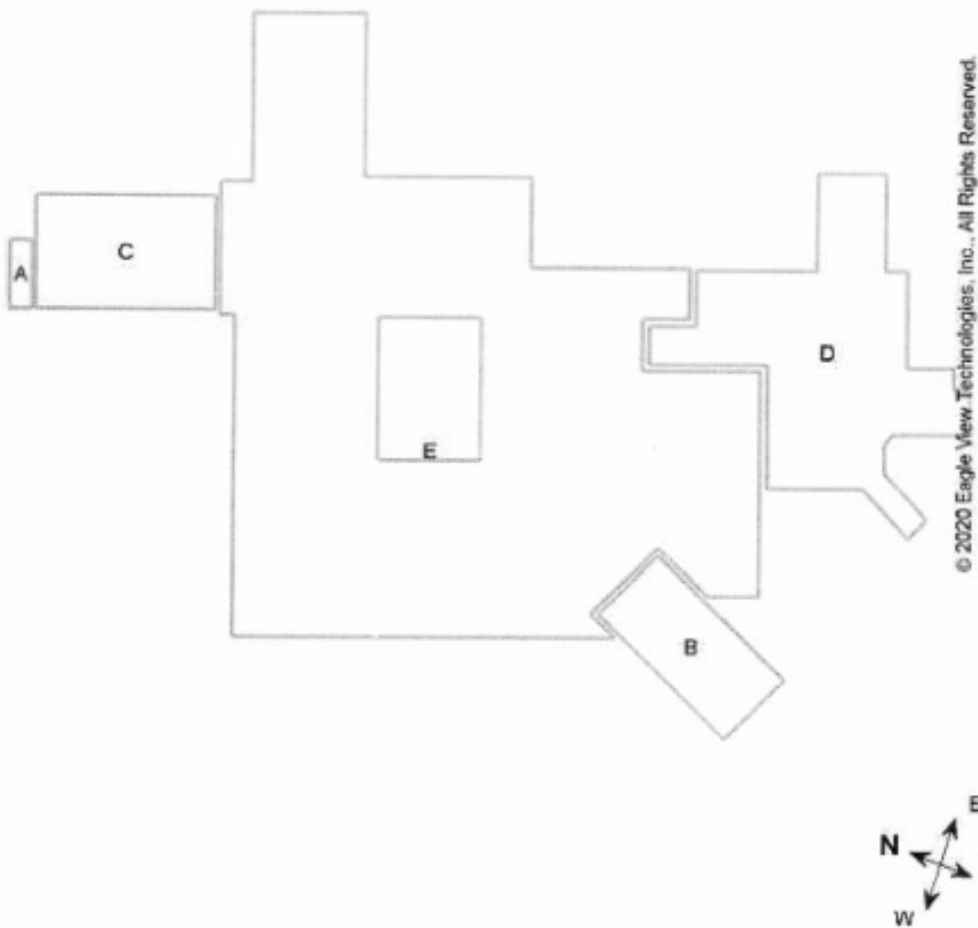
Mitch Parker, President
Strickland Roofing Company, Inc.

Accepted By: _____

Date: _____

Notes Diagram

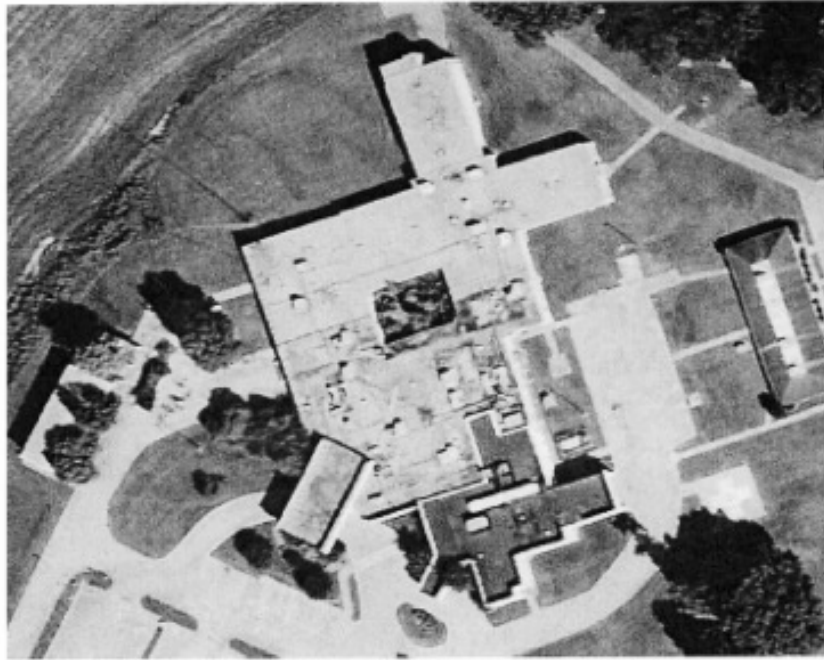
Roof facets are labeled from smallest to largest (A to Z) for easy reference. Total Roof Facets = 5



Report: 37570269

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2545 N Washington Ave, Brownsville, TN 38012



Report Details

Report: 37570269

Property Details

Total Roof Area = [Click here](#) to assign pitch values and your report will be generated.Total Roof Facets = 5
Longitude = -89.2429119
Latitude = 35.6105251
Number of Stories <=1[Online map of property](#)

Report Contents

Notes Diagram.....1
Facet Area Table.....2

Contact: Zach Parker

Company: Strickland Roofing

Address: 618 Potts Chapel Rd
Jackson, TN 38305

Disclaimer: This report was produced using EagleView Extended Coverage Technology. Due to a variety of reasons including but not limited to: sensor coverage, poor imagery, low ground resolution or other obstructions, this report does NOT offer an accuracy guarantee. EagleView recommends that anyone using this report field verify the measurements. Measurements generated by EagleView.



BLP : BACKLIT PANEL

DESCRIPTION

LED Backlit Panels maximize form, fit and function, providing a low-profile, economical solution for general purpose lighting in offices, retail, schools, and more.

FEATURES

- One for one alternative LED solution to fluorescent luminaires/ fixtures/troffers
- Low profile is ideal for shallow plenum spaces
- Available in 1'x4', 2'x2' and 2'x4'

LISTINGS

- UL Listed for dry/damp locations
- IC Rated for insulation contact
- DesignLights Consortium® Qualified - meets DLC requirements for efficacy and lumen maintenance
- Select versions DesignLights Consortium® Premium Qualified - meets the requirements for the highest DLC qualification for efficacy and lumen maintenance

PERFORMANCE

- Rated lifetime L80 >54,000 hours
- 3500K, 4000K, 5000K CCT
- CRI: 80+

ELECTRICAL

- Input voltage: 120-277V; 120-347V
- 0-10V dimming (to 10%)
- Power Factor: >.9
- THD: <20%

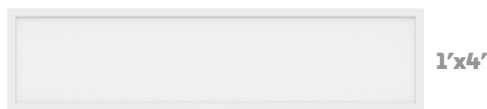
OPERATING TEMPERATURE

- -4°F to 104°F (-20°C to 40°C) operating temperature

WARRANTY

- 5 year limited warranty; see eiko.com for warranty details

project name	type
catalog number	
comments	voltage
approved by	date



APPLICATIONS

- Conference rooms
- Retail
- Offices
- Hospitality
- Healthcare
- Schools
- Reception areas
- Corridors
- Foyer



ORDERING INFORMATION

EXAMPLE: BLP14-42/40W/835-U-D

Model	Size	Package	CRI/CCT	Voltage	Dimming
BLP : LED Backlit Panel	14 - 1'x4' 22 - 2'x2' 24 - 2'x4'	42/40W - 4,200 lm; 40W 32/30W - 3,200 lm; 30W 37/30W - 3,700 lm; 30W 42/40W - 4,200 lm; 40W 50/40W - 5,000 lm; 40W 62/50W - 6,200 lm; 50W	835 - 80 CRI; 3500K 840 - 80 CRI; 4000K 850 - 80 CRI; 5000K	U - 120-277V H - 120-347V	D - 0-10V Dimming



T8 TUBE LIGHTS : GLASS : SINGLE & DOUBLE ENDED

DESCRIPTION

With ultimate installation flexibility, single- and double-ended LED T8 tube lights are an optimal choice when upgrading from fluorescent to LED. Simple modifications on install allow for years of efficient, maintenance-free, low-cost operation.

FEATURES

- Replaces 4' F32T8 (32W, 30W, 28W, 25W) lamps
- Flexible design allows for single-end or double-end operation on 120-277V
- Operates with both shunted and non-shunted lamp holders; see installation instructions for additional information
- Instantaneous full light output upon power-up
- Frosted glass lens reduces visual glare
- Suitable for use in totally enclosed fixtures

WARRANTY

- 5 year limited warranty; see eiko.com for warranty details

APPLICATIONS

- Highbays
- Troffers
- Industrial Strips
- Cove Lighting
- Warehouses
- Stairwells
- Cold Storage



PERFORMANCE	Bare Lamp Wattage	10.5W	12.5W	15W
	Lumens	1,700	1,800	2,200
	Efficacy (LPW)	162	144	147
	CRI	80+		
	Beam	160°		
	CCT	3500K, 4000K, 5000K		
	Life (L70)	50,000 hours		
ELECTRICAL	Power Factor	≥0.9		
	THD	<20%		
	Input Voltage	120-277V		
CONSTRUCTION	Operating Temperature	-4°F to 113°F (-20°C to 45°C)		
	Base	G13		
LISTINGS	Certification(s)	DesignLights Consortium® Qualified; cULus Listed; FCC		
	Material Usage	RoHS Compliant; no mercury or lead		
	Environment	UL Listed for damp locations		



LLW : LED LINEAR WRAP

DESCRIPTION

- Cost-effective and energy efficient 4ft LED utility wrap fixture
- 130 lumens per watt
- Ideal replacement for less efficient fluorescent wrap fixtures
- Features full length wrap-around U-shaped prismatic acrylic lens
- Universal 0-10V driver for continuous dimming standard

LISTINGS

- UL Listed for dry/damp locations
- DesignLights Consortium® Premium Qualified - meets the requirements for the highest DLC qualification for efficacy and lumen maintenance

LED CHARACTERISTICS

- Rated lifetime L70: 50,000 hours
- 4000K CCT
- CRI: 80+
- 4160lm @ 32W : 130lpw
- 4420lm @ 34W : 130lpw
- 4608lm @ 36W : 128lpw
- 5200lm @ 40W : 130lpw
- 5334lm @ 42W : 127lpw

ELECTRICAL

- Input voltage: 120-277V
- Dimmable power supply (0-10V)
- Power Factor: >.90
- THD: <20%

CONSTRUCTION

- Durable steel body construction with white polyester powder coat finish
- -4°F to 122°F (-20°C to 50°C) operating temperature

WARRANTY

- 5 year limited warranty; see eiko.com for warranty details

project name	type
catalog number	
comments	voltage
approved by	date



APPLICATIONS

- Storage areas
- Utility rooms
- Schools
- Stairwell
- Workshops
- Corridors



ORDERING INFORMATION

EXAMPLE: LLW-4C-40K-U

Model	Package	CCT	Voltage
LLW : LED Linear Wrap	3C - 32W; 4,160 lm 4C - 36W; 4,608 lm 4CP - 34W; 4,420 lm 5C - 42W; 5,334 lm 5CP - 40W; 5,200 lm	40K - 4000K	U - 120-277V



LLW : LED LINEAR WRAP

DESCRIPTION

- Cost-effective and energy efficient 4ft LED utility wrap fixture
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- Ideal replacement for less efficient fluorescent wrap fixtures
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ELECTRICAL

- Input voltage: 120-277V
- Dimmable power supply (0-10V)
- Power Factor: >.90
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CONSTRUCTION

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WARRANTY

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project name	type
catalog number	
comments	voltage
approved by	date



APPLICATIONS

- Storage areas
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- Stairwell
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ORDERING INFORMATION

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VERT : AREA AND SITE LIGHT

FEATURES

- Modern, low-profile design
- Easy installation
- 13,000-56,250 lumens
- Multiple mounting options available for versatile use
- Polycarbonate TIR optics

LISTINGS

- UL Listed for wet locations
- IP65 Rated
- DesignLights Consortium® Premium Qualified - meets the requirements for the highest DLC qualification for efficacy and lumen maintenance
- 3G Rated per ANSI C136.31

PERFORMANCE

- Rated lifetime L70: 60,000 hours
- 4000K, 5000K CCT
- CRI: 70+

ELECTRICAL

- Input voltage: 100-277V; 200-480V
- 0-10V dimming
- Power Factor: >.9
- THD: <20%
- 10kV supplemental surge protection

THERMAL

- -40°F up to 122°F (-40°C up to 50°C) operating temperature

CONSTRUCTION

- Diecast aluminum body with durable powder coat finish
- UV stabilized polycarbonate lens
- Stainless steel hardware

WARRANTY

- 5 year limited warranty; see eiko.com for warranty details

project name	type
catalog number	
comments	voltage
approved by	date



VRT1



VRT2



VRT3

APPLICATIONS

- Parking Areas
- Automotive Dealerships
- Roadways
- Campuses
- Streetscapes
- Airports
- Area security lighting
- Building facades
- Signs
- Entryways



ORDERING INFORMATION

EXAMPLE: VRT1-130/C5/740-U-D-T3-BZ-[OPTIONS] (item) + VRT-S-BZ (mount)
(Mount required to order)

Base Item									Mount (Required)
Model	Package	Efficacy	CRI/CCT	Voltage	Dimming	Distribution	Finish	Options	
VRT1 - Vert 100-150W	125 - 100W; 13,000 lm	C5 - ≥125lpw	740 - 70 CRI; 4000K 750 - 70 CRI; 5000K	U - 100- 277V V - 200- 480V	D - 0-10V Dimming	T3 - Type 3 T5 - Type 5	BZ - Bronze Color options available; see Color Options on p. 2 for details	Additional fixture options available; see p. 2	VRT-S-BZ - Slipfitter, 2-3/8", Bronze VRT-D-BZ - Direct Mount, Bronze VRT-Y-BZ - Yoke Mount, Bronze
	130 - 100W; 13,000 lm								
	195 - 150W; 19,500 lm								
VRT2 - Vert 185-300W	240 - 185W; 24,000 lm	C5 - ≥125lpw	740 - 70 CRI; 4000K 750 - 70 CRI; 5000K	U - 100- 277V V - 200- 480V	D - 0-10V Dimming	T3 - Type 3 T5 - Type 5	BZ - Bronze Color options available; see Color Options on p. 2 for details	Additional fixture options available; see p. 2	VRT-S-BZ - Slipfitter, 2-3/8", Bronze VRT-D-BZ - Direct Mount, Bronze VRT-Y-BZ - Yoke Mount, Bronze
	250 - 200W; 25,000 lm								
	380 - 300W; 38,000 lm								
VRT3 - Vert 450W	563 - 450W; 56,250 lm								

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Amana PTAC 16,200 BTU 9.4 EER Air Conditioner w/ 3.5 kW Heater

Model: PTC173G35AXXX Item Number: 83440

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when you Purchase in Bulk!

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6	9	\$911.04 / each
10	12	\$901.55 / each

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ROBERT A.
17 Nov 2020

Website ordering procedure all w

CL
MC

Specification Highlights

Condition	New
Weight	113 Pounds
Type	PTAC
Product Line	PTC

[View More](#)

Cooling Capacity (BTU/Hr)

17k ▾

Voltage (Volts)

230/208 ▾

Unit Quantity

[Live Chat Offline](#)



Genesis™ Your Last Ceiling Panel

- Waterproof and washable
- Class “A” fire-rated
- 2' x 2' and 2' x 4' panel sizes
- Installs in any existing or new grid system
- Lightweight installation
- Impact-resistant
- Mold- and mildew-resistant
- Dust free, non-shedding material
- Will not spot, stain, rot or peel from moisture
- Will not sag or swell from moisture
- 25-year warranty



89 N CONALCO DR
JACKSON TN 38301-3664
Phone: 731427
Fax: 731-424-8310

To: HENDERSON COUNTY COMMUNITY HOSPITAL
2545 NORTH WASHINGTON AVE
BROWNSVILLE TN 38012
Attn: Terry Stewart
Phone:
Fax:
Email: KRISTI.EDDINGS@GRAYBAR.COM

Date: 11/20/2020
Proj Name: HOSPITAL REMODEL
GB Quote #: 0236720290
Release Nbr:
Purchase Order Nbr:
Additional Ref#
Valid From: 11/20/2020
Valid To: 12/20/2020
Contact: Helen Eddings
Email: kristi.eddings@graybar.com

Proposal

We Appreciate Your Request and Take Pleasure in Responding As Follows

Item	Item/Type	Quantity	Supplier	Catalog Nbr	Description	Price	Unit	Ext.Price
100		25 EA	SATCO PRODS	S29916	14T8/LED/48-850/BP 120-277V	\$7.29	1	\$182.25
GB Part #: 26365249 Cust Mat #: 25 PER BOX UPC #:04592329916								
200		1 EA	SATCO PRODS	S9599	12W/LED/5-6TRIM/2700K/120V/2P	\$16.93	1	\$16.93
GB Part #: 26348040 UPC #: 04592309599								
300		1 EA	SATCO PRODS	65-572		\$69.38	1	\$69.38
Cust Mat #:2X4								
400		1 EA	SATCO PRODS	65-571		\$38.16	1	\$38.16
Cust Mat #:2X2								
500		1 EA	SATCO PRODS	65-573		\$41.56	1	\$41.56
Cust Mat #:1X4								

Total in USD (Tax not included): \$348.28

This equipment and associated installation charges may be financed for a low monthly payment through Graybar Financial Services (subject to credit approval). For more information call 1-800-241-7408 to speak with a leasing specialist.

To learn more about Graybar, visit our website at www.graybar.com

24-Hour Emergency Phone#: 1-800-GRAYBAR

Subject to the standard terms and conditions set forth in this document. Unless otherwise noted, freight terms are F.O.B. shipping point prepaid and bill. Unless noted the estimated ship date will be determined at the time of order placement.

Printed: 11/19/2020 4:30:33 PM

Sales Receipt #HELD

11/19/2020

Cashier: JLC

Page 1

REPRINTED
Paramount Plumbing & Electrical
109 E. Church Street
Lexington, TN 38351
PHONE 731-968-2968
FAX 731-967-9390

Bill To: HENDERSON CO. COMMUNITY HOSPITAL
HENDERSON CO. COMMUNITY HOSPITAL
200 WEST CHURCH STREET
LEXINGTON, TN 38351

Customer PO# QUOTE

Item Name	Item Description	Qty	Price	Ext Price	Tax
S9599	6" ADJUSTABLE LED TRIM 65 WATT 2700K 2-PACK	30	\$18.50	\$555.00	T
PL22A40W84	2X2 LED INTERGRATED LAY IN FIXTURE***NO DISC***	64	\$50.00	\$3,200.00	T
LED ONE 4FT	LOD-17WT850K SINGLE OR DOUBLE END WIRING	400	\$8.50	\$3,400.00	T
	LOD-17WT8/850K				
	4FT LED				
PL24A50W84	2X4 LED LAY IN 4000K 5500 LUMENS	571	\$70.50	\$40,255.50	T
	** NO DISCOUNT **				
MISC LIGHTING	2FT LED BULB	20	\$7.98	\$159.60	T
MISC LIGHTING	LED 1X4 LAY IN	20	\$89.98	\$1,799.60	T
				Subtotal:	\$48,969.70
Local Sales Tax				9.75 % Tax:	+\$4,774.55
				RECEIPT TOTAL:	\$53,744.25

Thanks for shopping with us!

HELD

Estimate
Brownsville

Letters of Support

First and Last Name

Denise Lawrence

Email

Nene92256@gmail.com

Zip Code

38012

County of Residence

Haywood

We need Haywood Park Hospital very bad. I have several family members that need to be close to a hospital. Our community can not grow with this. We're full of elderly that need this here in Brownsville. Thanks for giving me a chance to say Haywood county is lost without a hospital in our community. Life or death situations depend on a hospital.

Sincerely.

Denise Lawrence

First and Last Name

Chad and Leah Simpson

Email

Simp4880@bellsouth.net

Zip Code

38012

County of Residence

Haywood

Message

We are so excited to have a hospital return to our small town. I worked as an RN in our old hospital years ago and Brownsville has several factories here, a large school system and an aging population. We are over 30 min away from the nearest medical facility so having somewhere to go close is such a positive thing.

First and Last Name

Jeff Shumway

Email

cul8rv8@hotmail.com

Zip Code

38012

County of Residence

Haywood

Message

As a father of a 1 year old, and new residents of Brownsville, reopening the hospital would be a wonderful weight lifted from her mom and I's worries. Having a local hospital available rather than having to take our child to Jackson or Memphis should the need arise, that would always be preferable.

First and Last Name

Goldie Harwell

Email

goldie.harwell@yahoo.com

Zip Code

38012

County of Residence

Haywood

Message

I am truly Thankful to County Mayor David Livingston, Attorney Michael Banks, Commissioner Joe Barden, Dr. Braden and the Braden Health team for this endeavor to bring back our community hospital. I am the mother of a daughter with special needs and she is total care. Although her team of various specialists are located in Memphis, we would have to go to Haywood Park Hospital. Having a hospital here helped to calm my fears whenever an instance would arise. They would communicate her care with the hospital in Memphis and have her transported if they needed too. Having a hospital is truly vital to our community and to those who have special circumstances. Again I applaud all for this endeavor and I pray for its success. Thank you.

First and Last Name

Brenda Crutchfield

Email

crutchfieldbre@twc.com

Zip Code

38012

County of Residence

Haywood

Message

Please help Haywood County to get a hospital. We are in great need. The ER was a great asset to have in the past. When my husband had his first heart attack in 1998 that was his first treatment sight. Having the hospital open would save the response time for so many emergencies. Please get us s hospital.

First and Last Name

Jane Hopper

Email

jane.hopper@rockettcavs.net

Zip Code

38012

County of Residence

Haywood

Message

Please expedite this certificate of need. This hospital is much needed in this area. The closest hospital is 30 minutes away and when you have major issues it's very scary knowing help is not near! People have died due to this distance and I saw one myself that might could have been saved! Please expedite this ASAP and let's

get some help in this area. Thank you.
Sincerely,
Jane Hopper

First and Last Name

Melissa Horton

Email

southerncharm0479@gmail.com

Zip Code

38012

County of Residence

Haywood

Message

We definitely need a hospital!!

My father is almost 70 yr old and would have to travel 30 minutes away for care if he had a heart attack, stroke, aneurysm, or fell into respiratory distress due to pneumonia or Covid-19. A hospital is definitely mandatory for the citizens of Haywood County!!! It would benefit our people, economy, and health of our sweet and wonderful community!!!!

First and Last Name

Bridgett Yancey

Email

bridgett.yancey70@gmail.com

Zip Code

38012

County of Residence

Haywood

Message

We definitely need a hospital here the nearest one is 20 mins or so away and that's too long of a drive for someone that could have a life threatening illness. A hospital could definitely be a difference in life or death situation.

Nov 12, 2020

RE: Haywood Co. TN, Hospital Certificate of Need

To Whom it May Concern:

Since the closing of Haywood County's hospital a number of years ago, my husband has been taken by ambulance to the Jackson Memorial Hospital no less than 4 times due to various medical emergencies.

My husband and I both feel that there is an **urgent need** for a County wide hospital /emergency room facility. Anyone in a life threatening scenario, whether due to age, illness, medical condition, farming or other accidents, a 30+ minute trip to the nearest emergency room/hospital could be a death sentence.

It is our ardent wish that a Certificate of Need for the planned reopening of the Haywood County Community Hospital be granted.

Harold and Donna O'Brien
Fulton Road
Brownsville, TN

First and Last Name

Billy Garrett, Jr

Email

bgarrett@brownsvilletn.gov

Zip Code

38012

County of Residence

Haywood

Message

Haywood County needs better health care options.

Adding this hospital and emergency room will help our ambulance service better serve our community. The wait at Jackson General ER is too long for sick patients and those in need of emergency life saving care. JGH is trying to serve a growing Jackson Area and many adjacent counties that do not have sufficient emergency health care services. Their services are stretched too thin.

It is a sad feeling to hear a call for an ambulance in our county going unanswered because none are available, most often because they are busy transporting Haywood patients out of town.

Interstate I40 extends for over 20 miles through Haywood County. This stretch of I40 is a high accident location area. Check the statistics. Many traffic related injuries occur weekly.

The mega site should be supported by reliable medical services.

First and Last Name

Arthur Dixon

Email

dixon@raydixon.com

Zip Code

38012

County of Residence

TN

Message

Several months ago, I developed severe bleeding from diverticulosis. After a 20 minute wait for an ambulance, a twenty minute ride to Jackson hospital, and a short duration of 2 hours in the emergency room, I obtained assistance to remedy the bleeding, but was required to have 2 pints of blood infused to replace the lost blood. I feel sure that an emergency room at Haywood Hospital would have remedied the problem and not required the precious infusion of blood. This community is in disparate need of a general hospital especially during this period of virus invasion.

Bill Lee, Governor
State Capitol, 1st Floor
600 Dr. Martin L. King, Jr. Blvd.
Nashville, TN 37243

November 12, 2020

Re: Certificate of Need, BradenHealth, Haywood County, Tennessee

Dear Governor Lee:

On behalf of the citizens of Haywood County, I stand in support of BradenHealth and request you exercise your Executive Powers in granting them an expedited Certificate of Need. BradenHealth is dedicated to mitigating the rural hospital crisis and needs your immediate approval and blessings to begin the process.

Haywood County, Tennessee is ranked #87 out of 95 counties for healthy outcomes which include length of life, quality of life and health behavior. Our COVID-19 numbers have continued to trend upwards and to date we have tested positive 1,434 cases with 28 deaths. The physical and financial burden this has placed on our ambulance authority since losing our hospital has been tremendous. Having to travel 65 miles roundtrip to the nearest hospital is time consuming, life threatening and financially exhausting for our community.

BradenHealth has pledged to invest \$5 million and create 100+ jobs. This could be a game changer for prospective companies interested in the Memphis Area Mega Site as concerns have been expressed regarding the lack of available [24 hour](#) emergency healthcare. Haywood County is desperately in need of an economic boost and I am confident this facility could only have a positive impact on our citizens.

As a Haywood County Commissioner, I respectfully request that you exercise your authority and grant BradenHealth a Certificate of Need.

Sincerely,

Mary Ann Sharpe

Mary Ann Sharpe

Haywood County Commissioner, District 4 Position 2

416 Pecan Street · Brownsville, Tennessee 38012

First and Last Name

Patricia Chambers

Email

tchambersmm@gmail.com

Zip Code

38013

County of Residence

Haywood

Message

It always saddens me to see local hospitals empty in our towns and I fully support the movement to reopen our hospital by Braden Health.

First and Last Name

Andrea Bond Johnson

Email

andreabondjohnson@gmail.com

Zip Code

38012

County of Residence

Haywood

Message

We need a hospital in Haywood County. Please expedite whatever is necessary to help us in Haywood County and surrounding areas with our healthcare needs.

First and Last Name

Adams

Email

Stanton1973@yahoo.com

Zip Code

38069

County of Residence

Stanton

Message

We need at least an ER if not a small hospital. Being 30 to 45 min from Memphis or Jackson, could mean life or death

First and Last Name

Joe Barden

Email

jbarden4@icloud.com

Zip Code

38012

County of Residence

Haywood

Message

The hospital has always held a special place in my heart. This place is where my brothers life was saved after having an emergency appendectomy; and also the place where I stayed with my grandmother until she drew her last breath. It's very much a part of my families' history. With aging parents, it could be a part of its future

as well. We need this so desperately and I commit support to Braden Health and their endeavor to reopen our community hospital.

First and Last Name

Jody Lea

Email

jlea38012@yahoo.com

Zip Code

38012

County of Residence

Haywood

Message

We need a hospital so bad. Please allow us to have it. Thanks.

First and Last Name

Heather Pennel

Email

mrspennel@gmail.com

Zip Code

38012

County of Residence

Haywood

Message

Hello,
When I saw that there was a possibility of the hospital reopening in haywood county it was like a weight lifted from my heart. It is scary to live in a community where the closest hospital is over thirty minutes away. My husband participates in some farm work and had to use the previous hospital on a few occurrences for true emergencies. From a Machete Wound to Bee Stings (he is allergic) the fact that he could go to the local hospital greatly impacted how he would heal. After the hospital closed he was again stung by bee's but this time a swarm and on a Sunday! We are lucky and blessed that a local friend of our was a doctor and could treat him immediately or he would have died, nearly did that day. That friend is now retired! We need this hospital so badly. I also have 4 young children and it scares me to know there is no immediate medical care for emergencies. PLEASE COME TO HAYWOOD COUNTY! We need you and will support you!

First and Last Name

Mary Jane Dezern

Email

Dezern150school@aol.com

Zip Code

38012

County of Residence

Haywood County

Message

A hospital is important to Haywood County because people need medical attention that is near their place of residence. Lives could be saved because an emergency room was available. People and industries would look more favorable at Haywood County as being a place to live or to build their business.

HAYWOOD COUNTY

TELEPHONE (731) 772-1432



OFFICE OF
COUNTY MAYOR

COURTHOUSE

1 NORTH WASHINGTON • BROWNSVILLE, TN 38012

Honorable William (Bill) Byron Lee
Governor of the Great State of Tennessee
State Capitol, 1st Floor
600 Martin Luther King Blvd.
Nashville, Tennessee 37243

November 2, 2020

Re: Certificate of Need, BradenHealth, Haywood County, Tennessee
(Mailed: via U. S. Postal, Email, and Fax)

Dear Governor Lee,

I hope this letter finds the first lady, Maria, and yourself in good health. Your most recent exposure to the novel coronavirus must have made the tragedy of the pandemic personal. I recently experienced a similar scare, tested negative, but was required to quarantine as directed. I hope and pray for Maria and your continued well-being and good health. I know as a servant of our Lord that you serve for the well-being of others. I applaud you for your service.

The purpose of this letter is to request that you exercise your Executive Powers under the Emergency Powers Act and grant unto BradenHealth a Certificate of Need which clears the way for BradenHealth to obtain the necessary licenses to reopen a Forty-Nine (49) Bed Rural Acute Care Full Service Hospital in Brownsville, Haywood County, Tennessee. Haywood County and the surrounding areas are in urgent need of this hospital. An expedited Certificate of Need would shortcut the bureaucratic process and allow the facility to be re-opened months sooner with lives saved. The long protracted laborious bureaucratic regulatory process to obtain a certificate of need may serve a needed function in normal times, but we are not in normal times.

Just this morning, I received a telephone call from a gentleman, whose wife lost her life unnecessarily to a heart attack due to the distance and travel time to the nearest Emergency Room. The lack of adequate Rural Acute Health Care in Haywood County, Tennessee, and surrounding areas cannot be allowed to continue when a company such as BradenHealth with the expertise to make the urgently needed facility a reality. BradenHealth is ready, willing, and able to satisfy the immediate needs of the people. The Public Policy considerations that support the bureaucratic process for a Certificate of Need must be secondary to the immediate needs of the people.

I would also point out that one of the concerns that prospective companies have expressed regarding the Memphis Area Mega Site is the lack of available emergency health care services in the County. The granting of the requested Certificate of Need by BradenHealth would set in motion the early opening of this facility and remove one of the stumbling blocks preventing the occupancy of that industrial site. The Mega Site is a game changer for the lives for all of West Tennessee. A full service hospital is a game changer for Haywood County and the surrounding area.

As County Mayor of Haywood County, Tennessee, I respectfully request that you, as Governor of the Great State of Tennessee, exercise your authority under the Emergency Powers Act to immediately grant unto BradenHealth a Certificate of Need for a Forty Nine (49) Bed Rural Acute Care Full Service Hospital located at 2545 North Washington Avenue, Brownsville, Tennessee. Time is of the essence.

GODSPEED



David M Livingston
Haywood County Mayor



**STATE OF TENNESSEE
DEPARTMENT OF HEALTH**

ANDREW JOHNSON TOWER, 5TH FLOOR
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243

BILL LEE
GOVERNOR

LISA PIERCEY, MD, MBA, FAAP
COMMISSIONER

November 9, 2020

Beau Braden, MD
Braden Clinic, LLC
5050 Ave Maria Blvd
Ave Maria, FL 34142

Dear Dr. Braden:

Thank you for meeting with members of my team and me on October 27, 2020, to discuss your plans for the Haywood Park Community Hospital. As a former rural hospital executive and fellow physician, I appreciated the discussion around your ideas for health care delivery. Serving Tennesseans in rural areas is a priority for Governor Lee, as well as the Tennessee Department of Health (TDH), and TDH seeks to collaborate with individuals and organizations who have solid plans to deliver high quality health care to individuals across our state, especially those in underserved areas.

During our conversation, you shared an overview of the work you and your team have accomplished with the acquisition of the Henderson County Community Hospital earlier this year. My understanding is that you desire to implement some similar hiring and delivery of care plans in the reopening of Haywood Park Community Hospital. I believe your company plans to accomplish this by employing more than 130 individuals in a full-service acute care hospital, investing between \$6-8 million in the facility's renovation, and operating a provider-based Rural Health Clinic (RHC), as well as medication assisted treatment (MAT) services. Following the questions raised in our discussion, our team inquired with TennCare regarding the recent moratorium on new RHCs. Fortunately, that moratorium has now been lifted, and new RHCs may once again register with TennCare.

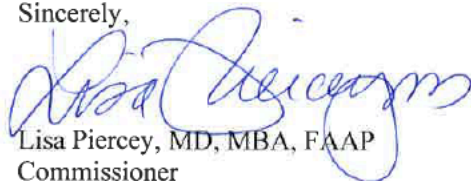
As you are aware, the former Haywood County hospital's license was voluntarily terminated upon closure in 2014, so I thought it would be helpful to give you a brief overview of the regulatory process required for reopening. Since the facility no longer holds an active license, Braden Health will need to apply for a Certificate of Need (CON) through the Health Services and Development Agency (HSDA). Logan Grant, Director of HSDA, and his team can assist you with the CON process, which is outlined on the agency's website at <https://www.tn.gov/hsda/certificate-of-need-information/how-to-apply-for-con.html>. During the CON application and approval process, HSDA collaborates with several agencies, including TDH, to study the necessity and sustainability of the project.

Beau Braden, MD
November 9, 2020
Page Two

If the CON is granted by HSDA, your company will then apply for state licensure through the Office of Health Care Facilities, in the Division of Health Licensure and Regulation at TDH. The licensure process involves completion of required documentation, submittal of architectural and life safety plans, and an initial survey by staff from the regional office. Ultimately, the Board for Licensing Health Care Facilities will review and make a determination on licensure. If licensure is granted, your company will be responsible for working with an accreditation agency to fulfill the requirements for certification with the Centers for Medicare and Medicaid Services (CMS).

I appreciate your enthusiasm and desire to deliver care in rural Tennessee. As we discussed, reopening a rural hospital will certainly have its challenges and will require a significant amount of financial, technical, and community resources. As Commissioner, I am always interested in supporting plans that better the lives of Tennesseans and increase access to high quality health care. I also have a responsibility to protect the health, safety, and welfare of the people of Tennessee by ensuring that licensed facilities and providers are providing appropriate care to patients. I look forward to supporting these efforts over the coming months and wish you all the best in this venture!

Sincerely,

A handwritten signature in blue ink, appearing to read "Lisa Piercey", is written over a printed name and title.

Lisa Piercey, MD, MBA, FAAP
Commissioner

BradenHealth

December 28, 2020

RE: Certificate of Need Application CN2012-037
Haywood County Community Hospital Supplemental Information Request.

If Additional Questions exist for BradenHealth please contact Kyle Kopec
Kyle.Kopec@BradenHealth.com

1. Section A, Executive Summary, Item 3.A.

Please clarify if the applicant will be providing medication assisted treatment services (MAT) as part of the proposed hospital project.

Answer: It is our plan to provide this service in the future as we are able to ramp up services for the community and recruit physicians to deliver these services. However, our initial plan and the goal of this application is to open an acute care hospital and is outside the scope of this initial application.

2. Section A, Executive Summary, Item 3.B., Rationale for Approval

It appears the applicant repeated the quality standard response for the orderly development response under "Rationale for Approval" on page 3. Please provide a response for #4 Orderly Development of Adequate and Effective Health Care and submit a replacement page 3.

Answer: Haywood County Community Hospital will reestablish an acute care hospital and fill a desperately needed gap in services. It will not duplicate existing services in the area as there is no acute care hospital in the area. To develop adequate and effective healthcare in an orderly manner, the hospital will seek to use the data found in the community's healthcare needs. It will seek to expand services based on this information. Facility construction is slated to begin to reopen the facility as soon as practical. The project managers will seek to reopen the facility consistent with applicable regulations. The staff will use their expertise to hire locally and promote the highest quality of healthcare available.

3. Section A, Item 4, Owner of the Facility, Page 6

It is noted the applicant listed Haywood Community Hospital as the owner of the facility. However, it appears the applicant is leasing the facility. Please clarify. If necessary, please correct and submit a replacement page 6 (labeled as 6R).

Answer: BradenHealth is utilizing a lease with the IDB board with a lease to purchase buyout option. Braden health may exercise the buyout clause at any time which is why the ownership structure was provided.

6A. **Legal Interest in the Site-DONE**

(Check the appropriate line and submit the following documentation)

The legal interest described below must be valid on the date of the Agency consideration of he certificate of need application.

- ☐ **Ownership** (Applicant or applicant's parent company/owner)
Submit a copy of the title/deed.
- ☒ **Lease** (Applicant or applicant's parent company/owner)
Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- ☒ **Option to Purchase**
Attach a fully executed Option that includes the anticipated purchase price
- ☐ **Option to Lease**
Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense
- ☐ **Other** (Specify)

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements **must include** anticipated purchase price. Lease/Option to Lease Agreements **must include** the actual/anticipated term of the agreement **and** actual/anticipated lease expense. The legal interests described herein **must be valid** on the date of the Agency's consideration of the certificate of need application.

Please provide an Overview of Braden Health, Inc. including current hospitals under ownership.

Answer: Braden Health, Inc is a North Carolina corporation whose mission is to purchase failing rural hospitals and prevent them from failing. As well as purchase failed rural hospitals and reopen them. As of April 1st, 2020, Braden, Health's involvement within the State of Tennessee concerning hospital ownership is the Henderson County Community Hospital at the time this document was written.

4. Section A, Item 5 Management Company, Page 6

Please provide a response to Item #5 and provide a replacement page 6 (labeled as 6R). If there is no management /operating entity, please respond with a "N/A".

Answer: Not applicable N/A

5. Section A, Project Details, Item 6, Ownership

Please explain the relationship between the Pilot Lease Agreement and the memorandum of facility lease agreement.

Answer: It is BradenHealth's understanding that these documents are required in accordance with Tennessee law to allow the Industrial Development Board of Haywood County to allow Braden Health to conduct a lease with a purchase option to establish an acute care hospital in Brownsville, TN.

The Pilot Lease agreement is noted. However, please provide a fully executed agreement signed by both parties if this document is required for site control.

Answer: A fully executed copy was provided with our mailed application in triplicate. Adobe obstructs signatures during document scanning in the electronic copy sent to HSDA to protect the signatories. Another copy has been attached as Appendix A – Lease Agreements.

Please provide documentation (title/deed) that the Industrial Development Board of the City of Brownsville and Haywood County, Tennessee have site control of the proposed project.

Answer: All documentation made available to BradenHealth from the County of Haywood has been furnished as an attachment to our application. For additional information which may still be in process please contact the County of Haywood Attorney: Michael Banks.

6. Section A, Project Details, Item 6.B.1, Plot Plan

The plot plan is noted. However, why is Haywood County Board of Education noted as the property owner?

Answer: An updated plot plan has not yet been provided to Braden Health from Haywood County. It is our understanding that the Board of Education declared the building surplus, transferred it to the Haywood County Industrial Development Board. Subsequently the Industrial Development Board transferred the facility to BradenHealth in accordance with the documentation included in our application.

It appears the 27.37 acres in the plot plan includes areas other than the proposed project. What is the size of the proposed project only (in acres)?

Answer: The proposed project size is the project plot plan in its entirety which includes beautification of the land.

The plot plan appears to be an aerial photograph 4 years old. Please confirm it is still accurate.

Answer: This plot plan is the aerial photograph provided to BradenHealth by the County of Haywood and it is our understanding that this photograph is accurate.

7. Section A, Project Details, Item 6.B.2, Floor Plan

*The drawings included in the application are just too small to be legible and permit the Agency a clear understanding of what the applicant is proposing. Please provide larger, more detailed images with **legible room labels** of your project.*

Answer: Drawings were provided with room labels via mail and the file size had to be reduced in the electronic version transmitted to HSDA. FedEx Tracking numbers: 781038806280, 781038806290, 781038806305. Please advise a way to transmit this to the agency as the agency noted they were unable to receive emails over a -- size. The plans have been reattached along with the applicable correspondence: Appendix E: Plans.

Please discuss the mix of semi-private and private licensed hospital beds

Answer: All rooms in the buildings original design are built as semi-private rooms and Please discuss the mix of semi-private and we plan to license them to that end. This being noted as discussed, some rooms will have the capability to be utilized as a private room for example the reverse isolation room.

Based upon the floor plan, Haywood County Community Hospital will have an emergency department. Please complete the following charts for emergency services.

Haywood County Community Hospital ED Proposed Room Configurations

Patient Care Areas other than Ancillary Services	# Proposed ED
Exam/Treatment Rooms:	
Multipurpose	4
Gynecological	1
Holding/Secure/Psychiatric	1
Isolation	1
Orthopedic	0
Trauma	2
Total	9
Triage Stations	1
Decontamination Rooms/Stations	1
Useable SF	5,864 Useable SF

Based on the floor plan, it appears that the hospital will have a surgical suite. Please present a discussion on the surgical suite to include number of operating rooms and procedure rooms, pre-op and post-op beds, other pertinent areas, and a description of any special purpose operating and/or procedure rooms.

Answer: The Hospital will have multi-purpose (2) operating rooms which can be utilized for basic surgeries and scopes which require the use of general anesthesia and will have applicable pre-op and post-op care units as noted in Appendix E: Plans.

8. Section A, Project Details, Item 8, Purpose of Review

The Letter of Intent submitted did not include the initiation of MRI services. Please remove Item E. Initiation of MRI under Item # 8 Purpose of Review and submit a replacement page 9 (labeled as 9R).

Answer:

8. Purpose of Review (Check appropriate lines(s) – more than one response may apply)	
A. Establish New Health Care Institution - <input checked="" type="checkbox"/>	G. MRI Unit Increase _____
B. Change in Bed Complement _____	H. Satellite Emergency Department _____
C. Initiation of Health Care Service as Defined in TCA 68- 11- 1607(4) (Specify) _____	I. Addition of ASTC Specialty _____
D. Relocation and/or Replacement _____	J. Addition of Therapeutic Catheterization _____
E. Initiation of MRI _____	K. Other (Specify) _____
F. Initiation of Pediatric MRI _____	

9. Section A, Project Details, Item 9

Please check all MCO contracts with which the applicant will apply and submit a replacement page 9 (labeled as 9R).

Answer: The applicant plans to apply for contracts for all available on the form:

9. Medicaid/TennCare, Medicare Participation	
MCO Contracts [Check all that apply]	
<input checked="" type="checkbox"/> AmeriGroup	<input checked="" type="checkbox"/> United Healthcare Community Plan
<input checked="" type="checkbox"/> BlueCare	<input checked="" type="checkbox"/> TennCare Select
Medicare Provider Number	<u>N/A</u>
Medicaid Provider Number	<u>N/A</u>
Certification Type	<u>N/A</u>
If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?	
Medicare <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Medicaid/TennCare <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

10. Section A, Project Details, Item 10, Bed Complement Data

It is noted the applicant indicated surgical beds will be shared. Please clarify how those beds will be shared.

Answer: Patient rooms will include a standard set of equipment which will allow each room to properly care for either a medical, obstetrical or surgical patient. The equipment will also have the capability for light intensive care unit care.

“Please clarify if Haywood County Community Hospital will have any ICU or obstetrical beds. If so, please add those beds to the revised Bed Complement Data Chart”.

Answer: The Haywood County Community Hospital will have necessary equipment should the emergent need present itself to provide for obstetrical services however intensive care and obstetrical services are not included in this application at this time. ICU or obstetrical plans will be addressed when appropriate and applicable regulatory certification will be obtained at that time.

10. <u>Bed Complement Data</u>						
A. Please indicate current and proposed distribution and certification of facility beds.						
	<u>Current Licensed</u>	<u>Beds Staffed</u>	<u>Beds Proposed</u>	<u>*Beds Approved</u>	<u>**Beds Exempted</u>	<u>TOTAL Beds at Completion</u>
1) Medical	0	0	49	0	0	49
2) Surgical	0	0	Shared	0	0	Shared
3) ICU/CCU	0	0	0	0	0	0
4) Obstetrical	0	0	0	0	0	0
5) NICU	0	0	0	0	0	0
6) Pediatric	0	0	0	0	0	0
7) Adult Psychiatric	0	0	0	0	0	0
8) Geriatric Psychiatric	0	0	0	0	0	0
9) Child/Adolescent Psychiatric	0	0	0	0	0	0
10) Rehabilitation	0	0	0	0	0	0
11) Adult Chemical Dependency	0	0	0	0	0	0
12) Child/Adolescent Chemical Dependency	0	0	0	0	0	0
13) Long-Term Care Hospital	0	0	0	0	0	0
14) Swing Beds	0	0	0	0	0	0
15) Nursing Home – SNF (Medicare only)	0	0	0	0	0	0
16) Nursing Home – NF (Medicaid only)	0	0	0	0	0	0
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)	0	0	0	0	0	0
18) Nursing Home – Licensed (non-certified)	0	0	0	0	0	0
19) ICF/IID	0	0	0	0	0	0
20) Residential Hospice	0	0	0	0	0	0
TOTAL	0	0	49	0	0	49
<i>*Beds approved but not yet in service **Beds exempted under 10% per 3 year provision</i>						

Section A, Project Details, Item 10, Bed Complement Data

It is noted the applicant indicated surgical beds will be shared. Please clarify how those beds will be shared.

Answer: Patient rooms will include a standard set of equipment which will allow each room to properly care for either a medical, or surgical patient.

11. Section A, Executive Summary, Item 12, Square Footage and Cost Per Square Footage Chart

The square footage and cost per square footage chart is noted. However, the total of 44,400 SF appears incorrect for the three columns in the chart. In addition, why did the total SF of patient care rooms decrease from 20,000 SF to 19,000 SF. If necessary, please correct and submit a replacement page 12 (labeled as 12R).

Answer: Please see below:

11. Square Footage and Cost Per Square Footage Chart

17. Square Footage and Cost Per Square Footage Chart							
Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage		
					Renovated	New	Total
Patient Care Rooms	Northeast	20,000		Northeast	20,000		20,000
Physical Therapy	Northwest	1,600		Northwest	1,600		1,600
Pharmacy	Northwest	1,500		Northwest	1,500		1,500
Central Supply	Northwest	1,700		Northwest	1,700		1,700
Lab	Northwest	1,800		Northwest	1,800		1,800
HIM	Northwest	1,000		Northwest	1,000		1,000
Dietary	West	2,800		West	2,800		2,800
Administration	West	4,000		West	4,000		4,000
Radiology	East	3,200		East	3,200		3,200
OR	Central	1,600		Central	1,600		1,600
Emergency	Southeast	8,000		Southeast	8,000		8,000
Unit/Department GSF Sub-Total	47,200				47,200		47,200
OtherGSFTotal							
Total GSF	47,200				47,200		47,200
*Total Cost					\$947,500.00		\$947,500.00
**Cost Per Square Foot					\$20.07		\$20.07
Cost per Square Foot Is Within Which Range (For quartile ranges, please refer to the Applicant's Toolbox on www.tn.gov/hsda)					<input checked="" type="checkbox"/> Below 1 st Quartile	<input type="checkbox"/> Below 1 st Quartile	<input checked="" type="checkbox"/> Below 1 st Quartile
					<input type="checkbox"/> Between 1 st and 2 nd Quartile	<input type="checkbox"/> Between 1 st and 2 nd Quartile	<input type="checkbox"/> Between 1 st and 2 nd Quartile
					<input type="checkbox"/> Between 2 nd and 3 rd Quartile	<input type="checkbox"/> Between 2 nd and 3 rd Quartile	<input type="checkbox"/> Between 2 nd and 3 rd Quartile
					<input type="checkbox"/> Above 3 rd Quartile	<input type="checkbox"/> Above 3 rd Quartile	<input type="checkbox"/> Above 3 rd Quartile

12. Section A, Executive Summary, Item 11.A Renovation, Page 13

The statement “existing equipment from owned and under warranty will be moved from an operating facility to this facility” is noted. Please clarify this statement.

Answer: Other BradenHealth facilities in the United States have purchased equipment in response to the COVID-19 pandemic which under applicable regulations and laws is allowed to be moved to other facilities. To help assure Haywood County Community Hospital Inc can open as soon as possible excess equipment will be moved under applicable regulations, certified under applicable requirements to combat supply shortages which plague the medical equipment supply line.

13. Section B, Need, Item 1, Service Specific Criteria (Acute Care Beds)

Please address the acute bed criterion and standards located at https://www.tn.gov/content/dam/tn/hsda/documents/Acute_Care_Bed-10_31_2018.pdf .

Answer: Please see **Appendix K: Acute Care beds**

Please address the construction, renovation, expansion, and replacement of Health Care Institutions criteria located at https://www.tn.gov/content/dam/tn/hsda/documents/Construction_Renovation_Expansion_Replacement_of_Health_Care_Institutions.pdf . Please address Item #3.

3. For renovation of expansions of an existing licensed health care institution:

A. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

B. The applicant should demonstrate that the existing physical plant’s condition warrants major renovation or expansion.

Answer: The facility is not an existing licensed health care institution therefore this question is not applicable.

14. Section B, Need, Item 3, Page 16

The table on page 16 is noted. However, it appears Year One Haywood County residents should be higher than 25% if this is the only county in the proposed service area. Please clarify.

Answer: We expect the Year one Haywood County residents to be higher than 25%. This being noted BradenHealth utilized extraordinarily conservative estimates in the interest in transparency and to be realistic given uncertainty during the pandemic.

15. Section B, Need, Item 4.A.2

The population table on page 18 is noted. Please revise using 2021-2025 population projections and submit a replacement page 18 (labeled as 18R).

<https://www.tn.gov/content/dam/tn/health/documents/population/CON-Population-Estimates-4%20reports-2021-2025.pdf>

Answer:

Demographic Variable/Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population-Current Year	Total Population-Projected Year	Total Population-% Change	*Target Population-Current Year 2020	Target Population-Project Year 2021	Target Population-% Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Haywood County	17,003	17,197	-2.6%	17,331	17,003	-2.6%	100%	40.4	\$38,362	4,939	28.5%	5,546	32%
Service Area Total	17,003	17,197	-2.6%	17,331	17,003	-2.6%	100%	40.4	\$38,362	4,939	28.5%	5,546	32%
State of TN Total	6,942,653	6,938,513	3.0%	17,331	6,942,653	3.0%	0.25%	39.0	\$56,071	949,255	13.9%	1,493,372	21.8%

* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-17. Projected Year as requested in the supplemental information request as received by BradenHealth requested BradenHealth to utilizes data found at: <https://www.tn.gov/content/dam/tn/health/documents/population/CON-Population-Estimates-4%20reports-2021-2025.pdf>. Note Braden Health cannot provide 2021 Census bureau data as it does not yet exist.

16. Section B, Need, Item 4.B

The table on the top of page 19 is noted. What is the source of the data?

Answer: The State of Tennessee HSDA:

https://www.tn.gov/content/dam/tn/hsda/documents/patient_origin2019.pdf

17. Section B. Need, Item 6

Please complete the following table for Year One and Year Two of the proposed project.

Answer: Please see below:

Haywood County Community Hospital Projected Utilization by Service

Service Units	FY2022 (Yr. 1)	FY2023 (Yr. 2)	'22-'23 % Change
Inpatient Admissions	840	920	9.5%
Inpatient Days	1,680	2,280	36%
Surgical Cases	400	700	75%
ED Visits	4,500	6,500	44%

18. Section B. Economic Feasibility Item 1. Project Cost Chart

Please address the following and submit a revised Project Cost Chart:

- *It is noted total construction cost is \$855,507. Please clarify why there are no architectural and engineering fees.*

Answer: Please see the attached Appendix for a revision to this information labeled: Appendix F: Brownsville Estimate and Appendix I: Project Cost Chart.

- *Please clarify why there are no legal, administrative, and consultant fees.*

Answer: BradenHealth, Inc assumes cost responsibility at this time for its subsidiaries for legal, administrative, accounting, revenue cycle and consultative services and has not incorporated a management fee charge at this time while the hospital is in its startup years.

- *For fixed and moveable equipment categories, the cost of any equipment lease should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Please revise.*

Answer: The Amount of the lease payments was provided. This question is not applicable.

- *The lease cost of \$100.00 is noted. However, the cost of any facility lease should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Please correct.*

Answer: The Lease term is 10 years $100 \times 10 = \$1,000$. Hospital valuations are done on operations, the building is abandoned with no license, no current use. Our internal FMV is \$0 we have opted to use the higher which is the lease. No correction is necessary, this question is not applicable.

19. Section B. Economic Feasibility Item 1.E

For projects that include new construction, modification, and/or renovation—documentation must be provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following: 1) A general description of the project; 2) An estimate of the cost to construct the project; 3) A description of the status of the site's suitability for the proposed project; and 4) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities or comparable document in current use by the licensing authority. Please submit.

Answer: Please see Appendix F: Brownsville Estimate.

20. Section B. Economic Feasibility Item 2. Funding

Please provide documentation of the availability of cash reserves to fund the proposed project from the Chief Financial Officer of the organization providing the funding for the project.

Answer: Please see the attached appendix titled: Appendix J: CFO Statement.

21. Section B. Economic Feasibility Item 4. Projected Data Chart

Please specify the number of patient days under line A. Utilization data for 2022 and 2023 and submit a revised Projected Data Chart.

Answer: Please see attached Appendix G: Projected Data Chart

Please remove the \$4,000,000 designated for Salaries and Wages in Year One, and the \$5,750,000 in Year Two from line "1. Salaries and Wages". There is not a line for the total of 1.a. and 1.b. in the Projected Data Chart.

Answer: Please see attached Appendix G: Projected Data Chart

The applicant has indicated that the project will be paid from cash reserves. Please explain what is included in capital expenditures of \$200,00 in Year Two.

Answer: This is a budgeted amount to allow for additional capital purchases.

It is noted in Year One of the Projected Data Chart, there is a Net Loss of (\$85,000) on the first page of the Projected Data Chart. However, the carryover income loss amount on page 2 is (\$185,000). Please correct.

Answer: Please see attached Appendix G: Projected Data Chart

There are calculation errors in the Projected Data Chart. Please correct.

Answer: Please see attached Appendix G: Projected Data Chart

Please clarify where the following expenses are accounted for in the Projected Data Chart: professional liability Fees, worker's compensation coverage, commercial general liability insurance, telephone, food purchases, laundry fees, licensing fees, lab fees, accreditation and equipment leases.

Answer: The information for food purchases, dietary supplies, laundry fees, licensing fees, lab fees are accounted for in line 3 supplies. Equipment leases are not applicable due to equipment being owned. Workers compensation is included in salaries and wages along with other employee benefits. Professional liability insurance including property and professional are included in other operating expenses.

The pilot lease references capital investments totaling \$6,000,00. How are these investments accounted for in the Projected Data Chart?

Answer: The pilot lease references total investments totaling \$6,000,000.00 over the course of ten years. Applicable amounts have been included in the project reference chart.

22. Section B. Economic Feasibility Item 5.C. Charge Chart, Page 28

It is noted the 2019 average charge per day was \$7,185.20 for Haywood County residents is noted. What is the source of the data?

Answer: Data utilized for this application is from the Tennessee Hospital Association.

23. Section B. Economic Feasibility Item 6. B. Net Operating Margin Ratio Chart

Please provide the Net Operating Margin Ratio Chart for the proposed project.

Answer: Please see below:

Project Only Chart

Year	2nd Previous Year to Most Recent Year Year _____	1st Previous Year to Most Recent Year Year _____	Most Recent Year Year _____	Projected Year 1 Year 2022	Projected Year 2 Year 2023
Net Operating Margin Ratio	N/A	N/A	N/A	1.0%	7.1%

Total Facility Chart

Year	2nd Previous Year to Most Recent Year Year _____	1st Previous Year to Most Recent Year Year _____	Most Recent Year Year _____	Projected Year 1 Year 2022	Projected Year 2 Year 2023
Net Operating Margin Ratio	N/A	N/A	N/A	1.0%	7.1%

24. Section B. Economic Feasibility Item 7. Payor Mix Chart

The payor mix chart for the proposed project is noted. However, please complete the charity care line of the chart and submit a replacement page 32 (labeled as 32R). The charity amount should match the amount in the projected data chart.

Answer: Please see below:

**Applicant's Projected Payor Mix, Year 1
Total Facility Chart**

Payor Source	Projected Gross Operating Revenue	As a % of total
Medicare/Medicare Managed Care	\$32,400,000	48%
TennCare/Medicaid	\$3,375,000	5%
Commercial/Other Managed Care	\$27,000,000	40%
Self-Pay	\$4,725,000	7%
Other (Specify) _____		
Total*	\$67,500,000	100%
Charity Care	\$2,362,500.00	

25. Section B. Economic Feasibility, Item 8, Staffing

The staffing chart on page 33 indicating 46 nursing staff, 10 providers, and 16 ancillary staff in Year One is noted. What type of staff are included in each category?

Answer: The Staffing Chart comes from data sourced from the U.S. Bureau of Labor Statistics and follows their plan as sourced in the CON application

https://www.bls.gov/oes/current/oes_tn.htm.

The State of Tennessee lists the following Major Occupational groups as part of the following staff listed in the applicable categories: 29-0000, 31-0000 33-0000, 35-000, 37-0000, 00-0000, 11-0000, 13-0000, 19-0000, 23-0000, 25-0000, 27-0000, 49-0000, 47-0000, 43-0000.

It is noted the total Year One FTEs will total 93 for the proposed project. However, the Pilot Lease Agreement indicates a minimum of 134 new jobs shall be created by the end of the 2021 calendar year. Please clarify.

Answer: Year one FTE's reflect 93 for the project. BradenHealth will create 134 new jobs by the end of the leases term. Positions have already been established at other facilities and will additionally be moved over to this facility during year two. Additionally, the Pilot Lease Agreement has an error in it. We have alerted the County and asked them to correct it as it should read 134 jobs by the end of the lease term.

26. Notification Requirement

Please provide documentation of compliance to the following:

T.C.A §68-11-1607(c)(9)(B) states that "... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested."

Answer: Please see Appendix B: TCA Compliance which include statements of receipt through multiple formats from the County Attorney, County Mayor, and President of the IDB board verifying receipt of the application.

27. Proof of Publication

Please submit a publication affidavit which is supplied by the newspaper as proof of the publication of the letter of intent.

Answer: This information was submitted with our application, is available via a legal notice search and was transmitted to HSDA. Please see Appendix C: LOI Compliance.

28. Affidavit

Please submit a completed affidavit for the original application and one for the supplemental information. Please note there is an affidavit form for the original filing and a separate form for supplemental responses.

Answer: An original Affidavit completed in accordance with the requirements of Notaries of the State of Florida where the document was notarized was mailed in triplicate to HSDA Fedex tracking numbers: 781038806280, 781038806290, 781038806305. A scanned copy is attached as Appendix D: 29 Affidavit. Please see the attached Appendix H: Supplemental Attestation Form.

Appendix A: Lease Agreement

PILOT LEASE AGREEMENT

This Lease Agreement ("Lease") signed on October 27, 2020 and effective as of the 1st day of January, 2021, by and between the INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF BROWNSVILLE AND HAYWOOD COUNTY, TENNESSEE, hereinafter referred to as ("Lessor"), and HAYWOOD COUNTY COMMUNITY HOSPITAL, INC. hereinafter referred to as ("Lessee").

WITNESSETH:

WHEREAS, Lessor, under the laws of the State of Tennessee, is authorized to acquire, own and lease industrial property and facilities in order to create or preserve jobs and employment opportunities and to improve the economic welfare of the people of the State of Tennessee; and

WHEREAS, Lessor has purchased and acquired the real property and improvements located thereon (more specifically described in Exhibit A attached hereto) for the purpose of holding same for industrial purposes; and

WHEREAS, Lessor has been duly authorized to enter into a long-term lease with Lessee with reference to such property and to enter into agreements with Lessee; and

WHEREAS, Lessee desires to lease and rent the property from Lessor upon the terms and conditions as hereinafter set forth; and

WHEREAS, Guarantor has agreed to guarantee the Lessee's obligations under this Lease.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereby covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS

1.01 In addition to the words, terms, and phrases elsewhere defined in this Lease, the following words, terms and phrases as used in this Lease shall have the following respective meanings:

- (a) "Act" shall mean T.C.A. §7-53-101 through 7-53-311, and as amended from time to time.
- (b) "Rent" or "Rents" shall mean the amounts described in Article III hereof.
- (c) "Escrow Servicing Agreement" shall mean the Escrow Servicing Agreement of even date herewith among the Servicing Agent, Lessor and Lessee.
- (d) "Project" shall mean the Real Estate.
- (e) "Project Site" means the improved real estate located at 2545 North Washington Avenue, Brownsville, TN 38012 and further denoted as Map 67 Parcel 9.01.
- (f) "Real Estate" means the real property and improvements described in Schedule "A" attached hereto.
- (g) "Term" shall mean the time period beginning on the date hereof and extending through midnight on December 31, 2030.
- (h) "Servicing Agent" shall mean Banks Law Firm, P.A., acting in its role as servicing agent under the Escrow Servicing Agreement.

ARTICLE II

LEASE OF PROJECT – TERM

2.01 Lease of Project. Lessor, for and in consideration of the rents, covenants, agreements and stipulations hereinafter set forth and to be performed by Lessee, has leased and rented, and does hereby lease and rent unto Lessee, and Lessee agrees to lease and rent from Lessor, the Project.

2.02 Term. Unless earlier terminated pursuant to the provisions of this Lease, the duration of this Lease shall be for the Term.

2.03 Option to Purchase Project. Notwithstanding the provisions of the immediately preceding sections of his Article II, the Term shall be terminated to the extent Lessee shall exercise its option to reacquire the Project either prior to the expiration of the Term or thereafter in accordance with the provisions set forth in Article IX hereof.

ARTICLE III

RENTS

Rents Payable. Lessee hereby covenants and agrees to pay to Lessor an annual rent of \$100.00 payable on or prior to January 1st of each year, in advance, beginning January 1, 2021.

ARTICLE IV

MAINTENANCE, REPAIR, AND UTILITIES

Lessee shall be responsible for the repair, maintenance and upkeep of the Project during the Term of this Lease. Lessee shall pay and hold Lessor harmless from bills or assessments for utilities, including but not limited to electricity, heating, water, gas, sewer rentals or other similar charges and any other related expenses arising out of or incidental to Lessee's use of the Project.

ARTICLE V

TAXES AND OTHER COVENANTS

5.01 Payments in Lieu of Taxes. Lessor and Lessee recognize that under present law, including specifically TCA §7-53-305 (the "Act"), the assets owned by Lessor are exempt from all ad valorem taxation in the State of Tennessee. Irrespective of such exemption, however, Lessee agrees to make payments in lieu of taxes ("PILOT") to Lessor in accordance with provisions of this Article V. Lessor shall cause the appropriate officers of Haywood County and the City of Brownsville, Tennessee to submit annually to Lessee a statement of the taxes which would otherwise then be chargeable to the Project. However, nothing contained in this Article is intended or shall be construed to require the payment by Lessee of any greater amount in lieu of taxes that would be payable as taxes if the Project was privately owned as aforesaid. Further, other than pledging and granting a lien or security interest in the Project and Lessor's interest in this Lease to such entity lender specifically approved by Lessee, Lessor agrees that it will not encumber, grant a security interest in, sell, assign or transfer the Project, or any part thereof, or its interest in this Lease. During the Lease Term, Lessor also agrees that it will not take any such action with respect to the Project such that the exemption from ad valorem taxes would no longer apply to the Project.

See Exhibit B for the applicable PILOT under this Lease.

5.02 Payment. The PILOT provided in this Article shall be due and payable to the City of Brownsville, Tennessee and to Haywood County, Tennessee on or prior to February 28, during the

5.02 Payment. The PILOT provided in this Article shall be due and payable to the City of Brownsville, Tennessee and to Haywood County, Tennessee on or prior to February 28, during the Term. Further, the tax abatements as set forth in this Article shall inure to the benefit of Lessee, however, such abatement will not inure to the benefit of any assignee, transferee, or sublessee of Lessee unless such sublessee or assignee is approved in the sole and absolute discretion of Lessor. To the extent any such assignee or sublessee is not expressly approved, then, in such event, such sublessee or assignee will be responsible for PILOT equal to the full amount of all ad valorem taxes which would be assessed against the Project if privately owned. Further, if at any time during the term of this Lease, Lessee shall exercise its option to purchase and acquire the Project (or portions thereof) then Lessee acknowledges that upon closing thereof, the Real Estate so purchased will be subject to taxation as privately owned property under the laws of the State of Tennessee. As to such property, the PILOT shall terminate and Lessee shall pay that portion of the PILOT allocable to such property prorated for the portion of the year the Real Estate is subject to this Lease.

5.03 Other taxes. Lessee shall otherwise pay and discharge all other taxes applicable to or properly charged against the Project, and Lessee shall not be entitled to take a credit against the PILOT with reference to tax payments properly payable by Lessee, provided, however, Lessee shall be entitled to receive a credit against the PILOT in an amount equal to any leasehold tax which is assessed against Lessee pertaining only to this Lease. If a leasehold tax is assessed during any year of the Term and such leasehold tax is greater than the applicable PILOT due for such year, then Lessee shall be entitled to carry forward such excess leasehold tax so paid as a credit against PILOTs payable in future years during the Term. No such credits may be carried forward beyond the end of the Term.

5.04. Permitted Contests. Lessee shall be permitted to contest any tax or assessment against the Project as long as Lessee is contesting the same or the validity thereof in accordance with applicable Tennessee law and administrative procedures.

5.05. Minimum Capital Investment-Adjustments. Lessee acknowledges that one of the primary inducements for the tax abatements as set forth in this Article V is Lessee's representation and commitment to make a capital investment and job creation with respect to the Project, which

will be of substantial benefit to the economy of the City of Brownsville and Haywood County, Tennessee. The following are terms and conditions of conditions of the PILOT incentives. A capital investment with respect to the Real Property of One Million (\$1,000,000.00) Dollars by August 1, 2021. A capital investment in personal property, including but not limited to, radiology equipment, IT infrastructure, lab equipment, monitor systems, furniture and fixtures in the amount of Five Million (\$5,000,000) by October 2021. If Lessee does not obtain the conditions stated above then the provisions for payments in lieu of taxes as set forth in Section 5.01 hereof may be reviewed and adjusted for such year and subsequent years by Lessor. Accordingly, at Lessor's request, Lessee shall furnish to Lessor such capital investment information and job creation, with such information being reasonable sufficient for Lessor to review and properly determine Lessee's compliance with this Section.

5.06. Minimum Number of New Jobs Created. The Project shall also create a minimum of one hundred thirty-four (134) new jobs by the end of the 2021 calendar year. If Lessee does not obtain the conditions stated above then the provisions for payments in lieu of taxes as set forth in Section 5.01 hereof may be reviewed and adjusted for such year and subsequent years by Lessor.

5.07. Timeline of progress.

<u>October</u> <u>2020</u>	<u>November</u> <u>2020</u>	<u>December</u> <u>2020</u>	<u>January</u> <u>2021</u>	<u>February</u> <u>2021</u>	<u>March</u> <u>2021</u>
<u>Facility Purchase</u>		<u>Certificate of Need</u>			
<u>April</u> <u>2021</u>	<u>May</u> <u>2021</u>	<u>June</u> <u>2021</u>	<u>July</u> <u>2021</u>	<u>August</u> <u>2021</u>	<u>September</u> <u>2021</u>
<u>Facility Improvements</u>			<u>Equipment Installation and Training</u>		
<u>October 2021</u>					
<u>Hospital Opening</u>					

If Lessee does not obtain the conditions stated above then the provisions for payments in lieu of taxes as set forth in Section 5.01 hereof may be reviewed and adjusted for such year and subsequent years by Lessor. Lessor understands that certain aspects of the timeline of progress are

beyond Lessee's control, such as the Certificate of Need and therefore will not strictly adhere to the timeline. Lessee covenants with Lessor that it will use due diligence in obtaining the Certificate of Need from the State of Tennessee.

5.08. Operations. Lessee will operate the Project as an acute care full service hospital and emergency department. If Lessee does not obtain the conditions stated above then the provisions for payments in lieu of taxes as set forth in Section 5.01 hereof may be reviewed and adjusted for such year and subsequent years by Lessor.

5.09 Transfer of the title of the property from Lessor to Lessee is contingent upon Lessee being licensed and continued operations through the term of this agreement as a General Acute Care Hospital, Rural Acute Care Hospital or Critical Access Hospital. This shall include the Emergency Department, Inpatient/Outpatient Radiology Labs and other necessary functions of one of the three designations stated above.

ARTICLE VI

INSURANCE – COMPLIANCE WITH LAWS

6.01. Insurance. Lessee shall, during the Term insure the Project against loss or destruction or other casualty as Lessee shall deem appropriate in Lessee's sole and absolute discretion; however, in no event shall Lessor be responsible for any loss, damage, destruction or injury to the Project or have any liability whatsoever in connection therewith.

6.01. Indemnity. Lessee shall keep, protect and save Lessor, its officers, members and directors harmless from any loss, cost or expenses of any kind or nature, and from any liability to any person or entity, on account of any damage or injury to persons or property arising out of any failure of Lessee to comply with and perform any of the requirements and provisions set forth in this Lease. Lessee agrees to hold Lessor, its officers, members and directors harmless from and to indemnify them against any and all claims made by anyone injured or otherwise damaged by any cause whatsoever to the extent same shall arise from Lessee's use of the Project and/or to the extent same shall not have arisen from the gross negligence of Lessor.

6.03. Compliance with Laws, Etc. Lessee, in the use and occupancy of the Project, and in the conduct of its business and activities, shall at its own cost and expense, secure and maintain all necessary licenses and permits required for the lawful conduct of its business. Lessee shall at all times comply with all laws, regulations, rules, and ordinances promulgated or issued by any legally constituted authority, including environmental laws, and shall comply with the applicable orders, regulations and requirements of any governmental entity. Lessee represents and warrants that throughout the term of this Lease, the Project shall be used in the manner that will constitute a "project" within the meaning of 7-53-101(11) of the Act and that as of the date of the application submitted by Lessee, the project shall be developed and used as a commercial office uses and any proposed changes shall be submitted to the Lessor for written approval. Lessor reserves the right to terminate this Lease if Lessee's use of the Project is not consistent with the provisions of the Act or in violation of this paragraph.

6.04. Condemnation. If the whole or any part of the Project shall be taken for any public or quasi-public use under any statute or by right of eminent domain or by private purchase in lieu thereof, such that the remaining portions of the Project shall be economically unfeasible for the Lessee's continued use thereof (as determined by Lessee), Lessee shall have the option, upon giving thirty (30) days' written notice prior to the date or time when possession thereof is to be taken by said public authority, to terminate this Lease and any rents shall be accounted for as between Lessor and Lessee as of the date that possession is to be taken by said public authority. In the event of such termination by Lessee, Lessee shall have the right to recover compensation and damage caused by condemnation from the condemnor attributable to such taking with all such awards or damages becoming the property of Lessee to the same extent as though Lessee was the owner of the Project.

ARTICLE VII

ASSIGNMENTS-SUBLEASES-REMOVAL OF PROPERTY

7.01 Assignment. Provided that any subsequent use or occupancy of the property constitutes a "project as defined in the Act, Lessee may assign this Lease to any person, firm, corporation or business organization without the consent of Lessor. No assignment of this Lease shall relieve the Lessee of any obligations required to be performed by Lessee and no extension of

time granted by the Lessor to any subsequent tenant, whether or not notice thereof is given to any predecessor, shall relieve Lessee or any future tenant hereunder of its obligations under this Lease. Further, no assignment shall be valid or effective until there is delivered to Lessor a duplicate original of the written instrument of assignment, in recordable form, containing the name and address of the assignee, and an assumption by the assignee of all obligations under this Lease to be performed by Lessee.

7.02. Sublease. No subleasing shall diminish or relieve Lessee of any obligations under this Lease Agreement. Lessee may not sublease the whole or any part of the Project except upon the following conditions:

- (a) The prior written consent of Lessor must be obtained, and
- (b) The sublease shall provide that it is subject and subordinate to the rights of Lessor under this Lease and to any renewal, amendment or modification thereof, and
- (c) The sublease shall require the sublessee to give written notice to the Lessor of any alleged default of the sublessor (the within Lessee), and
- (d) Lessee shall furnish Lessor with a true copy of each sublease and of each extension or modification thereof.

7.03. Continuation As A Project. Lessor shall not be required to consent to any assignment or sublease which would result in the Project being occupied or used for a purpose which would not qualify as a "project" within the meaning of the Act or in violation of the covenants contained herein.

ARTICLE VIII

DEFAULT AND TERMINATION

8.01. Events of Default. The occurrence of any one or more of the following shall constitute an "Event of Default":

- (a) Non-Payment of Rents – PILOT. If the Lessee shall default in the payment of the rent reserved herein or any part thereof, PILOT, or in making any other payment or reimbursement herein provided, and such default shall continue for more than thirty (30) days

following Lessor giving written notice thereof; however, no notice shall be required for failure to timely make PILOT; or,

(b) Compliance with Covenants. If the Lessee shall default in the observance of any of the other terms, covenants and conditions of this Lease and such default shall continue for more than thirty (30) days after written notice specifying such default, or if this Lease shall pass to or devolve upon one other than Lessee, other than by merger, incorporation or consolidation, or if the Project shall be occupied or utilized by someone other than the Lessee, its successors, assigns, licensees, or sub-lessees, except as herein provided; or

(c) Insolvency. If Lessee shall make any assignment for the benefit of creditors or file a voluntary petition in bankruptcy or be by any court adjudicated a bankrupt or take the benefit of any insolvency act or be dissolved pursuant thereto, voluntarily or involuntarily, and such involuntary petition is not withdrawn, dismissed or discharged within sixty (60) days from the filing thereof; or

(d) Attachment – Levies. An attachment or execution is levied upon Lessee's interest under this Lease, which is not satisfied or released, stayed or superseded by an appropriate proceeding within thirty (30) days thereafter; or

(e) Receiver Appointed. A receiver or trustee is appointed for the property of Lessee or Lessee's business or assets and the order or decree appointing such receiver or trustee shall have remained in force undischarged or unstayed for thirty (30) days after the entry of such order or decree; or

8.02. Remedies. Upon the happening of any one or more Events of Default, Lessor shall have the right, at its option, to declare this Lease terminated upon the giving of written notice sent by Lessor to Lessee; and thereafter Lessor shall have the right to recover possession thereof without interference by Lessee, subject however to the rights of Lessor's mortgagee, and Lessee shall waive and does hereby waive all such other notices to quit possession of the Project or other statutory notices as may exist under the laws of the State of Tennessee or subdivision thereof. Should Lessor declare this Lease terminated and the Term ended, Lessor shall be entitled to recover from Lessee the rents and all other sums due and owing by Lessee to Lessor up to the date

of termination, plus the costs of curing all of Lessee's defaults existing at or prior to the date of termination, as well as the Deed from Escrow.

8.03. Non-Waiver by Lessor or Lessee. The failure of Lessor or Lessee to insist, in one or more instances, upon the strict performance by Lessee or Lessor of any of the provisions of this Lease, shall not be construed as a waiver of any future breach of such provisions. Receipt by Lessor of rent with knowledge of a breach of any provision hereof shall not be deemed a waiver of such breach.

8.04. Legal Fees and Expenses. If Lessor or Lessee shall use the services of an attorney to enforce any of the terms, covenants or conditions of this Lease or any extensions or renewals thereof, the prevailing party shall have the right to recover reasonable attorneys' fees and expenses and costs reasonable incurred by such party in connection with any of the foregoing.

ARTICLE IX

OPTION TO PURCHASE

9.01. Option To Purchase Project. Lessee shall have an option to purchase the Real Estate at any time during the Term (or for a period of one hundred eighty (180) days following the expiration or early termination of the Term) for an amount equal to One Hundred Dollars (\$100.00). To exercise such option Lessee shall:

(a) Give Notice. Give Lessor and the Servicing Agent at least thirty (30) days' prior written notice of its intent to exercise its option to purchase the Project, which notice shall state the proposed purchase date, and

(b) Compliance with Escrow Servicing Agreement. Comply with the provisions of the Escrow Servicing Agreement and the covenants herein.

9.02. Event of Default. Lessee shall have the right to exercise the options granted to it in this Article notwithstanding the fact that an Event of Default shall have occurred and be continuing.

9.03. Escrow Servicing Agreement. Simultaneously with the execution and delivery of this Lease, Lessor has executed and delivered to the Servicing Agent the "Escrow Deed" (as same are defined in the Escrow Servicing Agreement) the Servicing Agent shall hold the Escrow Deed in accordance with the terms and provisions of the Escrow Servicing Agreement.

9.04 Payment of Lessor's Expenses. In the event Lessee shall exercise its option to purchase, Lessee shall pay or reimburse to Lessor all expenses reasonable incurred by Lessor, including counsel fees, in connection with such purchase.

9.05 Lessor Termination Rights. Upon expiration of the Term, this Lease shall terminate without further action required by either party. Upon such expiration, Lessee shall give such required notices to the Servicing Agent as required to cause the Servicing Agent to deliver to Lessee the Escrow Deed to the Project and to take such other actions as are required under the Escrow Servicing Agreement. If Lessee fails to take such action or give such notice to the Servicing Agent within thirty (30) days following written demand to do so being given by Lessor to Lessee, Lessor shall have the right to give such notice to the Servicing Agent in compliance with the requirements of the Escrow Servicing Agreement.

ARTICLE X

ENVIRONMENTAL MATTERS

10.01. Lessee's Environmental Representations and Warranties. The Lessee represents and warrants to the Lessor and its successors and assigns that: The Project and its existing, prior and future uses comply, have at all times complied with and will at all times comply with, and Lessee is not in violation of, and has not violated and will not violate, in connection with the ownership, use, maintenance or operation of the Project and the conduct of the business related thereto and therein, any applicable federal, state, county or local statute, law, regulation, rule, ordinance, code, license or permit relating to environmental matters, including but not limited to the Comprehensive Environmental Response, Compensation and Liability act of 1980 as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. 9601, et. seq., the Resource Conservation and Recovery Act of 1976 as amended by the Solid and Hazardous Waste Amendment of 1984, 42 U.S.C. 6901 et. seq., the Clean Air Act of 1986, as amended, 42 U.S.C. 7401, et.seq., the Clean Water Act of 1977, as amended, 33 U.S.C. 1251, et.seq., the Toxic Substances Control Act of 1976, 15 U.S.C. 2601, et.seq., the National Environmental Policy Act of 1975, 42 U.S.C. 4321, the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. 300, et.seq., the Tennessee Air Quality Control Act, T.C.A. 69-3-101, et.seq., the Tennessee Air Quality Act, T.C.A. 68-25-101, et.seq., the Tennessee Solid Waste Disposal Act, T.C.A. 68-31-

101, et.seq., the Tennessee Hazardous Waste Management Act, T.C.A. 69-46-101, et.seq., the Tennessee Petroleum Underground Storage Tank Act, T.C.A. 68-53-101, et.seq., or any other federal, state or local statute, law, ordinance, code, rule regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning any petroleum, petroleum byproduct, (including, but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas, or hazardous, toxic, or regulated substance, product, material, waste, pollutant or contaminant, as may now or at any time hereafter be in effect.

10.02 Without the limited generality of Section 10.01, Lessee represents and warrants to Lessor, its successors and assigns that:

(a) Prior to the conveyance of the Project to the Lessor, Lessee has operated the Project and has at all times received, handled, used, stored, treated, shipped and disposed of all hazardous, toxic, or regulated substance, product, material, wastes pollutant or contaminant in strict compliance with all applicable environmental, health or safety statutes, ordinances, orders, rules, regulations or requirements and will continue to do so during the Term of this Lease Agreement and any extension thereof.

(b) Prior to the conveyance of the Project to the Lessor, it has removed from and off the Project all such hazardous, toxic, or regulated substances, products, materials, wastes, pollutants or contaminants.

(c) There are no violations of any statutes, orders, rules or regulations relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Project, and Lessee has no knowledge, nor has Lessee received any notice of any such violations.

(d) No hazardous, toxic, or regulated substances, products, materials, wastes, pollutants or contaminants have been released into the environment, or deposited, discharged, placed or disposed of at, on or near the Project, nor has the Project been used at any time by any person or entity as a landfill or waste disposal site.

(e) No notices of any violation of any of the matters referred to above relating to the Project or its use have been received by Lessee, and there are not writs, injunctions, decrees,

orders or judgments outstanding, no lawsuits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Project, nor is there any basis for such lawsuits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Project, nor is there any basis for such lawsuits, claims, proceedings or investigations being instituted or filed.

10.03 Lessee further represents and warrants to Lessor, its successors and assigns that:

- (a) There are no monitoring wells on the Project for monitoring hazardous, toxic, or regulated substances, products, materials, wastes, pollutants or contaminants.
- (b) There are no underground storage tanks on the Project.
- (c) There is no evidence of PCB contamination from any power transformer, capacitor, or any other source on the Project.
- (d) There is no asbestos containing material (ACM) on the Project.
- (e) Lessee knows of no fact or circumstances that may give rise to any future civil, criminal, or administrative proceedings against it relating to environmental matters involving the Project.

10.04 Lessee's Continuing Responsibility for Environmental Matters. Lessee covenants at its sole cost and expense, to remove or take remedial action with regard to any petroleum, petroleum byproduct, natural or synthetic gas, or hazardous, toxic, or regulated substance, product, material, waste, pollutant or contaminant released to the environment at, on, or near the Project during the Term of this Lease Agreement, or any extension thereof for which any removal or remedial action is required pursuant to law, ordinance, order, rule, regulation or governmental action provided that:

- (a) No such removal or remedial action shall be taken except after reasonable advance written notice to Lessor.
- (b) Lessee shall indemnify Lessor for any action taken by Lessee in accordance with Section 10.05 hereof to Lessor's satisfaction.

Lessee shall at all times retain any and all liabilities arising from the handling, treatment, storage, transportation or disposal of hazardous materials by Lessee or by any of Lessee's contractors.

10.05 Lessee's Indemnification.

(a) Lessee shall indemnify and hold Lessor and its officers, directors, agents, counsel and employees harmless from and against any and all liabilities, losses, claims, penalties, damages (including, without limitations, consequential damages, interest, penalties, fines and monetary sanctions), and costs (hereinafter "Loss"), and attorneys' and consultant's fees and expenses, court costs and all other out-of-pocket expenses (hereinafter "Expense") incurred or suffered by Lessor by reason of, resulting from, in connection with, or arising in any manner whatsoever out of the breach of any warrant or covenant or the inaccuracy of any representation of Lessee contained or referred to in this Article X. Lessor shall be entitled to conduct its own investigation in connection therewith and provide its own defense and charge Lessee with its expense incurred in connection therewith, including any Loss or Expense.

(b) All representations, warranties, covenants, agreements and indemnities of Lessee contained in this Article X shall survive the Term of this Lease Agreement and any extensions hereof and the consummation of the transactions contemplated in this Lease Agreement, and shall not be affected by any investigation by or on behalf of Lessee or by any information Lessee may have or obtain with respect thereof.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.01. Binding Effect. The obligations and responsibilities shall be binding upon, and the right and benefits shall inure to the successors and assigns of the parties hereto; but the liabilities of any successor to the interest of Lessor hereunder shall be limited to the performance of those obligations which arise and accrue during the period of ownership of the Project by any such successor.

11.02. Notices. All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, or sent by Federal Express or other nationally recognized overnight courier for next business day delivery, or sent by certified or registered first class mail, return receipt requested, or sent by facsimile transmission, and addressed to the party to whom such notice is directed at the address or facsimile number set

forth below for such party. The address for notice for any party may be changed by any such party by giving notice in the manner set forth above.

Lessor:

Industrial Development Board of the City of Brownsville and Haywood County, Tennessee:

c/o David Prince
111 North Washington Avenue
Brownsville, Tennessee 38012
Email: dprince@insouth.com

With a copy to:

Banks Law Firm, P.A.
Michael J. Banks
108 South Washington Ave.
Brownsville, TN 38012
Email: michael@bankslawfirm.net

Lessee:

Haywood County Community Hospital, Inc
c/o Kyle T. Kopec
200 W. Church St
Lexington, TN 38351-2038
Email: Kyle.Kopec@BradenHealth.com

With a copy to:

Haywood County Community Hospital, Inc
c/o legal counsel
200 W Church St.
Lexington, TN 38351-2038

For transmissions sent by facsimile, a notice shall be deemed to be received upon receipt by the sender of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in this entirety to the recipient's facsimile

number; provided that if a notice or other communication is transmitted by facsimile on a day which is not a business day or after 5:00 P.M. on any business day at the addressee's location and time zone, such notice or communication shall be deemed to be duly received by the recipient at 9:00 A.M., in the recipient's time zone, on the first business day thereafter.

11.03 No Oral Agreements. It is expressly agreed between Lessor and Lessee that there are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and that no modification of this lease and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the authorized officers or agents of the necessary parties or party.

11.04. Definitions. "Lessors" as used in this lease shall include Lessor's heirs, representatives, successors and assigns to Lessor's interest in the Project. "Lessee" shall include Lessee's heirs, representatives, successors and assigns, and if this Lease shall be validly assigned or sublet, shall also include Lessee's assignee or sublessees, as to the Project (or parts thereof) covered by such assignment or sublease. Where the term "Lessor" and "Lessee" appear, same shall include male, female or neuter, singular and plural, corporation, partnership or individual, as may be appropriate for the particular parties in the context for which it is used.

11.05. Mortgages. Lessor shall have no right to mortgage or pledge the Project, or any part thereof, as security for any debt of Lessor or for any other purpose without the prior written consent of Lessee.

11.06. Tennessee Law. This Lease shall be interpreted and construed pursuant to the laws of the State of Tennessee.

11.07. Headings. The paragraph and section headings and captions used in this Lease are for convenience only and shall not have any bearing or meaning with respect to the contents or provisions of this Lease.

11.08. Cumulative Rights. All rights, powers and privileges conferred to both parties hereunder shall be cumulative and not restricted to those given by law.

11.09. Consent of Lessor and Lessee. In all matters referred to in this Lease where either party is permitted to make a request, or a matter is subject to being acceptable to either party, each

party agrees that it will not be unreasonable in making such request or in deciding whether such matter is acceptable.

11.10. Non-Recourse Obligations of Lessor. Anything in this Agreement to the contrary notwithstanding, except with respect to Lessor's gross negligence or willful misconduct, no recourse or relief shall be had under any rule of law or equity, statute or constitution, or by enforcement of any assessments, penalties, damages, judgments or otherwise for liability arising from this Agreement, or any other document or instrument related hereto (whether by breach of any obligation, monetary or non-monetary on the part of Lessor) against Lessor personally or its "Unrelated Assets" (as hereinafter defined) against any officer, member, director or representative of Lessor, including their successors, it being expressly understood and agreed that any liability or obligation of Lessor under these agreements are chargeable to and compensable solely and exclusively from Lessor's interest, if any, in and to the Project and any funds or proceeds (including rights to funds and proceeds) in actual possession of the Lessor in any manner derived from the Lessor's rights or interests under this Lease on the Project. Accordingly, any claim of liability, other than the foregoing, is hereby expressly waived by Lessee and any person or entity claiming by, through or under Lessee. As used in this Lease, the term "Unrelated Assets" means all assets and property, of every kind and description, owned or held by Lessor in conjunction with contracts and agreements having no connection, directly or indirectly, with the transactions contemplated by this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease to become effective on the day and year first above written.

Remainder of page intentionally left blank. Signature page follows


LESSOR:

INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF BROWNSVILLE AND HAYWOOD COUNTY,
TENNESSEE

By: 
DAVID PRINCE, President

LESSEE:

Haywood County Community Hospital, Inc

By: 
Beau R. Braden, Chief Executive Officer

STATE OF TENNESSEE
COUNTY OF HAYWOOD

BEFORE ME, the undersigned, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared DAVID PRINCE, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who upon oath acknowledged himself to be President of the Industrial Development Board of the City of Brownsville and Haywood County, Tennessee, the within named bargainor, and he as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing his name as President of the Industrial Development Board of the City of Brownsville and Haywood County, Tennessee.

WITNESS my Hand and Notarial Seal this 27 day of October, 2020.


NOTARY PUBLIC



My Comm. Expires: 6/23/21

STATE OF TENNESSEE
COUNTY OF HAYWOOD_

BEFORE ME, the undersigned, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared Beau R. Braden, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who upon oath acknowledged himself to be Chief Executive Officer of Haywood County Community Hospital, Inc the within named bargainor, a corporation, and he as such Chief Executive Officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing his name as Chief Executive Officer.

WITNESS my Hand and Notarial Seal this 27th day of October, 2020.


NOTARY PUBLIC



My Comm. Expires: 6/23/21

EXHIBIT A

Being in the 7th Civil District of Haywood County, Tennessee, and being more particularly described as follows, to-wit:

Beginning at a point in the north right-of-way of U.S. Highway 70A-79 (North Washington Avenue – 66 feet wide), said point being the southeast corner of the Richard Miller property (Bk 193, Pg. 593) and located 167.02 feet (call 167.89 feet) northeast of City of Brownsville Manhole 52A; thence N 03 degrees 36' 29" W along the east line of said Richard Miller property and the east line of the Edna Miller property (Bk 99, Pg 200) a distance of 1,343.84 feet to a point in the O. C. Baker property (Bk. 234, Pg 272); thence with the common line between Tract II and said O. C. Baker property the following eight calls: N 77 degrees 31' 35" E a distance of 221.03 (call 331.03 in Bk 173, Pg 465; call 221.03 in Bk. 119, Pg 302) to a point; thence N 63 degrees 13' 48" E a distance of 128.37 feet to a point; thence N 44 degrees 55' 07" E a distance of 183.41 feet to a point; thence N 63 degrees 00' 49" E a distance of 209.26 feet to a point; thence N 74 degrees 30' 54" E a distance of 230.12 feet to a point, being the northeast corner of the described tract; thence S 08 degrees 56' 58" E a distance of 194.53 feet (call 197.38 feet) to an iron rod found; thence S 28 degrees 07' 52" E passing an iron rod found at 648.85 feet a total distance of 727.57 feet to a point; thence S 22 degrees 05' 50" E a distance of 121.82 feet to an iron rod found at the northeast corner of the West Tennessee Healthcare, Inc. property (Bk 229, Pg 557); thence along the north line of said West Tennessee Healthcare, Inc. property S 64 degrees 32' 24" W a distance of 59.04 feet to the southeast corner of the Jerald W. White and wife Claudia K. White property (Bk 137, Pg 752); thence along the east line of said White property N 24 degrees 27' 55" W a distance of 200.00 feet to an iron rod found at the northeast corner of said White property; thence along the north line of said White property S 64 degrees 32' 24" W a distance of 175.27 feet (call 175.00 feet) to a point in the east line of a 40 foot wide ingress/egress easement; thence along the west line of said ingress/egress easement, said White property and said West Tennessee Healthcare, Inc. property S 24 degrees 27' 55" E a distance of 395.24 feet (call 398.15 feet) to a point in the north line of said U. S. Highway 70A-79; thence with the north line of said U. S. Highway 70A-79 along a curve to right having a radius of 5696.58 feet an arc distance of 459.42 feet (chord: S 63 degrees 13' 59" W, 459.30 feet); thence S 65 degrees 32' 37" W a distance of 727.20 feet to the Point of Beginning.

Being the same property conveyed to Haywood County School Board by deed recorded in Record Book 179, Page 835, Register's Office, Haywood County, Tennessee.

LESS AND EXCEPTING FROM THE ABOVE DESCRIPTION IS THE FOLLOWING:

BEGINNING at a point at the southwest corner of Lauren K. Dowling as described in Record Book 58 Page 650, and being in the north margin of North Washington Avenue (ROW 66 feet); runs thence with said margin, south 69 degrees 25 minutes 02 seconds west 142.41 feet to an iron pin set (all pins set are 1/2" by 18" with identification cap stamped EVANS-RLS 2524); runs thence with a new

severance line through the Haywood County School Board as described in Record Book 179 Page 835 the following calls: north 16 degrees 54 minutes 22 seconds west 146.74 feet to an iron pin set; thence north 67 degrees 38 minutes 44 seconds west 131.35 feet to an iron pin set; thence north 16 degrees 22 minutes 12 seconds west 109.04 feet to an iron pin set; thence north 06 degrees 00 minutes 20 seconds east 137.80 feet; thence north 51 degrees 06 minutes 09 seconds west 171.78 feet to an iron pin set, said pin being the northwest corner of the herein described tract; thence north 72 degrees 32 minutes 07 seconds east 509.17 feet to an iron pin set in the west line of the Silicon Ranch Corporation as described in Record Book 142 Page 428; runs thence with said west line, south 20 degrees 21 minutes 09 seconds east 284.16 feet to a 1/2 inch iron pin found; thence south 14 degrees 19 minutes 07 seconds east 121.82 feet to a 1/2 inch iron pin found, said pin being the northeast corner of aforementioned Dowling; runs thence with the north line of said Dowling, south 72 degrees 19 minutes 07 seconds west 59.04 feet to a power pole, said pole being the southeast corner of Jerald W. White as described in Deed Book 137 Page 835; runs thence with the east line of said White, north 16 degrees 41 minutes 12 seconds west 200.00 feet to a 1 inch pipe found, said pipe being the northeast corner of White; runs thence south 72 degrees 19 minutes 07 seconds west 175.27 feet to a 1 inch pipe found, said pipe being the northwest corner of said White; runs thence with the west line of White and continuing with the west line of Dowling, south 16 degrees 41 minutes 12 seconds east 395.24 feet to the POINT OF BEGINNING containing within these calls 184212.54 square feet or 4.23 acres of land as surveyed on January 21, 2020 by Evans & Associates Land Surveying, 320 South Washington, Brownsville, Tennessee. (731-432-1381) Said acreage being subject to all right of ways and easements, if any exist. There is an existing 40' ingress/egress easement along the west line of Dowling and White as described in Record Book 68, page 650, Register's Office, Haywood County, Tennessee.

This being the property conveyed to Southwest Human Resource Agency Head Start by deed recorded in Record Book 185 Page 174 in the Register's Office of Haywood County, Tennessee.

Notice per T.C.A. 66-24-121: No survey was performed at the time of closing. The legal description herein is the same as in the previous deed of record. No opinion is rendered as to the accuracy of the legal description.

Map 067, Parcel 009.01

EXHIBIT B

BROWNSVILLE/HAYWOOD COUNTY IDB Brownsville Hospital - 10 YEAR DRAFT PILOT

REAL PROPERTY VALUE - \$ 2,999,200

TAX YEAR	APPRAISED VALUE	ASSESSED VALUE	County Tax Rate \$ 2.76	Annual County Tax Liability	PILOT Discount Rate	County In-Lieu Taxes Due	City Tax Rate \$ 1.96	Annual City Tax Liability	PILOT Discount Rate	City In-Lieu Taxes Due	Total Taxes Due	PILOT Taxes Due
2020	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	0%	\$ -	\$ 1.96	\$ 23,514	0%	\$ -	\$ 56,625	\$ -
2021	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	10%	\$ 3,911	\$ 1.96	\$ 23,514	10%	\$ 2,351	\$ 56,625	\$ 5,662
2022	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	20%	\$ 6,622	\$ 1.96	\$ 23,514	20%	\$ 4,703	\$ 56,625	\$ 11,325
2023	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	30%	\$ 9,933	\$ 1.96	\$ 23,514	30%	\$ 7,054	\$ 56,625	\$ 16,987
2024	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	40%	\$ 13,244	\$ 1.96	\$ 23,514	40%	\$ 9,405	\$ 56,625	\$ 22,650
2025	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	50%	\$ 16,556	\$ 1.96	\$ 23,514	50%	\$ 11,757	\$ 56,625	\$ 28,312
2026	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	60%	\$ 19,867	\$ 1.96	\$ 23,514	60%	\$ 14,108	\$ 56,625	\$ 33,975
2027	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	70%	\$ 23,178	\$ 1.96	\$ 23,514	70%	\$ 16,460	\$ 56,625	\$ 39,637
2028	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	80%	\$ 26,489	\$ 1.96	\$ 23,514	80%	\$ 18,811	\$ 56,625	\$ 45,300
2029	\$ 2,999,200	\$ 1,199,680	\$ 2.76	\$ 33,111	90%	\$ 29,800	\$ 1.96	\$ 23,514	90%	\$ 21,162	\$ 56,625	\$ 50,962
				\$ 332,112		\$ 149,000		\$ 235,137		\$ 105,812	\$ 566,249	\$ 254,812

PERSONAL PROPERTY VALUE \$ 4,000,000

TAX YEAR	APPRAISED VALUE	ASSESSED VALUE	County Tax Rate \$ 2.76	Annual County Tax Liability	PILOT Discount Rate	County In-Lieu Taxes Due	City Tax Rate \$ 1.96	Annual City Tax Liability	PILOT Discount Rate	City In-Lieu Taxes Due	Total Taxes Due	PILOT Taxes Due
2020	4,000,000	1,200,000	2.76	\$33,120	0%	-	\$ 1.96	\$23,520	0%	-	\$6,640	-
2021	4,000,000	1,200,000	2.76	\$33,120	10%	3,312	\$ 1.96	\$23,520	10%	2,352	\$6,640	\$ 664
2022	4,000,000	1,200,000	2.76	\$33,120	20%	6,624	\$ 1.96	\$23,520	20%	4,704	\$6,640	\$ 13,328
2023	4,000,000	1,200,000	2.76	\$33,120	30%	9,936	\$ 1.96	\$23,520	30%	7,056	\$6,640	\$ 19,992
2024	4,000,000	1,200,000	2.76	\$33,120	40%	13,248	\$ 1.96	\$23,520	40%	9,408	\$6,640	\$ 26,656
2025	4,000,000	1,200,000	2.76	\$33,120	50%	16,560	\$ 1.96	\$23,520	50%	11,760	\$6,640	\$ 33,320
2026	4,000,000	1,200,000	2.76	\$33,120	60%	19,872	\$ 1.96	\$23,520	60%	14,112	\$6,640	\$ 39,984
2027	4,000,000	1,200,000	2.76	\$33,120	70%	23,184	\$ 1.96	\$23,520	70%	16,464	\$6,640	\$ 46,648
2028	4,000,000	1,200,000	2.76	\$33,120	80%	26,496	\$ 1.96	\$23,520	80%	18,816	\$6,640	\$ 53,312
2029	4,000,000	1,200,000	2.76	\$33,120	90%	29,808	\$ 1.96	\$23,520	90%	21,168	\$6,640	\$ 60,076
				\$33,200		\$149,840		\$235,280		\$105,840	\$66,400	\$254,880

Total City/County Taxes Due	
Real	\$ 566,249
Personal	566,400
	\$ 1,132,649
Total PILOT Taxes Due	
Real	\$ 254,812
Personal	254,880
	509,692
PILOT Discount	\$ 622,957

Appendix B: TCA Compliance

Inbound Message: +1 (731) 443-2448

Yes, the application for the CON was received.

Please forward this as confirmation.


David Livingston


Haywood County

Mayor.

Monday, December 28, 2020 at 11:40:21 Eastern Standard Time

United States Postal Service:





Haywood County CON Copy
OF FICIAL
[Edit Name](#)
9510806692660343376071
Delivered:
BROWNSVILLE, TN 38012 on
December 14, 2020 at 10:42 am
Signed for By: M B //
BROWNSVILLE, TN 38012 //
10:42 am

Additional Information
Your item was delivered at 10:42 am on December 14, 2020 in BROWNSVILLE, TN 38012. The item was signed for by M B.

1. Additional Information

Your item was delivered at 10:42 am on December 14, 2020 in BROWNSVILLE, TN 38012.
The item was signed for by M B.

2. [Get Text and Email Updates](#)

Tracking History

December 14, 2020

10:42 am

Delivered,
BROWNSVILLE, TN 38012

December 12, 2020

9:59 am

Delivery Attempted - No Access to Delivery Location,
BROWNSVILLE, TN 38012
Fedex:



December 28, 2020

Dear Customer,

The following is the proof-of-delivery for tracking number: 781038876070

Delivery Information:

Status:	Delivered	Delivered To:	
Signed for by:	Signature release on file	Delivery Location:	
Service type:	FedEx First Overnight		BROWNSVILLE, TN,
Special Handling:	Deliver Weekday; No Signature Required	Delivery date:	Dec 8, 2020 08:57

Shipping Information:

Tracking number:	781038876070	Ship Date:	Dec 7, 2020
		Weight:	3.0 LB/1.36 KG
Recipient:		Shipper:	
BROWNSVILLE, TN, US,		IMMOKALEE, FL, US,	

Subject: Re: CON Application Haywood County Community Hospital

Date: **From:** **To:**

Wednesday, December 9, 2020 at 11:54:18 AM Eastern Standard Time livingstondml@aol.com
Kyle Kopec

Thanks

Sent via the Samsung Galaxy S8 Ac.ve, an AT&T 5G Evolu.on capable smartphone

----- Original message -----

From: Kyle Kopec <Kyle.Kopec@bradenhealth.com>

Date: 12/9/20 10:49 (GMT-06:00)

To: David Livingston <dlivingston@brownsvilletn.gov>, livingstondml@aol.com Subject: Re: CON Application Haywood County Community Hospital

Monday, December 28, 2020 at 11:39:56 Eastern Standard Time

Subject: RE: CON Applica.on Haywood County Community Hospital

Date: From: To:

Tuesday, December 8, 2020 at 7:07:23 PM Eastern Standard Time Michael Banks
Kyle Kopec, Prince, David, David Livingston, livingstondml@aol.com

I have received the CON package.

Michael J. Banks
Banks Law Firm, P.A.
108 South Washington Ave . Brownsville, TN 38012 Office 731-772-5300

Your message

To: Michael Banks
Subject: CON Application Haywood County Community Hospital
Sent: Monday, December 07, 2020 7:31:12 PM (UTC-06:00) Central Time (US & Canada)

was read on Tuesday, December 08, 2020 7:02:44 AM (UTC-06:00) Central Time (US & Canada).

Your message

To: Prince, David
Subject: CON Application Haywood County Community Hospital
Sent: Monday, December 7, 2020 7:31:12 PM (UTC-06:00) Central Time (US & Canada)

was read on Monday, December 7, 2020 7:59:07 PM (UTC-06:00) Central Time (US & Canada).

Monday, December 28, 2020 at 11:37:19 Eastern Standard Time

Subject: Date:

From:

To:

Priority: Attachments: CON Application Haywood County Community Hospital

Monday, December 7, 2020 at 8:30:59 PM Eastern Standard Time

Kyle Kopec

Michael Banks, Prince, David, David Livingston, livingstondml@aol.com High

CON Application-Dec 7.pdf

Good Evening,

The County of Haywood was sent an original copy of the Certificate of Need as required in accordance with Tennessee law. The tracking number is 781038876070.

The package is addressed to the County Attorney as requested. Also attached is an electronic version of the application to assist in fulfilling this requirement.

Below is a copy of the cover letter transmitted with the application:

Very Respectfully,

-Kyle T. Kopec

CCO | Director of IGA

BradenHealth

Appendix C: LOI Compliance

The Brownsville Press | 12/02/2020 LOI Submitted

Attached is the ad proof that will run in next week's paper, December 9. Cost to run is \$209.52.

I've copied my billing manager Zoe on this email- you may call her at (731) 772-9962 to pay over the phone, or you can give her the billing information and she can send an invoice at the end of the month.

Thanks,

Chris McCain
Sales/Design Editor

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED			
This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 <i>et seq.</i> , and the Rules of the Health Services and Development Agency, that:			
Haywood County Community Hospital Inc		N/A	
<small>(Name of Applicant)</small>		<small>(Facility Type-Existing)</small>	
owned by: Braden Health Inc		with an ownership type of Whole Stock	
and to be managed by: Haywood County Community Hospital Inc intends to file an application for a Certificate of Need			
for [PROJECT DESCRIPTION BEGINS HERE]: Establish a 49 bed rural acute care hospital at 2545 North Washington Avenue Brownsville, Tennessee 38012 with a project cost of 855,507.75.			
We are requesting an emergency review under Public Chapter 1043.			
The anticipated date of filing the application is: December 7th, 2020			
The contact person for this project is Kyle T. Kopec		CCO Director of Government Affairs	
<small>(Contact Name)</small>		<small>(Title)</small>	
who may be reached at: Braden Health Inc		200 W Church St	
<small>(Company Name)</small>		<small>(Address)</small>	
Lexington	TN	38351	(731) / 968-3646
<small>(City)</small>	<small>(State)</small>	<small>(Zip Code)</small>	<small>(Area Code / Phone Number)</small>
Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:			
<p style="text-align: center;">Health Services and Development Agency Andrew Jackson Building, 9th Floor 502 Deaderick Street Nashville, Tennessee 37243</p>			
The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(e)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.			
HFSD (Revised 01/09/2013 – all forms prior to this date are obsolete)			

249



December 2, 2020

Braden files for Certificate of Need

Brownsville Press Date LOI was Submitted 12/02/2020
Brownsville Press Date LOI was Published 12/09/2020

The Commercial Appeal Date LOI was Submitted 12/02/2020
The Commercial Appeal Date LOI was Published 12/05/2020

Text of Ad: 12/03/2020

LETTER OF INTENT
The Publication of Intent is to be published in the Commercial Appeal which is a newspaper of general circulation in Haywood, Tennessee, on or before December 5, 2020 for one day. This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-160 et seq., and the Rules of the Health Services and Development Agency, that: Haywood County Community Hospital Inc (name of applicant) n/a (facility type existing) (Name of Applicant) owned by: Braden Health with an ownership type of Whole Stock and to be managed by: Haywood County Community Hospital Inc intends to file an application for a Certificate of Need for: Establish a 49 bed rural acute care hospital at 2545 North Washington Avenue Brownsville, Tennessee 38012 with a project cost of \$655,597.75. The anticipated date of filing the application is: December 7, 2020. The contact person for this project is Kyle T. Kopec, CCO | Director of Government Affairs who may be reached at: Braden Health Inc 200 W Church Street Lexington, TN 38351 Phone (731) / 968-3646. /s/ Kyle Kopec 12/01/2020 kyle.kopec@bradenhealth.com

commercial appeal

PART OF THE USA TODAY NETWORK

BRADEN HEALTH
200 W CHURCH STREET
LEXINGTON TN 38351-

Account	AD#	Net Amount	Tax Amount	Total Amount	Payment Method	Payment Amount	Amount Due
	0004495089	\$470.00	\$0.00	\$470.00	Credit Card	\$470.00	\$0.00
Sales Rep: SGallitz		Order Taker: SGallitz		Order Created		12/03/2020	
Product		# Ins	Start Date	End Date			
MCA-commercialappeal.com		1	12/05/2020	12/05/2020			
MCA-The Commercial Appeal		1	12/05/2020	12/05/2020			

* ALL TRANSACTIONS CONSIDERED PAID IN FULL UPON CLEARANCE OF FINANCIAL INSTITUTION

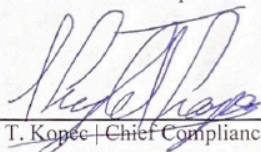
Appendix D: Affidavit

AFFIDAVIT

STATE OF Florida

COUNTY OF Collier

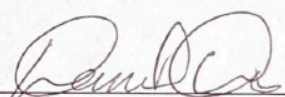
Kyle Tanner Grizkewitsch Kopec, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.



Kyle T. Kopec | Chief Compliance Officer

Sworn to and subscribed before me this 7th day of Dec, 2020 a Notary
(Month) (Year)

Public in and for the County/State of Florida.



NOTARY PUBLIC

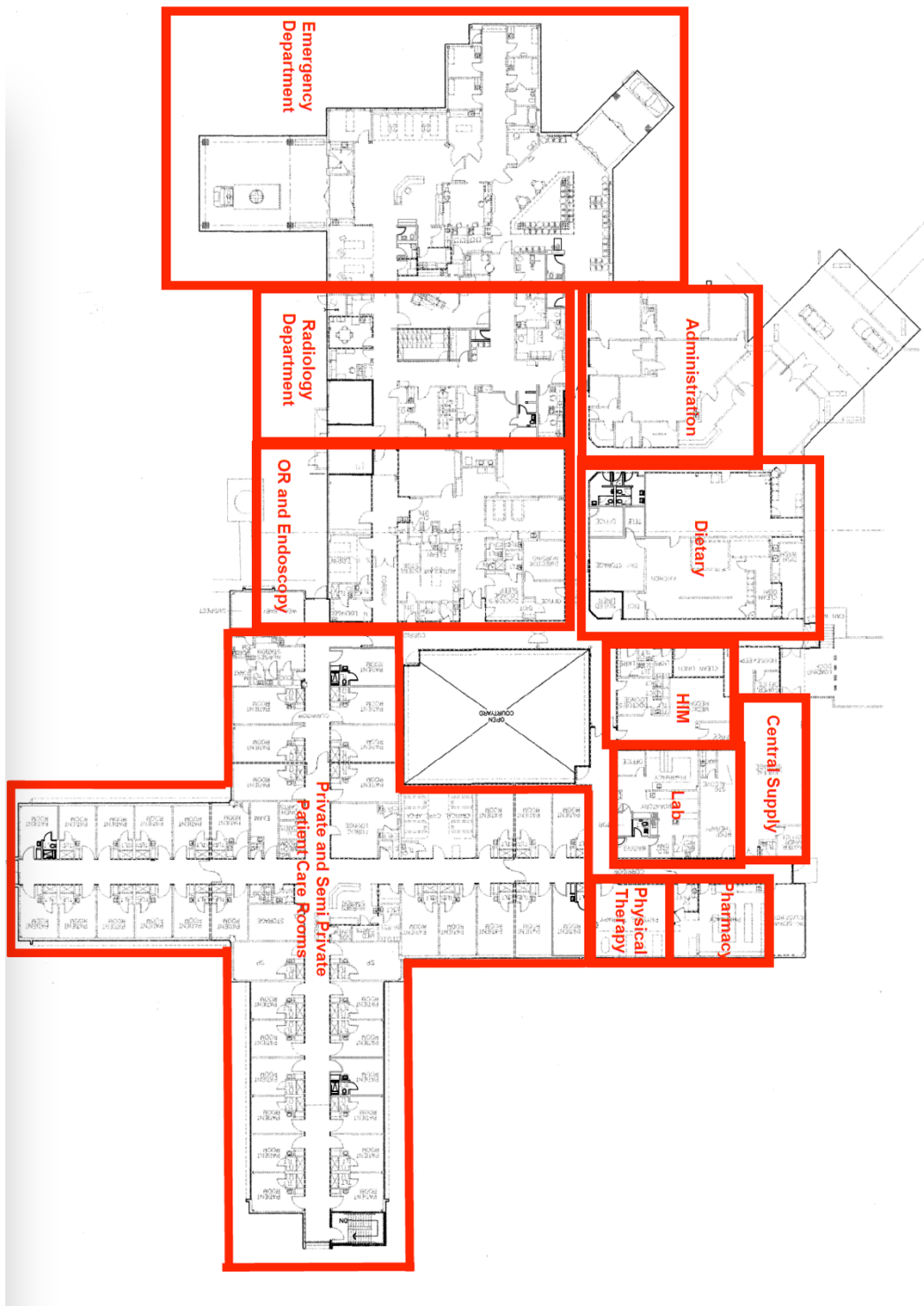
My commission expires Aug 27, 2021.
(Month/Day) (Year)



DANIEL DIX
Commission # GG 098777
Expires August 27, 2021
Bonded Thru Budget Notary Services

Appendix E: Plans

Also transmitted via email as attachment titled: Haywood Park Floor Plan 2015.pdf
[65]



Appendix F: Brownsville Estimate

KMS Construction, LLC.

1061 Mt. Gilcad Rd, Cedar Grove, TN 38321

Project:

Haywood County Community Hospital
2545 N Washington ST, Brownsville, TN 38012

RE: Re-model existing hospital facility

The current Haywood Park Community Hospital Facility is being renovated to become Haywood County Community Hospital. The existing facility footprint is to remain as is with repairs as needed. The facility will require a new roof membrane, exterior wall finish repairs, along with interior wall, floor, and ceiling repairs.

Engineering and Architect

The engineering and architect service will be provided by HMK Architects in Brentwood Tennessee.

Existing Structure

The existing structure of the building appears to be sound and still in good condition. The layout of the building has not changed since the facility was in operations as a hospital facility and will be adequate for the incoming hospital operations. There are no planned changes to existing floors, walls, or ceilings structures.

1. The parking lot to remain as is including drives and handi-cap parking.
2. The building has a concrete slab and shall remain.
3. Wall framing consist of metal studs and shall remain.
4. The roof has metal joist with metal decking and shall remain.
5. The roof has a sheetrock fire wall underneath the decking and shall remain.
6. The existing sewer system and grease trap are to remain intact.
7. The existing cooler and freezer are to remain.

Remodel Conditions

The facility will need to upgrade the roof membrane. The exterior wall covering, interior wall covering, floor covering, and ceiling tile will be repaired as needed. The estimated scope of work covers the following:

1. Replace concrete loading pad at the Dietary doors.
2. Repair the exterior wallboard and install a Dryvitt exterior finish. Finish to include the exterior wall color.
3. Install a new roof membrane (60 mil white TPO) on the entire building to include a new metal wall cap.
4. Replace broken windows to match existing glass.

5. Repair plumbing as needed and install new fixtures as needed.
6. Repair existing HVAC RTU's as needed.
 - a. The existing PTAC units will need to be replaced. PTAC frames will need to be installed before the exterior Dryvitt finish.
7. Kitchen hoods need to be cleaned and have a test and balance preformed.
8. Repair electrical system as needed.
 - a. Existing panels and load centers to remain.
 - b. Wiring and branch circuits to remain.
 - c. Replace receptacles and switches as needed.
 - d. Install new LED lighting throughout the facility.
9. Repair Interior walls as needed.
 - a. Replace sheetrock on damaged walls.
 - b. Remove wallpaper and sand walls.
 - c. Paint all interior walls.
10. Repair damaged or stained ceiling tile as needed.
11. Repair doors as needed.
 - a. Repair damaged doors or replace.as needed.
 - b. Replace broken glass in door panels as needed.
 - c. Replace missing or damaged door hardware as needed.
12. Repair floor covering as needed.
 - a. Clean and wax existing floors.
 - b. Replace broken, loose, or missing floor tiles.
 - c. Existing carpet to be cleaned or replaced.
13. Cleanup to be completed throughout the project by all contractors and subcontractors.
 - a. The facility will be cleaned out by the Owner.
 - b. Dumpsters and debris removal provided by the Owner

Project Cost

The estimated project cost for the above stated remodel scope of work: **\$947,500.00**

Kenneth M. Stewart, Owner
KMS Construction, LLC.
License # 73564
BC-A; BC_B

Signature: 

CON Project Cost Chart						
Item	Sub-Item	Item Description	Item Qty		Item Cost	Item Total
01		Engineering, Plans, and Permits				\$48,500.00
	01.1	Plans	1		\$3,000.00	
	01.2	Permits	1		\$500.00	
	01.3	License Fees				
	01.4	Engineering Fees	1		\$45,000.00	
02		Site Work				
	02.1	Demo				
03		Excavation				
04		Concrete	300	SF		\$2,000.00
	04.1	Demo			\$350.00	
	04.2	New Concrete			\$1,200.00	
	04.3	Finish Labor			\$450.00	
05		Masonry				
06		Floor Framing				
07		Wall Framing	19,400	SF		\$63,000.00
	07.1	Demo			\$20,000.00	
	07.2	Walls			\$43,000.00	
08		Roof Framing				
09		Roof, Flashing	47,250	SF	\$337,000.00	\$337,000.00
10		Exterior Trim				
11		Exterior Wall Covering				\$127,000.00
	11.1	Vinyl				
	11.2	Brick, Stone				
	11.3	Effis, Stucco, Dryvitt	19,400	SF	\$127,000.00	
12		Doors and Trim				
13		Windows and Trim	13	EA	\$4,500.00	\$4,500.00
14		Plumbing				\$38,000.00
	14.1	Piping			\$13,000.00	
	14.2	Fixtures			\$25,000.00	
15		Heating and Cooling				\$79,000.00
	15.1	RTU's, Chillers	19	EA	\$10,000.00	

	15.2	PTAC's				\$69,000.00		
	15.3	Hoods		3	EA	\$5,000.00		\$5,000.00
16		Electrical and Lighting						\$51,000.00
	16.1	Wiring				\$5,000.00		
	16.2	Lighting				\$46,000.00		
17		Insulation						
18		Interior Walls						\$51,000.00
	18.1	Drywall				\$50,000.00		
	18.2	Tile				\$1,000.00		
19		Ceilings						\$5,000.00
	19.1	Drywall						
	19.2	Suspended				\$5,000.00		
20		Milwork and Trim				\$7,500.00		\$7,500.00
21		Cabinets and Vanities						
22		Specialties						
23		Floor Coverings						\$4,000.00
	23.1	Carpet						
	23.2	Tile						
	23.3	VC, Welded, Vinyl				\$4,000.00		
24		Paint						\$75,000.00
	24.1	Exterior Paint						
	24.2	Interior Paint				\$75,000.00		
25		Cleanup						
26		Landscapping						
27		Contingency				\$50,000.00		\$50,000.00

Project Total

855,507

\$947,500.00

Increase

91,993

Appendix G: Projected Data Chart

PROJECTED DATA CHART

- ☐ Project Only
☐ Total Facility

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January 2022 (Month).

	Year 2022	Year 2023
A. Utilization Data		
Specify Unit of Measure <u>Inpatient Days</u>	<u>1,680</u>	<u>2,280</u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>\$ 7,500,000</u>	<u>\$ 10,500,000</u>
2. Outpatient Services	<u>\$ 35,000,000</u>	<u>\$ 55,000,000</u>
3. Emergency Services	<u>\$ 25,000,000</u>	<u>\$ 35,000,000</u>
4. Other Operating Revenue (Specify) _____	<u>\$ _____</u>	<u>\$ _____</u>
Gross Operating Revenue	<u>\$ 67,500,000</u>	<u>\$ 100,500,000</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>\$ 50,000,000</u>	<u>\$ 80,000,000</u>
2. Provision for Charity Care	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
3. Provisions for Bad Debt	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Total Deductions	<u>\$ 60,000,000</u>	<u>\$ 90,000,000</u>
NET OPERATING REVENUE	<u>\$ 7,500,000</u>	<u>\$ 10,500,000</u>
D. Operating Expenses		
1. Salaries and Wages		
a. Direct Patient Care	<u>\$ 3,000,000</u>	<u>\$ 4,321,500</u>
b. Non-Patient Care	<u>\$ 1,000,000</u>	<u>\$ 1,437,500</u>
2. Physician's Salaries and Wages	<u>\$ 1,900,000</u>	<u>\$ 1,900,000</u>
3. Supplies	<u>\$ 1,225,000</u>	<u>\$ 1,700,000</u>
4. Rent		
a. Paid to Affiliates	<u>_____</u>	<u>_____</u>
b. Paid to Non-Affiliates	<u>\$ 100</u>	<u>\$ 100</u>
5. Management Fees:		
a. Paid to Affiliates	<u>_____</u>	<u>_____</u>
b. Paid to Non-Affiliates	<u>_____</u>	<u>_____</u>
6. Other Operating Expenses (D6)	<u>\$ 300,000</u>	<u>\$ 400,000</u>
Total Operating Expenses	<u>\$ 7,425,000</u>	<u>\$ 9,750,100</u>
E. Earnings Before Interest, Taxes and Depreciation	<u>\$ 75,000</u>	<u>\$ 749,900</u>
F. Non-Operating Expenses		
1. Taxes	<u>\$ 0</u>	<u>\$ 150,000</u>
2. Depreciation	<u>\$ 160,000</u>	<u>\$ 200,000</u>
3. Interest	<u>\$ 0</u>	<u>\$ 0</u>
4. Other Non-Operating Expenses	<u>_____</u>	<u>_____</u>
Total Non-Operating Expenses	<u>\$ 160,000</u>	<u>\$ 350,000</u>
NET INCOME (LOSS)	<u>\$ (85,000)</u>	<u>\$ 399,900</u>

Chart Continues [Onto Next Page](#)



Appendix H: Supplemental Attestation Form

File name: AffadavitSupplemental.pdf

Document ID: 696F3800-4933-11EB-9C61-25096189FDCC

Status: Completed

Document History

2020-12-28 12:47:04 EST	Document signed by Ana Salazar IP: 107.23.206.220
2020-12-28 12:42:51 EST	Document signed by Kyle Kopeo (Kyle.kopeo@bradenhealth.com) IP: 69.137.15.170
2020-12-28 12:47:04 EST	eNotary signed by Ana Salazar IP: 107.23.206.220
2020-12-28 12:47:04 EST	Document delivered to Kyle Kopeo (Kyle.kopeo@bradenhealth.com) via email. IP: 107.23.206.220

Our Notarization Process

OnlineNotary.net is a Virginia Based Notarization firm. Following document has been notarized by us. The Commonwealth of Virginia signed into law SB 827 and HB 2318. These bills authorize and allow for approved, certified Virginia Notaries to legally notarize any signature within any US State by using audio-video capturing technology. We use highest standard Personal Identity Validation, UETA and ESIGN ACT during our notarization process and have fully vetted signers in this document. We also keep video recordings of each notarization in an event if needed by court of law. You may also scan the QR code on the right to validate this document instantly.



Appendix I: Project Cost Chart

PROJECT COST CHART

A. Construction and equipment acquired by purchase:		
1.	Architectural and Engineering Fees	<u>0</u>
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	<u>0</u>
3.	Acquisition of Site	<u>0</u>
4.	Preparation of Site	<u>0</u>
5.	Total Construction Costs	<u>947,500.00</u>
6.	Contingency Fund	<u>0</u>
7.	Fixed Equipment (Not included in Construction Contract)	<u>0</u>
8.	Moveable Equipment (List all equipment over \$50,000 as separate attachments)	<u>0</u>
9.	Other (Specify) _____	_____
B. Acquisition by gift, donation, or lease:		
1.	Facility (inclusive of building and land)	<u>100</u>
2.	Building only	_____
3.	Land only	_____
4.	Equipment (Specify) _____	_____
5.	Other (Specify) _____	_____
C. Financing Costs and Fees:		
1.	Interim Financing	_____
2.	Underwriting Costs	_____
3.	Reserve for One Year's Debt Service	_____
4.	Other (Specify) _____	_____
D.	Estimated Project Cost (A+B+C)	<u>\$947,600.00</u>
E.	CON Filing Fee	<u>\$15,000</u>
F.	Total Estimated Project Cost (D+E)	<u>\$962,600.00</u>
	TOTAL	<u>\$962,600.00</u>

Appendix J: CFO Statement

BradenHealth

December 28th, 2020

To Whom it May Concern:

Braden Health, Inc. a North Carolina for-profit corporation, will sponsor Haywood County Community Hospital, Inc. and will provide excess cash reserves from its other operations within Braden Health as the hospital goes through its startup period. Braden Health, Inc. currently has set aside as of November 30, 2020, in a bank account at First Citizens Bank approximately \$3,351,000 as well as has a letter of credit in excess of \$3 million which can be used and drawn upon if needed for property and equipment for equipping the proposed Brownsville hospital. Braden Health has estimated a cash flow projection whereby also using excess cash generated from its existing Tennessee Hospital for the first two to three years depending upon patient volumes, should also assist if needed with cash flows as there will be a period of capital investments needed and a delay in billing as well as building a steady patient volume for the hospital. We can provide copies of financial information for Braden Health, Inc. on a consolidated level including descriptions of cash reserves for this project which the corporation has been saving for as well if that would be of assistance to the State of Tennessee in review of the CON application.

Sincerely,



Brooks Braden
Chief Financial Officer
BradenHealth

Appendix K: Acute Care Beds

Standards and Criteria

1. Determination of Need: The following methodology should be used and the need for hospital beds should be projected four years into the future from the current year.

Using the latest utilization and patient origin data from the Joint Annual Report of Hospitals and the most current populations projection series from the Department of Health, both by county, calculate need based on the following:

Step 1

Determine the current Average Daily Census (ADC) in each county,

ADC for Haywood County: 0

The screenshot shows the Tennessee Department of Health website's Joint Annual Report (JAR) Search page. The sidebar on the left includes links for Public Jars, Health Statistics Home, Health Data, Related Topics, Joint Annual Reports, HIT: Interactive Health Data Search, Glossary of Terms, and More. The main content area is titled 'Joint Annual Report (JAR) Search' and 'Select the Type of Report'. It features three radio button options: 'Summary Report [Hospital Only]', 'Individual Facility Report' (which is selected), and 'MasterFile'. Below these are two dropdown menus for 'Select Facility Type' (set to 'Hospitals') and 'Year' (set to 'Current'). A 'Select the County' dropdown is set to 'Haywood'. A red rectangular box highlights the 'Individual Facility' section, which contains a message: 'There are no facilities in this county.' Below this, a note states 'Provisional reports are subject to change.' and a 'Display Report' button is visible.

Step 2

To determine the service area population (SAP) in both the current and projected year(s):

1. Begin with a list of all the hospital discharges in the state, separated by county, and showing the discharges both by county where the patient actually lives (resident discharges), and the county in which the patient received medical treatment.
2. For the county in which the hospital is (or would be) located (service county), determine which other counties have patients who are treated in your county (resident counties). Treat all of the discharges from another state as if that whole state were a single resident county. The total discharges of residents from another state should be calculated from state populations estimates and the latest National Center for Health Statistics southeastern discharge rates.
3. For each resident county, determine what percent of their total resident discharges are discharged from a hospital in the proposed/existing service county (if less than one percent, disregard).

0%

4. For each resident county, apply the percentage determined above to the county's population (both projected and current). Add together the resulting numbers for all the resident counties and add that sum to the projected and current population of your service county. This will give you the service area population (SAP).

Step 3

Determine projected Average Daily Census as:

Projected ADC=Current ADC X (Projected SAP/Current SAP)

Disregarded because current ADC is less than 1%

Step 4

Calculate Projected Bed Need for each county as:

Projected Need=Projected ADC +2.33 X (Square Root of Projected ADC)

However, if projected occupancy:

Projected Occupancy: Projected ADC X 100 Projected Need

Projected ADC = 0% so projected Occupancy is 0%

If greater than 80 percent, then calculate projected need:

Projected Need = Projected ADC .8

a. New hospital beds can be approved in excess of the “need standard for a county” if the following criteria are met:

i. All existing hospitals in the proposed service area have an occupancy level greater than or equal to 80 percent for the most recent Joint Annual Report. Occupancy should be based on the number of staffed beds for two consecutive years.

There are currently no staffed beds and no data exists for the Joint Annual Report.

TN Department of Health

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Related Topics
[Joint Annual Reports](#)
[HIT: Interactive Health Data Search](#)
[Glossary of Terms](#)
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Joint Annual Report (JAR) Search

Select the Type of Report

* The Joint Annual Report is comprised of data that is self-reported by each individual facility. All facilities are urged to review and submit accurate data. Facilities that do not comply with the regulations governing annual reporting, set forth by the Board of Health Care Facilities Licensing, will be subject to the issuance of deficiency.

☐ Summary Report [Hospital Only]
☒ Individual Facility Report
☐ MasterFile

Select Facility Type

Hospitals

Year

Current

Select the County

Haywood

Individual Facility

There are no facilities in this county.▼

Provisional reports are subject to change.

[Display Report](#)

1. In order to provide adequate information for a comprehensive review, the applicant should utilize data from the Joint Annual report to provide information on the total number of licensed and staffed beds in the proposed service area. Applicants should provide an explanation to justify any differences in staffed and licensed beds in the applicant's facility or facilities. The agency board should take into consideration the ability of the applicant to staff existing unstaffed licensed beds prior to approving the application for additional beds.

There are no unstaffed licensed beds prior to approving the application for additional beds.

The following table should be utilized to demonstrate bed capacity for the most recent year.

Total Beds

Total Licensed Beds	Staffed beds set up and in use on a typical day	Licensed beds not staffed	Licensed beds that could not be used within 24-48 hours
0	0	0	0

ii. All outstanding CON projects for new acute care beds in the proposed service area are licensed.

iii. The Health Services and Development Agency may give special consideration to applications for additional acute care beds by an existing hospital that demonstrates (1) annual inpatient occupancy for the twelve (12) months preceding the application of 80 percent or greater of licensed beds and (2) that the addition of beds without a certificate of need as authorized by statute will be inadequate to reduce the projected occupancy of the hospital's acute care beds to less than 80 percent of licensed bed capacity.

b. In accordance with Tennessee Code Annotated 68-11-14607 (g), "no more frequently than one time every three years, a hospital, rehabilitation facility, or mental health hospital may increase its total number of licensed beds in any category by ten percent or less of its licensed capacity at any one campus over any period of one year for any services it purposes it is licensed to perform without obtaining a certificate of need". These licensed beds that were added without a certificate of need should be considered as part of the determination of need formula by the agency.

5

i. Applicants should include information on any beds that have been previously added utilizing this statute.

c. Applicants applying for acute care beds in service area counties where there is no hospital, and thus no bed occupancy rate numbers to provide for the need formula, should provide any relevant data that supports its claim that there is a need for acute care beds in the county or counties. Data may include, for example, the number of residents of the county or counties who over the previous 24 months have accessed acute care bed services in other counties.

- All criteria for the need of a hospital in Haywood County is met, according to the specifications stated on "Criteria and Standards."

- Haywood county does not have a Hospital to service acute care (Inpatient) needs for its habitants. This has been the case for at least 6 years.
- During 2019 there were 1,976 cases of hospitalizations of Haywood residents, required being drove or flown to another County or State.
- Annex XX contains a table with the distance (miles) and time (trip time), that every Haywood resident had to take while being hospitalized in another county or State. Here the top 10 destinations.

Patient Residence	Hospital that provided Inpatient Service	# of events	Hosp-County	State	Dist-Miles	Time-Min
Haywood	Jackson-Madison County General Hospital	1263	MADISON	TN	28.2	31
Haywood	Baptist Memorial Hospital-Memphis	116	SHELBY	TN	53.5	55
Haywood	OUT OF STATE	114				
Haywood	Lakeside Behavioral Health System	55	SHELBY	TN	44.7	49
Haywood	Saint Francis Hospital-Bartlett	45	SHELBY	TN	45.7	49
Haywood	Baptist Memorial Hospital-Tipton	43	TIPTON	TN	27	37
Haywood	West Tennessee Healthcare Rehabilitation Hospital	42	MADISON	TN	26.4	30
Haywood	Vanderbilt University Medical Center	41	DAVIDSON	TN	156	154
Haywood	Regional One Health	39	SHELBY	TN	60.6	65
Haywood	Le Bonheur Children's Hospital	32	SHELBY	TN	60.5	64

2. Quality Considerations: Applicants should utilize Centers for Disease Control & Prevention's (CDC) National Healthcare Safety Network (NHSN) measures. Applicants must provide data from the most recent four quarters utilizing the baseline established by the NHSN within the dataset.

Data Source: Hospital Compare <https://www.medicare.gov/hospitalcompare/search.html?>

Applicants should utilize the following table to demonstrate the quality of care provided at the existing facility.

6

Centers for Disease Control & Prevention's (CDC) National Healthcare Safety Network (NHSN) Measures

Measure	Source	National Benchmark	Hospital Standardized Infection Ratio (SIR)	Hospital Evaluation (above, at, or below national benchmark)
Catheter associated urinary tract infection (CAUTI)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	N/A	N/A
Central line associated blood stream infection (CLABSI)	Hospital Compare: Complications & Deaths – Healthcare-	Standardized infection ratio (SIR) national benchmark = 1.	N/A	N/A

	associated infections			
Methicillin resistant staphylococcus aureus (MRSA)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	N/A	N/A
Clostridium difficile (C.diff.)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	N/A	N/A

Surgical Site Infections (SSI)

SSI: Colon	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.
------------	---	--

7

SSI: Hysterectomy	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	N/A	N/A
		National Average	Tennessee Average	Hospital Percentage
Healthcare work influenza vaccinations	Hospital Compare: Timely & Effective Care – Preventive Care		N/A	N/A

Applicants should provide the above metrics and any improvement plans that are in place to improve the hospital's performance on these metrics.

In addition to the above metrics, the applicant should list, or briefly summarize, any significant quality accreditations, certifications, or recognitions that might be appropriate for Agency consideration (i.e. Joint Commission, TDH/BLHCF survey results, CMS standing, and/or clinical quality awards).

We plan on getting DNV GL Accreditation for the Hospital.

The above metrics should serve as a guide for the Agency to better understand the quality of care that is provided by the applicant at the existing facility. National and state averages serve as an indicator by which the board may evaluate the applicant.

Henderson County Community Hospital is currently accredited by the Joint Commission and we are in the process of converting our accreditation to DNV GL.

Note: In the event quality data is unavailable for an applicant's existing facility, the applicant should provide data from a comparable, existing facility owned by the applicant. If no comparable data is available, the absence of such information should not disadvantage the applicant over another with available quality data.

Below is information from out other owned hospital in Tennessee. In all areas below Henderson County Community Hospital is either consistent with the national average or better for the below quality metrics.

Infections

Healthcare-associated infections, or HAIs, are infections that people get while they're getting treatment for another condition in a healthc... [Read more](#)

Central line-associated bloodstream infections (CLABSI) in ICUs and select wards

↓ Lower numbers are better

Not available ¹³

National benchmark: 1.000

Catheter-associated urinary tract infections (CAUTI) in ICUs and select wards

↓ Lower numbers are better

Not available ¹³

National benchmark: 1.000

Surgical site infections (SSI) from colon surgery

↓ Lower numbers are better

Not available ¹²

National benchmark: 1.000

Surgical site infections (SSI) from abdominal hysterectomy

↓ Lower numbers are better

Not available ¹²

National benchmark: 1.000

Methicillin-resistant Staphylococcus Aureus (MRSA) blood infections

↓ Lower numbers are better

Not available ¹³

National benchmark: 1.000

Clostridium difficile (C.diff.) intestinal infections

↓ Lower numbers are better

Not available ¹³

National benchmark: 1.000

Sepsis care

Sepsis is a complication that occurs when your body has an extreme response to an infection. It causes damage to organs in the body and can... [Read more](#)

Percentage of patients who received appropriate care for severe sepsis and septic shock

↑ Higher percentages are better

82%
of 11 patients

National average: 60%

Tennessee average: 58%

Emergency department care

Timely and effective care in hospital emergency departments is essential for good patient outcomes. Delays before getting care in the emerg... [Read more](#)

Percentage of patients who left the emergency department before being seen ↓ Lower percentages are better	1% of 10888 patients National average: 2% Tennessee average: 1%
Emergency department volume	Low 0 – 19,999 patients annually
Average (median) time patients spent in the emergency department, after the doctor decided to admit them as an inpatient before leaving the emergency department for their inpatient room ↓ A lower number of minutes is better	55 minutes Other Low volume hospitals: Nation: 62 minutes 25,26 Tennessee: 60 minutes 25,26 Number of included patients: 322
Average (median) time patients spent in the emergency department before leaving from the visit ↓ A lower number of minutes is better	81 minutes Other Low volume hospitals: Nation: 113 minutes 25,26 Tennessee: 113 minutes 25,26 Number of included patients: 376

Overall

Rate of readmission after discharge from hospital (hospital-wide)	15.8% No different than the national rate National result: 15.6% Number of included patients: 118
--	---

By medical condition

Chronic obstructive pulmonary disease (COPD)

Rate of readmission for chronic obstructive pulmonary disease (COPD) patients	19.2% No different than the national rate National result: 19.6% Number of included patients: 55
--	--

Heart failure

Rate of readmission for heart failure patients

22%

No different than the national rate

National result: 21.9%

Number of included patients: 43

Pneumonia

Rate of readmission for pneumonia patients

15.9%

No different than the national rate

National result: 16.6%

Number of included patients: 71

3. Establishment of Service Area: The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant.

We believe that given the distance below, the number of cases and the population of the area that it is reasonable for Haywood County to reopen the closed hospital.

Patient Residence	Hospital that provided Inpatient Service	# of events	Hosp-County	State	Dist-Miles	Time-Min
Haywood	Jackson-Madison County General Hospital	1263	MADISON	TN	28.2	31
Haywood	Baptist Memorial Hospital-Memphis	116	SHELBY	TN	53.5	55
Haywood	OUT OF STATE	114				
Haywood	Lakeside Behavioral Health System	55	SHELBY	TN	44.7	49
Haywood	Saint Francis Hospital-Bartlett	45	SHELBY	TN	45.7	49
Haywood	Baptist Memorial Hospital-Tipton	43	TIPTON	TN	27	37
Haywood	West Tennessee Healthcare Rehabilitation Hospital	42	MADISON	TN	26.4	30
Haywood	Vanderbilt University Medical Center	41	DAVIDSON	TN	156	154
Haywood	Regional One Health	39	SHELBY	TN	60.6	65
Haywood	Le Bonheur Children's Hospital	32	SHELBY	TN	60.5	64

4. Relationship to Existing Similar Services in the Area: The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall include the likely impact of the proposed increase in acute care beds on existing providers in the proposed service area and shall include how the applicant's services may differ from these existing services. The agency should consider if the approval of additional beds in the service area will result in unnecessary, costly duplication of services. This is applicable to all service areas, rural and others.

The following tables should be utilized to demonstrate existing services in the proposed service area.

Facility	County	2020 Licensed Beds	Patient Days			Licensed Occupancy			% Change in Patient Days
			2018	2019	2020	2018	2019	2020	
N/A	Haywood County	0	0	0	0	0	0	0	0

Facility	County	2020 Staffed Beds	Patient Days			Staffed Occupancy			% Change in Patient Days
			2018	2019	2020	2018	2019	2020	
N/A	Haywood County	0	0	0	0	0	0	0	0

5. Services to High-Need and Underserved Populations: Special consideration shall be given to applicants providing services fulfilling the unique needs and requirements

Rural: Additional acute care beds should only be approved in a rural service area if the applicant can adequately demonstrate the proposed facility will not have a significant negative impact on existing rural facilities that draw patients from the proposed service area.

Please see main application

6. Relationship to Existing Applicable Plans; Underserved Area and Population:

The proposal's relationship to underserved geographic areas and underserved population groups shall be a significant consideration.

7. Access: The applicant must demonstrate an ability and willingness to serve equally all of the service area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is a limited access in the proposed service area.

We have the ability and willingness to serve equally all of the service area.

8. Adequate Staffing: An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed service area.

We have recruited and built a staff at other facilities and believe we have the ability to do it here at Haywood County.

9. Assurance of Resources: The applicant shall document that it will provide the resources necessary to properly support the applicable level of services. Included in such documentation shall be a letter of support from the applicant's governing board of directors, Chief Executive Officer, or Chief Financial Officer documenting the full commitment of the applicant to develop and maintain the facility resources, equipment, and staffing to provide the appropriate services. The applicant shall also document the financial costs of maintaining these resources and its ability to sustain them.

Please see main application

10. Data Requirements: Applicants shall agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

Please see main application

11. Quality Control and Monitoring: The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system.

Please see main application

Rationale: This section supports the State Health Plan's Fourth Principle for Achieving Better Health regarding quality of care.

12. Licensure and Quality Considerations: Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH. The applicant shall also demonstrate its accreditation status with the Joint Commission or other applicable accrediting agency.

Please see main application

13. Community Linkage Plan: The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care.

Please see main application

Rationale: The 2014 Update to the State Health Plan moved from a primary emphasis of health care to an emphasis on "health protection and promotion". The development of primary prevention initiatives for the community advances the mission of the current State Health Plan.

Please see main application

1. Section A, Executive Summary, Item 3.B., Rationale for Approval

Your response is noted. However, as requested, submit a replacement page 3 that includes your response for #4 Orderly Development of Adequate and Effective Health Care. At the bottom of page 3, please note 3R.

Answer: Please see Appendix 3R

2. Section A, Executive Summary, Item 3.B., Rationale for Approval

It appears the applicant repeated the quality standard response for the orderly development response under “Rationale for Approval” on page 3. Please provide a response for #4 Orderly Development of Adequate and Effective Health Care and submit a replacement page 3.

Answer: Please see Appendix 3R

3. Section A, Item 4, Owner of the Facility, Page 6

It is noted the applicant corrected section 6.A. As requested in Supplemental #1, please submit a replacement page 6 (labeled as 6R) with the corrected information.

Answer: Please See Appendix B Project Details

4. Section A, Item 5 Management Company, Page 6

Please provide a response to Item #5 and provide a replacement page 6 (labeled as 6R). If there is no management /operating entity, please respond with a “N/A”.

Answer: Please See Appendix B Project Details

5. Section A, Project Details, Item 8, Purpose of Review

The Letter of Intent submitted did not include the initiation of MRI services. Please remove Item E. Initiation of MRI under Item # 8 Purpose of Review and submit a replacement page 9 (labeled as 9R).

Answer: Please See Appendix C: Legal interest in the site

6. Section A, Project Details, Item 9

Please check all MCO contracts with which the applicant will apply and submit a replacement page 9 (labeled as 9R).

Answer: Please See Appendix C: Legal interest in the site

7. Section A, Executive Summary, Item 12, Square Footage and Cost Per Square Footage Chart

The corrected square footage and cost per square footage chart is noted. However, as requested in Supplemental #1, please correct and submit a replacement page 12 (labeled as 12R).

Answer: Please see Appendix E: 12R

8. Section B, Need, Item 1, Service Specific Criteria (Acute Care Beds)

The acute care bed specific criteria is noted. However, the applicant did not adequately address items 5-13 of the acute bed specific criteria. Stating “please see main application” is not an adequate response. Please address and submit.

Answer: Please see Appendix K

9. Section B, Need, Item 3, Page 16

It is noted the applicant projects 25% of Year One admissions will be from Haywood County. Please complete the following chart showing admission by county in Year One.

Counties	Year One (2022)	% of admissions
Haywood	210	25%
Madison	420	50%
Shelby	134	16%
Out of State	59	7%
Other (total of counties with admissions representing less than 3% each)	17	2%
Total	840	100%

Section B, Need, Item 4.A.2

The population table on page 18 is noted. Please revise using 2021-2025 population projections and submit a replacement page 18 (labeled as 18R).

Answer: Please see Appendix 18R

10. Section B. Economic Feasibility Item 1. Project Cost Chart

Please address the following and submit a revised (replacement) Project Cost Chart:

- *For fixed and moveable equipment categories, the cost of any equipment lease should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. It appears the fair market value of fixed and moveable equipment is higher than the lease cost of \$100.00. Please correct.*

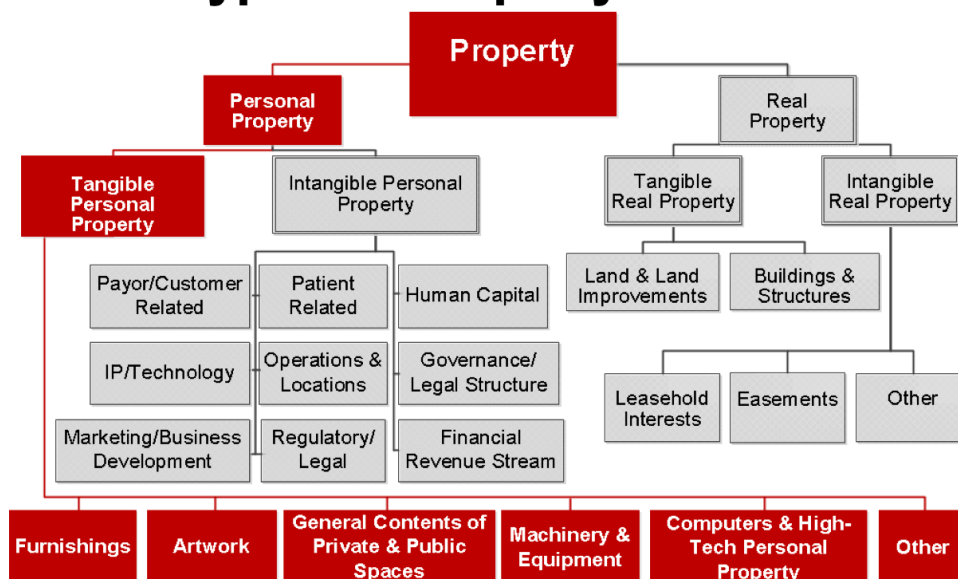
- **Answer:** The lease value or cost of the lease included in the proforma financial information consists of the lease price of \$100.00 offered to Braden Health, Inc. by Haywood County to assist with opening the hospital. This lease price for the existing building (structure) and the land is one of the items which makes this hospital project viable at its currently planned smaller-scaled hospital model. The fixed and moveable equipment categories do not include the lease price other than a present value factor of the smaller lease to own value as a capital lease (this is less than \$1,000 in the building value included in the totals). The values included for property and equipment in these schedules do not include any leases for equipment or furnishings or fixtures that Braden Health, Inc. will be purchasing for the hospital. Braden Health, Inc. does not plan on leasing equipment but rather purchasing equipment from existing vendors and does not plan to utilize financing arrangements such as leases, loans, or notes to finance the equipment needs in the initial years of operation of Haywood County Community Hospital.
- *The lease cost of \$100.00 is noted. However, the cost of any facility lease should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. It appears the fair market value of the property is greater. According to the State of Tennessee, Comptroller of the Treasury (see below), the real property's total market appraised value is \$1,106,200. Please correct.*

Answer: This value can be included in both property and lease (debt) if needed; however, Braden Health, Inc. will only be paying under the agreement with the County, the \$100 per year for ten years and so these amounts were all that were included in the proforma financial information. If requested by the State of Tennessee, we can consider just “grossing up” the building and the long-term debt (liabilities) for these amounts. This would not change the income statement. BradenHealth feels this practice is poor accounting and not how this would go into other forms or reports, but we could do this if this is easier for Tennessee. The gold standard in fair market healthcare valuation is to tie the value of the real property to the healthcare facility itself, otherwise called an income approach. Since healthcare real property valuation is cash flow driven and this is a closed hospital, our fair market valuation.

Below is a diagram from the American Society of Appraisers Healthcare Special Interest Group out the Personal Property from the Real Property. When providing a fair market valuation of the property we follow the American Society of Appraisers guidelines of valuing real property in terms of the cash flow, which in the case of a closed hospital is \$0:

American Society of Appraisers Healthcare Special Interest Group's (ASA HSIG)
Multidisciplinary Advanced Education in Healthcare Valuation Program

Types of Property/Assets



© HEALTH CAPITAL CONSULTANTS

11. Section B. Economic Feasibility Item 4. Projected Data Chart

Please address the following and submit a replacement Projected Data Chart.

It is noted in Year One of the Projected Data Chart, there is a Net Loss of (\$85,000) on the first page of the Projected Data Chart. However, the carryover income loss amount on page 2 is (\$185,000). See below. Please correct.

Answer: Please see Appendix A: Project data chart.

There are calculation errors in the Projected Data Chart. Please correct.

Answer: Please see Appendix A: Project data chart.

The pilot lease references capital investments totaling \$6,000,00. Where are these investments accounted for in the Projected Data Chart? Please be specific.

Answer: The majority of these items will be purchased over the lease term as part of the agreement from the County. There is a requirement to purchase or invest \$6,000,000 into the facility; however, a significant portion of this investment will be purchased in newer equipment and facility upgrades after the first three years of operations based on a review of the cash flows and affordability. The initial investments are planned for approximately \$947,000 in building renovations and to update electrical equipment, etc. plus an additional approximately \$650,000 in new equipment and an IT network upgrade. There are hospital bed purchases to be made for a minor amount of rooms, and some equipment will be shared between Braden Health, Inc.'s other Tennessee hospital located in Lexington, Tennessee, as this hospital starts up operations. Each year the hospital

will plan on investing over \$200,000 in replacement equipment needs or minor upgrades in addition. The \$200,000 is included in annual capital expenditure each year in the projected data chart. The initial investment amount is not included in the annual amounts as it would be done in 2021; however, it is included in depreciation expense as these items depreciate over time.

Braden Health, Inc. anticipates that as patient volumes increase in years three to five, which are not included in the data above, approximately \$2 million of initial additional investments will be needed in additional upgraded equipment and some facilities facelift work. Much of the information technology costs are also minimal as the hospital will utilize Braden Health, Inc.'s existing medical record (EMR) and patient accounting systems as well as other IT systems, which are paid for primarily on a month-to-month service contract through Braden Health, Inc. and are relatively minimal due to the shared network. These costs are included in the other operating expense amounts above.

12. Section B. Economic Feasibility Item 7. Payor Mix Chart

The payor mix chart for the proposed project is noted. However, please complete the charity care line of the chart and submit a replacement page 32 (labeled as 32R). The charity amount should match the amount in the projected data chart that total \$5,000,000.

Answer: Please see Appendix: 32R

7. Section B. Economic Feasibility, Item 8, Staffing

The staffing chart on page 33 indicating 46 nursing staff, 10 providers, and 16 ancillary staff in Year One is noted. What type of staff are included in each category? Please complete the following chart.

Answer:

Direct Patient Care Positions	
Nurse Practitioners	6
RNs	26
LPNs	10
Medical Assistants	10
Surgical Techs	2
Radiological Techs	4
Other	14
Total Direct Care	72

8. Notification Requirement

Please provide documentation in the form of a return receipt documenting that the required notification was received by the chief executive officer of the county or municipality of the filing. T.C.A §68-11-1607(c)(9)(B)

states that "... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested."

Answer: Please See Appendix D: T.C.A.

9. Affidavit x 3

a. Answer: Please See Appendix Affidavit

Appendix A: Project data chart

☐ Project Only
☒ Total Facility

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January 2022 (Month).

	<u>Year 2022</u>	<u>Year 2023</u>
A. Utilization Data		
Specify Unit of Measure <u>Inpatient Days</u>	<u>1,680</u>	<u>2,280</u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>\$ 7,500,000</u>	<u>\$ 10,500,000</u>
2. Outpatient Services	<u>\$ 35,000,000</u>	<u>\$ 55,000,000</u>
3. Emergency Services	<u>\$ 25,000,000</u>	<u>\$ 35,000,000</u>
4. Other Operating Revenue (Specify) _____	<u>\$ _____</u>	<u>\$ _____</u>
Gross Operating Revenue	<u>\$ 67,500,000</u>	<u>\$ 100,500,000</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>\$ 50,000,000</u>	<u>\$ 80,000,000</u>
2. Provision for Charity Care	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
3. Provisions for Bad Debt	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Total Deductions	<u>\$ 60,000,000</u>	<u>\$ 90,000,000</u>
NET OPERATING REVENUE	<u>\$ 7,500,000</u>	<u>\$ 10,500,000</u>
D. Operating Expenses		
1. Salaries and Wages		
a. Direct Patient Care	<u>\$3,000,000</u>	<u>\$4,321,500</u>
b. Non-Patient Care	<u>\$1,000,000</u>	<u>\$1,437,500</u>
2. Physician's Salaries and Wages	<u>\$1,900,000</u>	<u>\$1,900,000</u>
3. Supplies	<u>\$1,225,000</u>	<u>\$1,700,000</u>
4. Rent		
a. Paid to Affiliates	<u>_____</u>	<u>_____</u>
b. Paid to Non-Affiliates	<u>\$100</u>	<u>\$100</u>
5. Management Fees:		
a. Paid to Affiliates	<u>_____</u>	<u>_____</u>
b. Paid to Non-Affiliates	<u>_____</u>	<u>_____</u>
6. Other Operating Expenses (D6)	<u>\$300,000</u>	<u>\$400,000</u>
Total Operating Expenses	<u>\$ 7,425,100</u>	<u>\$ 9,759,100</u>
E. Earnings Before Interest, Taxes and Depreciation	<u>\$ 74,900</u>	<u>\$ 740,900</u>
F. Non-Operating Expenses		
1. Taxes	<u>\$ 0</u>	<u>\$ 150,000</u>

2.	Depreciation	\$160,000	200,000
3.	Interest	<u>\$0</u>	<u>\$0</u>
4.	Other Non-Operating Expenses		
	Total Non-Operating Expenses	<u>\$ 160,000</u>	<u>\$ 350,000</u>
	NET INCOME (LOSS)	<u>\$ (85,100)</u>	<u>\$ 390,900</u>

Chart Continues Onto Next Page

	NET INCOME (LOSS)	<u>\$ (85,100)</u>	<u>\$ 390,900</u>
G.	Other Deductions		
1.	Estimated Annual Principal Debt Repayment	<u>\$ 0</u>	<u>\$ 0</u>
2.	Annual Capital Expenditure	<u>\$200,000</u>	<u>\$200,000</u>
	Total Other Deductions	<u>\$ 200,000</u>	<u>\$ 200,000</u>
	NET BALANCE	<u>\$ (285,100)</u>	<u>\$ 390,900</u>
	DEPRECIATION	<u>\$ 160,000</u>	<u>\$ 200,000</u>
	FREE CASH FLOW (Net Balance + Depreciation)	<u>\$ (125,100)</u>	<u>\$ 790,900</u>

Appendix B: Project Details

4. **PROJECT DETAILS**

A. **Owner of the Facility. Agency or Institution**

Industrial Development Board of the city of Brownsville
and County of Haywood.

(731) 968-3646
Phone Number

Name
2545 North Washington Avenue
Street or Route
Brownsville
City

Haywood

County

TN

State

38012
Zip Code

B. **Type of Ownership of Control (Check One)**

- | | | | |
|---------------------------------|-------|--|----------|
| 1) Sole Proprietorship | _____ | 6) Government (State of TN or Political Subdivision) | <u>X</u> |
| 2) Partnership | _____ | 7) Joint Venture | _____ |
| 3) Limited Partnership | _____ | 8) Limited Liability Company | _____ |
| 4) Corporation (For Profit) | _____ | 9) Other (Specify)_____ | _____ |
| 5) Corporation (Not-for-Profit) | _____ | | |

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's web-site at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. **Attachment Section A-4AB.**

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

5. **Name of Management/Operating Entity (If Applicable)**

Name: N/A

Street or Route

County

City

State

Zip Code

Website address: _____

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. **Attachment Section A-5.**

6R

Appendix C: Legal interest in the site 9R

6A. **Legal Interest in the Site**

(Check the appropriate line and submit the following documentation)

The legal interest described below must be valid on the date of the Agency consideration of the certificate of need application.

- ☐ **Ownership** (Applicant or applicant's parent company/owner)
Submit a copy of the title/deed.
- ☒ **Lease** (Applicant or applicant's parent company/owner)
Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- ☒ **Option to Purchase**
Attach a fully executed Option that includes the anticipated purchase price
- ☐ **Option to Lease**
Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense
- ☐ **Other** (Specify)

Check appropriate line above: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements **must include** anticipated purchase price. Lease/Option to Lease Agreements **must include** the actual/anticipated term of the agreement **and** actual/anticipated lease expense. The legal interests described herein **must be valid** on the date of the Agency's consideration of the certificate of need application.

Attachment Section A-6A

6B. Briefly describe the following and attach the requested documentation on an 8 ½" x 11" sheet of white paper, legibly labeling all requested information.

- 1) Plot Plan **must include**:
 - a) Size of site (***in acres***);
 - b) Location of structure on the site;
 - c) Location of the proposed construction/renovation; and
 - d) Names of streets, roads or highway that cross or border the site.

- 2) Floor Plan – If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page.
- a) Patient care rooms (private or semi-private)
 - b) Ancillary areas
 - c) Equipment areas
 - d) Other (specify)
- 3) Public Transportation Route - Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Attachment Section A-6B-1 a-d, 6B-2, 6B-3. – Please see Attachments

7. Type of Institution (Check as appropriate--more than one response may apply)

- | | | | |
|--|----------|--|-------|
| A. Hospital (Specify) <u>Acute Care</u> | <u>X</u> | H. Nursing Home | _____ |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty | - | I. Outpatient Diagnostic Center | _____ |
| C. ASTC, Single Specialty | - | J. Rehabilitation Facility Residential | _____ |
| D. Home Health Agency | - | K. Hospice Nonresidential | _____ |
| E. Hospice | - | L. Substitution- Based Treatment Center for Opiate Addiction | _____ |
| F. Mental Health Hospital | - | Other (Specify) _____ | _____ |
| G. Intellectual Disability Institutional Habilitation Facility ICF/IID | - | M. _____ | _____ |

8. Purpose of Review (Check appropriate lines(s) – more than one response may apply)

- | | | | |
|--|-------|--|-------|
| A. Establish New Health Care Institution - <u>X</u> | - | G. MRI Unit Increase | _____ |
| B. Change in Bed Complement | - | H. Satellite Emergency Department | _____ |
| C. Initiation of Health Care Service as Defined in TCA 68- 11- 1607(4) (Specify) _____ | _____ | I. Addition of ASTC Specialty | _____ |
| D. Relocation and/or Replacement | _____ | J. Addition of Therapeutic Catheterization | _____ |
| E. Initiation of MRI | _____ | K. Other (Specify) _____ | _____ |
| F. Initiation of Pediatric MRI | _____ | | |

9. Medicaid/TennCare, Medicare Participation

MCO Contracts [Check all that apply] _____

X AmeriGroup X United Healthcare Community Plan X BlueCare X TennCare Select

Medicare Provider Number N/A

Medicaid Provider Number N/A

Certification Type N/A

If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?

Medicare X Yes ___ No ___ N/A Medicaid/TennCare X Yes ___ No ___ N/A

Appendix: 32R

7. Discuss the project's participation in state and federal revenue programs, including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below. Complete Project Only Chart and Total Facility Chart, if applicable.

Applicant's Projected
Payor Mix, Year 1
Project Only Chart

Payor Source	Projected Gross Operating Revenue	As a % of total
Medicare/Medicare Managed Care	\$32,400,000	48%
TennCare/Medicaid	\$3,375,000	5%
Commercial/Other Managed Care	\$27,000,000	40%
Self-Pay	\$4,725,000	7%
Other (Specify) _____		
Total*	\$67,500,000	100%
Charity Care	\$5,000,000	

**Needs to match Gross Operating Revenue Year One on Projected Data Chart*

Applicant's Projected
Payor Mix, Year 1
Total Facility Chart

Payor Source	Projected Gross Operating Revenue	As a % of total
Medicare/Medicare Managed Care	\$32,400,000	48%
TennCare/Medicaid	\$3,375,000	5%
Commercial/Other Managed Care	\$27,000,000	40%
Self-Pay	\$4,725,000	7%
Other (Specify) _____		
Total*	\$67,500,000	100%
Charity Care	\$5,000,000	

**Needs to match Gross Operating Revenue Year One on Projected Data Chart*

32R

Inbound Message: +1 (731) 443-2448

Yes, the application for the CON was received.

Please forward this as confirmation.

David Livingston

Haywood County

Mayor.

Monday, December 28, 2020 at 11:40:21 Eastern Standard Time

United States Postal Service:

Your item was delivered at 10:42 am on December 14, 2020 in BROWNSVILLE, TN 38012. The item was signed for by M B.

1. Additional Information

Your item was delivered at 10:42 am on December 14, 2020 in BROWNSVILLE, TN 38012. The item was signed for by M B.

2. [Get Text and Email Updates](#)

Tracking History

December 14, 2020

10:42 am

Delivered,
BROWNSVILLE, TN 38012

December 12, 2020

9:59 am

Delivery Attempted - No Access to Delivery Location,
BROWNSVILLE, TN 38012

Subject: Re: CON Application Haywood County Community Hospital

Date: From: To:

Wednesday, December 9, 2020 at 11:54:18 AM Eastern Standard Time livingstondml@aol.com
Kyle Kopec

Thanks

Sent via the Samsung Galaxy S8 Ac.ve, an AT&T 5G Evolu.on capable smartphone

----- Original message -----

From: Kyle Kopec <Kyle.Kopec@bradenhealth.com>

Date: 12/9/20 10:49 (GMT-06:00)

To: David Livingston <dlivingston@brownsville.tn.gov>, livingstondml@aol.com Subject: Re: CON Application Haywood County Community Hospital

Monday, December 28, 2020 at 11:39:56 Eastern Standard Time

Subject: RE: CON Applica.on Haywood County Community Hospital

Date: From: To:

Tuesday, December 8, 2020 at 7:07:23 PM Eastern Standard Time Michael Banks
Kyle Kopec, Prince, David, David Livingston, livingstondml@aol.com

I have received the CON package.

Michael J. Banks
Banks Law Firm, P.A.
108 South Washington Ave . Brownsville, TN 38012 Office 731-772-5300

Your message

To: Michael Banks
Subject: CON Application Haywood County Community Hospital
Sent: Monday, December 07, 2020 7:31:12 PM (UTC-06:00) Central Time (US & Canada)

was read on Tuesday, December 08, 2020 7:02:44 AM (UTC-06:00) Central Time (US & Canada).

Your message

To: Prince, David
Subject: CON Application Haywood County Community Hospital
Sent: Monday, December 7, 2020 7:31:12 PM (UTC-06:00) Central Time (US & Canada)

was read on Monday, December 7, 2020 7:59:07 PM (UTC-06:00) Central Time (US & Canada).

Monday, December 28, 2020 at 11:37:19 Eastern Standard Time

Subject: Date:

From:

To:

Priority: Attachments: CON Application Haywood County Community Hospital
Monday, December 7, 2020 at 8:30:59 PM Eastern Standard Time
Kyle Kopec
Michael Banks, Prince, David, David Livingston, livingstondml@aol.com High
CON Application-Dec 7.pdf

Good Evening,

The County of Haywood was sent an original copy of the Certificate of Need as required in accordance with Tennessee law. The tracking number is 781038876070.
The package is addressed to the County Attorney as requested. Also attached is an electronic version of the application to assist in fulfilling this requirement.

Below is a copy of the cover letter transmitted with the application:

Very Respectfully,

-Kyle T. Kopec
CCO | Director of IGA

BradenHealth



December 28, 2020

Dear Customer,

The following is the proof-of-delivery for tracking number: 781038876070

Delivery Information:

Status:	Delivered	Delivered To:	
Signed for by:	Signature release on file	Delivery Location:	
Service type:	FedEx First Overnight		BROWNSVILLE, TN,
Special Handling:	Deliver Weekday; No Signature Required	Delivery date:	Dec 8, 2020 08:57

Shipping Information:

Tracking number:	781038876070	Ship Date:	Dec 7, 2020
		Weight:	3.0 LB/1.36 KG
Recipient:		Shipper:	
BROWNSVILLE, TN, US,		IMMOKALEE, FL, US,	

Appendix E: 12R

11. Square Footage and Cost Per Square Footage Chart

Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage		
					Renovated	New	Total
Patient Care Rooms	Northeast	20,000		Northeast	20,000		20,000
Physical Therapy	Northwest	1,600		Northwest	1,600		1,600
Pharmacy	Northwest	1,500		Northwest	1,500		1,500
Central Supply	Northwest	1,700		Northwest	1,700		1,700
Lab	Northwest	1,800		Northwest	1,800		1,800
HIM	Northwest	1,000		Northwest	1,000		1,000
Dietary	West	2,800		West	2,800		2,800
Administration	West	4,000		West	4,000		4,000
Radiology	East	3,200		East	3,200		3,200
OR	Central	1,600		Central	1,600		1,600
Emergency	Southeast	8,000		Southeast	8,000		8,000
Unit/Department GSF Sub-Total	47,200				47,200		47,200
Other GSF Total							
Total GSF	47,200				47,200		47,200
*Total Cost					\$947,500.00		\$947,500.00
**Cost Per Square Foot					\$20.07		\$20.07
Cost per Square Foot Is Within Which Range (For quartile ranges, please refer to the Applicant's Toolbox on www.tn.gov/hsda)					<input type="checkbox"/> Below 1 st Quartile	<input type="checkbox"/> Below 1 st Quartile	<input type="checkbox"/> Below 1 st Quartile
					<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
					<input type="checkbox"/> Between 1 st and 2 nd Quartile	<input type="checkbox"/> Between 1 st and 2 nd Quartile	<input type="checkbox"/> Between 1 st and 2 nd Quartile
					<input type="checkbox"/> Between 2 nd and 3 rd Quartile	<input type="checkbox"/> Between 2 nd and 3 rd Quartile	<input type="checkbox"/> Between 2 nd and 3 rd Quartile
					<input type="checkbox"/> Above 3 rd Quartile	<input type="checkbox"/> Above 3 rd Quartile	<input type="checkbox"/> Above 3 rd Quartile

	<input type="checkbox"/> Above 3 rd Quartile	3 rd Quartile <input type="checkbox"/> Above 3 rd Quartile	
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* The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.

** Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.

12R

Appendix 18R

4.A. 1) Describe the demographics of the population to be served by the proposal.

- 2) Provide the following data for each county in the service area using current and projected population data from the Department of Health (<https://www.tn.gov/content/tn/health/health-program-areas/statistics/health-data/con.html>), the most recent enrollee data from the Division of TennCare (<https://www.tn.gov/tenncare/information-statistics/enrollment-data.html>), and US Census Bureau demographic information (<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>).

TennCare Enrollment Data: <https://www.tn.gov/tenncare/information-statistics/enrollment-data.html> Census Bureau Fact Finder:

<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Demographic Variable/Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population-	Total Population-	Total Population-%	*Target Population- Current Year 2021	Target Population-	Target Population-% Change	Target Population Projected Year as of	Median Age	Median Household	Person Below	Person Below Poverty Level as %	TennCare	TennCare Enrollees as % of
Haywood County	17,003	17,197	-2.6%	17,331	17,003	-2.6%	100%	40.4	\$38,362	4,939	28.5%	5,546	32%
Service Area Total	17,003	17,197	-2.6%	17,331	17,003	-2.6%	100%	40.4	\$38,362	4,939	28.5%	5,546	32%
State of TN Total	6,942,653	6,938,513	3.0%	17,331	6,942,653	3.0%	0.25%	39.0	\$56,071	949,255	13.9%	1,493,372	21.8%

* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-17. Projected Year as requested in the supplemental information request as received by BradenHealth requested BradenHealth to utilizes data found at: <https://www.tn.gov/content/dam/tn/health/documents/population/CON-Population-Estimates-4%20reports-2021-2025.pdf>. Note Braden Health cannot provide 2021 Census bureau data as it does not yet exist.

Be sure to identify the target population, e.g., Age 65+, the current year and projected year being used.

- B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women,

racial and ethnic minorities, TennCare or Medicaid recipients, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

This area is currently a medically underserved area that has no access to ultrasound, CT, MRI, an emergency department. Below is a table from the state of Tennessee that shows that 4,350 CT scans were performed with zero being performed in the county, 1,446 MRIs with zero being done in Haywood County. There is overwhelming evidence that the service area population deserves equal access to basic inpatient health services that other Tennessee residents can access.

18R

Appendix: 3R

Provide a brief description of how the project meets the criteria necessary for granting a CON using the data and information points provided in Section B of the application.

- 1) Need;
 - The County of Haywood has no acute care inpatient services and no outpatient services that typically provide access to healthcare in the community. According to National Bureau of Economic Research when a rural hospital closes there is an 8.7% increase in deaths in the community (<https://www.nber.org/papers/w26182>). The Medicaid community suffers an 11.3% increase in deaths. We want to expediently reopen the closed hospital and stop people from dying.
- 2) Economic Feasibility;
 - Haywood County has roughly 18,000 persons that live in the service area. Reviewing the population and utilization, our financial analysis in this application shows that an acute care rural hospital is sustainable.
- 3) Quality Standards;
 - Haywood County Community Hospital will undergo accreditation from DNV GL once opened. It will follow and meet the high standards of quality from that organization and continue to maintain its accreditation.
- 4) Orderly Development of adequate and effective health care.
 - Haywood County Community Hospital will reestablish an acute care hospital and fill a desperately needed gap in services. It will not duplicate existing services in the area as there is no acute care hospital in the area. To develop adequate and effective healthcare in an orderly manner, the hospital will seek to use the data found in the community's healthcare needs. It will seek to expand services based on this information. Facility construction is slated to begin to reopen the facility as soon as practical. The project managers will seek to reopen the facility consistent with applicable regulations. The staff will use their expertise to hire locally and promote the highest quality of healthcare available.

B. Consent Calendar Justification

If Consent Calendar is requested, please provide the rationale for an expedited review.

Haywood County Community Hospital, Inc

To the Agency Director, HSDA

We believe that several things have happened in the last couple of weeks where an unforeseen event necessitates action of a type requiring a certificate of need and the public health, safety, or welfare would be unavoidably jeopardized.

First, Jackson-Madison County General Hospital announced that they were at capacity and had to stop accepting COVID patients on November 18th, 2020. (<https://www.jacksonsun.com/story/news/local/2020/11/18/jackson-madison-co-general-no-longer-accept-patient-transfers/6340073002/>) This shows that there are not enough beds in Western Tennessee to Keep up with the demand of patients.

Second, Perry County Hospital unexpected closed on November 27th, 2020 and Henderson County Community Hospital has been receiving ambulances from Perry County as a consequence of this closure. This has suddenly decreased Western Tennessee's bed availability since these patients are now being transferred to the area surrounding Jackson, TN. Henderson County has seen a drastic increase in our inpatient census by over 100% in November compared to the previous month. Having a hospital in Western Tennessee with medical beds available will allow us to handle the sudden and unexpected increase of inpatients.

3R

Appendix Affidavit

File name: AFDAVTround2PDF.pdf

Document ID: E972C110-4AB9-11EB-9B8C-8B2082D9799B

Status: Completed

Document History

2020-12-30 11:13:11 EST	Document uploaded by Kyle Kopec (Kyle.kopec@bradenhealth.com) IP: 69.137.15.170
2020-12-30 11:17:31 EST	Document signed by Kyle Kopec (Kyle.kopec@bradenhealth.com) IP: 69.137.15.170
2020-12-30 11:18:50 EST	Document signed by Samantha Nye IP: 107.23.206.220
2020-12-30 11:18:50 EST	eNotary signed by Samantha Nye IP: 107.23.206.220
2020-12-30 11:18:50 EST	Document delivered to Kyle Kopec (Kyle.kopec@bradenhealth.com) via email. IP: 107.23.206.220

Our Notarization Process

OnlineNotary.net is a Virginia Based Notarization firm. Following document has been notarized by us. The Commonwealth of Virginia signed into law SB 827 and HB 2318. These bills authorize and allow for approved, certified Virginia Notaries to legally notarize any signature within any US State by using audio-video capturing technology. We use highest standard Personal Identity Validation, UETA and ESIGN ACT during our notarization process and have fully vetted signers in this document. We also keep video recordings of each notarization in an event if needed by court of law. You may also scan the QR code on the right to validate this document instantly.



AFFIDAVIT


STATE OF Virginia

COUNTY OF Lynchburg

NAME OF FACILITY: Haywood County Community Hospital, Inc

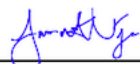
KYLE TANNER GRIZKEWITSCH

I, KOPEC, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 30 day of December, 2020,
witness my hand at office in the County of Lynchburg, State of Virginia.



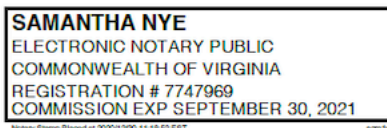
NOTARY PUBLIC

My commission expires September 30, 2021.

Document Notarized using a Live Audio-Video Connection

HF-0043

Revised 7/02



Appendix K

Standards and Criteria

1. Determination of Need: The following methodology should be used and the need for hospital beds should be projected four years into the future from the current year.

Using the latest utilization and patient origin data from the Joint Annual Report of Hospitals and the most current populations projection series from the Department of Health, both by county, calculate need based on the following:

Step 1

Determine the current Average Daily Census (ADC) in each county,

ADC for Haywood County: 0

Display Report

Step 2

To determine the service area population (SAP) in both the current and projected year(s):

1. Begin with a list of all the hospital discharges in the state, separated by county, and showing the discharges both by county where the patient actually lives (resident discharges), and the county in which the patient received medical treatment.
2. For the county in which the hospital is (or would be) located (service county), determine which other counties have patients who are treated in your county (resident counties). Treat all of the discharges from another state as if that whole state were a single resident county. The total discharges of residents from another state should be calculated from state populations estimates and the latest National Center for Health Statistics southeastern discharge rates.
3. For each resident county, determine what percent of their total resident discharges are discharged from a hospital in the proposed/existing service county (if less than one percent, disregard).

0%

4. For each resident county, apply the percentage determined above to the county's population (both projected and current). Add together the resulting numbers for all the resident counties and add that sum to the projected and current population of your service county. This will give you the service area population (SAP).

Step 3

Determine projected Average Daily Census as:

Projected ADC=Current ADC X (Projected SAP/Current SAP)

Disregarded because current ADC is less than 1%

Step 4

Calculate Projected Bed Need for each county as:

Projected Need=Projected ADC +2.33 X (Square Root of Projected ADC)

However, if projected occupancy:

Projected Occupancy: Projected ADC X 100 Projected Need

Projected ADC = 0% so projected Occupancy is 0%

If greater than 80 percent, then calculate projected need:

Projected Need = Projected ADC .8

a. New hospital beds can be approved in excess of the “need standard for a county” if the following criteria are met:

i. All existing hospitals in the proposed service area have an occupancy level greater than or equal to 80 percent for the most recent Joint Annual Report. Occupancy should be based on the number of staffed beds for two consecutive years.

There are currently no staffed beds and no data exists for the Joint Annual Report.

Display Report

1. In order to provide adequate information for a comprehensive review, the applicant should utilize data from the Joint Annual report to provide information on the total number of licensed and staffed beds in the proposed service area. Applicants should provide an explanation to justify any differences in staffed and licensed beds in the applicant’s facility or facilities. The agency board should take into consideration the ability of the applicant to staff existing unstaffed licensed beds prior to approving the application for additional beds.

There are no unstaffed licensed beds prior to approving the application for additional beds.

The following table should be utilized to demonstrate bed capacity for the most recent year.

Total Beds

Total Licensed Beds	Staffed beds set up and in use on a typical day	Licensed beds not staffed	Licensed beds that could not be used within 24-48 hours
0	0	0	0

ii. All outstanding CON projects for new acute care beds in the proposed service area are licensed.

iii. The Health Services and Development Agency may give special consideration to applications for additional acute care beds by an existing hospital that demonstrates (1) annual inpatient occupancy for the twelve (12) months preceding the application of 80 percent or greater of licensed beds and (2) that the addition of beds without a certificate of need as authorized by statute will be inadequate to reduce the projected occupancy of the hospital's acute care beds to less than 80 percent of licensed bed capacity.

b. In accordance with Tennessee Code Annotated 68-11-14607 (g), "no more frequently than one time every three years, a hospital, rehabilitation facility, or mental health hospital may increase its total number of licensed beds in any category by ten percent or less of its licensed capacity at any one campus over any period of one year for any services it purposes it is licensed to perform without obtaining a certificate of need". These licensed beds that were added without a certificate of need should be considered as part of the determination of need formula by the agency.

5

i. Applicants should include information on any beds that have been previously added utilizing this statute.

c. Applicants applying for acute care beds in service area counties where there is no hospital, and thus no bed occupancy rate numbers to provide for the need formula, should provide any relevant data that supports its claim that there is a need for acute care beds in the county or counties. Data may include, for example, the number of residents of the county or counties who over the previous 24 months have accessed acute care bed services in other counties.

- All criteria for the need of a hospital in Haywood County is met, according to the specifications stated on "Criteria and Standards."
- Haywood county does not have a Hospital to service acute care (Inpatient) needs for its habitants. This has been the case for at least 6 years.
- During 2019 there were 1,976 cases of hospitalizations of Haywood residents, required being drove or flown to another County or State.
- Annex XX contains a table with the distance (miles) and time (trip time), that every Haywood resident had to take while being hospitalized in another county or State. Here the top 10 destinations.

Haywood	Le Bonheur Children's Hospital	32	SHELBY	TN	60.5	64
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2. Quality Considerations: Applicants should utilize Centers for Disease Control & Prevention's (CDC) National Healthcare Safety Network (NHSN) measures. Applicants must provide data from the most recent four quarters utilizing the baseline established by the NHSN within the dataset.

Data Source: Hospital Compare <https://www.medicare.gov/hospitalcompare/search.html?>

Applicants should utilize the following table to demonstrate the quality of care provided at the existing facility.

6

Centers for Disease Control & Prevention's (CDC) National Healthcare Safety Network (NHSN) Measures

Measure	Source	National Benchmark	Hospital Standardized Infection Ratio (SIR)	Hospital Evaluation (above, at, or below national benchmark)
Catheter associated urinary tract infection (CAUTI)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	N/A	N/A
Central line associated blood stream infection (CLABSI)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	N/A	N/A
Methicillin resistant staphylococcus aureus (MRSA)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	N/A	N/A
Clostridium difficile (C.diff.)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	N/A	N/A

Surgical Site Infections (SSI)

SSI: Colon	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.
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7

SSI: Hysterectomy	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	N/A	N/A
		National Average	Tennessee Average	Hospital Percentage
Healthcare work influenza vaccinations	Hospital Compare: Timely & Effective Care – Preventive Care		N/A	N/A

Applicants should provide the above metrics and any improvement plans that are in place to improve the hospital's performance on these metrics.

In addition to the above metrics, the applicant should list, or briefly summarize, any significant quality accreditations, certifications, or recognitions that might be appropriate for Agency consideration (i.e. Joint Commission, TDH/BLHCF survey results, CMS standing, and/or clinical quality awards).

We plan on getting DNV GL Accreditation for the Hospital.

The above metrics should serve as a guide for the Agency to better understand the quality of care that is provided by the applicant at the existing facility. National and state averages serve as an indicator by which the board may evaluate the applicant.

Henderson County Community Hospital is currently accredited by the Joint Commission and we are in the process of converting our accreditation to DNV GL.

Note: In the event quality data is unavailable for an applicant's existing facility, the applicant should provide data from a comparable, existing facility owned by the applicant. If no comparable data is available, the absence of such information should not disadvantage the applicant over another with available quality data.

Below is information from out other owned hospital in Tennessee. In all areas below Henderson County Community Hospital is either consistent with the national average or better for the below quality metrics.

Rate of readmission for pneumonia patients	15.9% No different than the national rate National result: 16.6% Number of included patients: 71
--	--

3. Establishment of Service Area: The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant.

We believe that given the distance below, the number of cases and the population of the area that it is reasonable for Haywood County to reopen the closed hospital.

Haywood	Le Bonheur Children's Hospital	32	SHELBY	TN	60.5	64
---------	--------------------------------	----	--------	----	------	----

4. Relationship to Existing Similar Services in the Area: The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall include the likely impact of the proposed increase in acute care beds on existing providers in the proposed service area and shall include how the applicant's services may differ from these existing services. The agency should consider if the approval of additional beds in the service area will result in unnecessary, costly duplication of services. This is applicable to all service areas, rural and others.

The following tables should be utilized to demonstrate existing services in the proposed service area.

Facility	County	2020 Licensed Beds	Patient Days			Licensed Occupancy			% Change in Patient Days
			2018	2019	2020	2018	2019	2020	
N/A	Haywood County	0	0	0	0	0	0	0	0

Facility	County	2020 Staffed Beds	Patient Days			Staffed Occupancy			% Change in Patient Days
			2018	2019	2020	2018	2019	2020	
N/A	Haywood County	0	0	0	0	0	0	0	0

5. Services to High-Need and Underserved Populations: Special consideration shall be given to applicants providing services fulfilling the unique needs and requirements

Rural: Additional acute care beds should only be approved in a rural service area if the applicant can adequately demonstrate the proposed facility will not have a significant negative impact on existing rural facilities that draw patients from the proposed service area.

Haywood County does not have an acute care hospital and is in a medically underserved area. There is no data to show that opening a hospital in Haywood county will have a negative impact on existing rural facilities.

6. Relationship to Existing Applicable Plans; Underserved Area and Population:

The proposal's relationship to underserved geographic areas and underserved population groups shall be a significant consideration.

7. Access: The applicant must demonstrate an ability and willingness to serve equally all of the service area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is a limited access in the proposed service area.

1. (1) Need. The health care needed in the area to be served may be evaluated upon the following factors:
 1. (a) The relationship of the proposal to any existing applicable plans;
 1. There are currently no existing applicable plans
 2. (b) The population served by the proposal;
 1. We will serve equally the rural population of Haywood County and believe that this proposal will fill a large whole in the healthcare needs of the county.
 3. (c) The existing or certified services or institutions in the area;

1. There are no certified or existing acute care hospitals in the service area.
4. (d) The reasonableness of the service area;
 1. We believe that the population of Haywood population of 17,003 in 2021 is enough to support a rural hospital and given the geographic distances to other hospitals the service area is reasonable.
5. (e) The special needs of the service area population, including the accessibility to consumers, particularly women, racial and ethnic minorities, TennCare participants, and low-income groups;
 1. Evaluating the distribution of Medicare, TennCare participants, and the distance to travel for acute care services, this rural population has a need for an acute care hospital. Currently, a hospital is not easily accessible given the distance of travel. All citizens regardless of gender, race, or ethnic minority should have access to a local community hospital. Currently, they do not in the service area.
6. (f) Comparison of utilization/occupancy trends and services offered by other area providers;
 1. There are no providers of acute care services in the service area. All acute care services and emergency services are provided outside the county of Haywood. Consequently, there are no trends to compare.
7. (g) The extent to which Medicare, Medicaid, TennCare, medically indigent, charity care patients and low income patients will be served by the project. In determining whether this criteria is met, the Agency shall consider how the applicant has assessed that providers of services which will operate in conjunction with the project will also meet these needs.
 1. It is our belief that all people should be able to access acute care hospital services. Currently the Medicare, Medicaid, TennCare, medically indigent, charity care patients and low income patients do not have a local hospital where they can receive care. Like Henderson County Community Hospital, we will work with every individual patient to make sure they can access care by all our affiliated providers.
8. **Adequate Staffing:** An applicant shall document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed service area.

We will use our connections with local providers, national providers, recently graduating providers, to recruit and hire providers to move to the area. We have templated contracts available for providers, malpractice coverage, relocation bonuses and other incentives to hire providers and other qualified personnel to provide these services. We have licensed physicians, midlevels, nurses, lab directors, pharmacists, radiologists, pathologists, and other qualified individuals who can assess the competencies of, supervise, and retain employees that we recruit. Moreover, we have one of a few qualified listed Patient Safety Organizations that work with AHRQ and provide recommendations for improving health care quality. (<https://www.pso.ahrq.gov/pso/braden-health-pso>)

9. Assurance of Resources: The applicant shall document that it will provide the resources necessary to properly support the applicable level of services. Included in such documentation shall be a letter of support from the applicant's governing board of directors, Chief Executive Officer, or Chief Financial Officer documenting the full commitment of the applicant to develop and maintain the facility resources, equipment, and staffing to provide the appropriate services. The applicant shall also document the financial costs of maintaining these resources and its ability to sustain them.

10. Data Requirements: Applicants shall agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

We agree to provide the Department of Health and HSDA all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested.

11. Quality Control and Monitoring: The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system.

We will utilize our current plans and process from Henderson County to identify and report all data requested including quality improvement, outcome and process monitoring. Moreover, as one of the listed PSO organizations we also report data to AHRQ.
(<https://www.pso.ahrq.gov/pso/braden-health-pso>)

Rationale: This section supports the State Health Plan's Fourth Principle for Achieving Better Health regarding quality of care.

12. Licensure and Quality Considerations: Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH. The applicant shall also demonstrate its accreditation status with the Joint Commission or other applicable accrediting agency.

We will undergo accreditation with DNV GL and demonstrate it.

13. Community Linkage Plan: The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care.

As this is a new start up, there are currently no community linkage plans. However, as the company prepares to open these will be evaluated and possibly entered into. Our hospital will be focused on "health protection and promotion" and will focus our resources on primary prevention initiatives in the community to advance the current State Health Plan.

Rationale: The 2014 Update to the State Health Plan moved from a primary emphasis of health care to an emphasis on "health protection and promotion". The development of primary prevention initiatives for the community advances the mission of the current State Health Plan.

Replacement 18R2

- 4.A.** 1) Describe the demographics of the population to be served by the proposal.
2) Provide the following data for each county in the service area using current and projected population data from the Department of Health (<https://www.tn.gov/content/tn/health/health-program-areas/statistics/health-data/con.html>), the most recent enrollee data from the Division of TennCare (<https://www.tn.gov/tenncare/information-statistics/enrollment-data.html>), and US Census Bureau demographic information (<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>),
TennCare Enrollment Data: <https://www.tn.gov/tenncare/information-statistics/enrollment-data.html> Census Bureau Fact Finder:

<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Demographic Variable/Geographic Area	Department of Health/Health Statistics							Census Bureau				TennCare	
	Total Population-Current Year	Total Population-Projected Year	Total Population-% Change	*Target Population-Current Year <u>2021</u>	Target Population-Project Year 2025	Target Population-% Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Haywood County	17,003	17,197	-2.6%	17,003	16,567	-2.6%	100%	40.4	\$38,362	4,939	28.5%	5,546	32%
Service Area Total	17,003	17,197	-2.6%	17,003	16,567	-2.6%	100%	40.4	\$38,362	4,939	28.5%	5,546	32%
State of TN Total	6,942,653	6,938,513	3.0%	17,003	7,153,758	3.0%	0.25%	39.0	\$56,071	949,255	13.9%	1,493,372	21.8%

* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-17. Projected Year as requested in the supplemental information request as received by BradenHealth requested BradenHealth to utilizes data found at: <https://www.tn.gov/content/dam/tn/health/documents/population/CON-Population-Estimates-4%20reports-2021-2025.pdf>. Note Braden Health cannot provide 2021 Census bureau data as it does not yet exist.

Be sure to identify the target population, e.g., Age 65+, the current year and projected year being used.

- B.** Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, TennCare or Medicaid recipients, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

This area is currently a medically underserved area that has no access to ultrasound, CT, MRI, an emergency department. Below is a table from the state of Tennessee that shows that 4,350 CT scans were performed with zero being performed in the county, 1,446 MRIs with zero being done in Haywood County. There is overwhelming evidence that the service area population deserves equal access to basic inpatient health services that other Tennessee residents can access.

18R2

PROJECT COST CHART

A. Construction and equipment acquired by purchase:		
1.	Architectural and Engineering Fees	0
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	0
3.	Acquisition of Site	0
4.	Preparation of Site	0
5.	Total Construction Costs	947,500.00
6.	Contingency Fund	0
7.	Fixed Equipment (Not included in Construction Contract)	0
8.	Moveable Equipment (List all equipment over \$50,000 as separate attachments)	0
9.	Other (Specify) _____	_____
B. Acquisition by gift, donation, or lease:		
1.	Facility (inclusive of building and land)	1,106,200.00
2.	Building only	_____
3.	Land only	_____
4.	Equipment (Specify) _____	\$500,000
5.	Other (Specify) _____	_____
C. Financing Costs and Fees:		
1.	Interim Financing	_____
2.	Underwriting Costs	_____
3.	Reserve for One Year's Debt Service	_____
4.	Other (Specify) _____	_____
D.	Estimated Project Cost (A+B+C)	2,553,700.00
E.	CON Filing Fee	\$15,000
F.	Total Estimated Project Cost (D+E)	TOTAL 2,568,700.00

☐ Project Only
☒ **Total Facility**

**PROJECTED
DATA CHART**

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in January 2022 (Month).

	<u>Year 2022</u>	<u>Year 2023</u>
A. Utilization Data		
Specify Unit of Measure <u>Inpatient Days</u>	<u>1,680</u>	<u>2,280</u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>\$ 7,500,000</u>	<u>\$ 10,500,000</u>
2. Outpatient Services	<u>\$ 35,000,000</u>	<u>\$ 55,000,000</u>
3. Emergency Services	<u>\$ 25,000,000</u>	<u>\$ 35,000,000</u>
4. Other Operating Revenue (Specify) _____	<u>\$ _____</u>	<u>\$ _____</u>
Gross Operating Revenue	<u>\$ 67,500,000</u>	<u>\$ 100,500,000</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>\$ 50,000,000</u>	<u>\$ 80,000,000</u>
2. Provision for Charity Care	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
3. Provisions for Bad Debt	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Total Deductions	<u>\$ 60,000,000</u>	<u>\$ 90,000,000</u>
NET OPERATING REVENUE	<u>\$ 7,500,000</u>	<u>\$ 10,500,000</u>
D. Operating Expenses		
1 Salaries and Wages	<u>_____</u>	<u>_____</u>
a. Direct Patient Care	<u>\$3,000,000</u>	<u>\$4,321,500</u>
b. Non-Patient Care	<u>\$1,000,000</u>	<u>\$1,437,500</u>
2 Physician's Salaries and Wages	<u>\$1,900,000</u>	<u>\$1,900,000</u>
3 Supplies	<u>\$1,225,000</u>	<u>\$1,700,000</u>
4 Rent	<u>_____</u>	<u>_____</u>
a. Paid to Affiliates	<u>_____</u>	<u>_____</u>
b. Paid to Non-Affiliates	<u>\$100</u>	<u>\$100</u>
5 Management Fees:		
a. Paid to Affiliates	<u>_____</u>	<u>_____</u>
b. Paid to Non-Affiliates	<u>_____</u>	<u>_____</u>
6 Other Operating Expenses (D6)	<u>\$300,000</u>	<u>\$400,000</u>
Total Operating Expenses	<u>\$ 7,425,100</u>	<u>\$ 9,759,100</u>
E. Earnings Before Interest, Taxes and Depreciation	<u>\$ 74,900</u>	<u>\$ 740,900</u>
F. Non-Operating Expenses		

1	Taxes	\$ 0	\$ 150,000
.			
2	Depreciation	\$160,000	200,000
.			
3	Interest	\$0	\$0
.			
4	Other Non-Operating Expenses		
.			
	Total Non-Operating Expenses	\$ 160,000	\$ 350,000
	NET INCOME (LOSS)	\$ (85,100)	\$ 390,900

Chart Continues Onto Next Page

	NET INCOME (LOSS)	\$ (85,100)	\$ 390,900
G.	Other Deductions		
1.	Estimated Annual Principal Debt Repayment	\$ 0	\$ 0
2.	Annual Capital Expenditure	\$200,000	\$200,000
	Total Other Deductions	\$200,000	\$200,000
	NET BALANCE	\$ (285,100)	\$ 190,900
	DEPRECIATION	\$ 160,000	\$ 200,000
	FREE CASH FLOW (Net Balance + Depreciation)	\$ (125,100)	\$ 390,900

AFFIDAVIT

STATE OF Texas

COUNTY OF Harris

NAME OF FACILITY: Kyle Tanner Grizkewitsch Kopec

I, Kyle Kopec, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 30 day of December, 2020, witness my hand at office in the County of Harris, State of Texas.



NOTARY PUBLIC

My commission expires May 23, 2022.

Document Notarized using a Live Audio-Video Connection

HF-0043

Revised 7/02



BradenHealth

February 11th, 2021

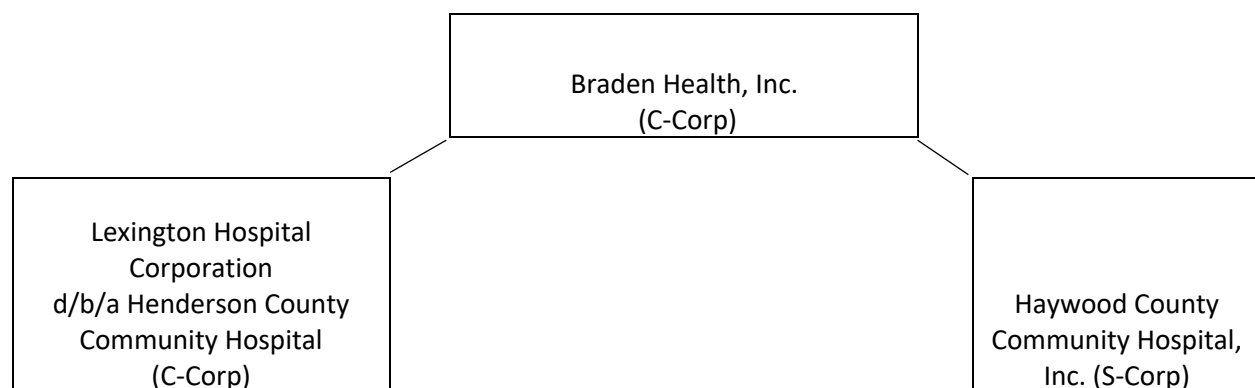
RE: Certificate of Need Application CN2012-027
Haywood County Community Hospital Supplemental Request & Additional Information
Point of Contact: Kyle.Kopec@BradenHealth.com

We have simplified the discussion on how the hospital will be funded. Please see attached statement from First Citizens that shows that we have placed \$3,350,865.89 into a Money Market Savings Account. The cash cost of the project for renovation will be less than \$1,000,000. The remainder will be used for grossing, cost overruns, and networking capital. We have included a statement from First Citizens and believe that this is sufficient information. Our CFO and other financial members are currently at our corporate planning retreat and hope this helps answer the financial questions.

We do not have an audited balance sheet and income statement from Braden Health that is available. Consequently, we provided recent Lexington Hospital Corporation Financials that show that profits from one hospital will be used to open another hospital. We plan on having a network of hospitals in Western Tennessee that share resources.

Please see below to see the relationship between Haywood County and Lexington Hospital Corporation.

We hope this clarifies our application and address your additional questions.





Central Bank Operations - DAC02
P.O. Box 27131
Raleigh, NC 27611-7131

ZE
359

68600
BRADEN HEALTH INC
717 GREEN VALLEY ROAD
SUITE 200
GREENSBORO NC 27408

Your Account(s) At A Glance

**Savings
Balance** 3,350,780.52+

Statement Period: December 1, 2020 Thru December 31, 2020

Account Number : [REDACTED]



Premium Money Market Savings

Account Number : [REDACTED]

Enclosures In Statement: 0

Beginning Balance	3,350,695.14+	Statement Period Days	31
0 Deposits	0.00	Average Collected Balance	3,350,697.00+
0 Other Credits	0.00	Interest Rate on Statement Day	0.03%
Interest Earned This Period	85.38+	Total Interest Earned YTD	520.47+
0 Checks	0.00		
0 Other Debits	0.00		
Monthly Service Charge	0.00		
Ending Balance	3,350,780.52+		

Other Credits And Interest To Your Account

Date	Description	Amount
12-31	Interest	85.38
	Total	85.38

Daily Balance Summary

Date	Balance
12-31	3,350,780.52+



Direct Customer Inquiry Calls To
FIRST CITIZENS DIRECT
Telephone Banking At 1-888-323-4732.

3. EXECUTIVE SUMMARY

A. Overview

Please provide an overview not to exceed three pages in total explaining each numbered point.

- 1) Description – Address the establishment of a health care institution, initiation of health services, bed complement changes, and/or how this project relates to any other outstanding but unimplemented certificates of need held by the applicant.
- This project purpose is to establish a new 49 bed rural hospital in Haywood County. Several years ago, the site was occupied by a CHS owned hospital called “Haywood Park Community Hospital”. The hospital was closed, and the license relinquished. We plan on reopening a rural hospital that has an associated provider based rural health clinic. The hospital will have a 24-hour emergency department, 49 acute inpatient beds, swing bed services, a 24-hour laboratory, a radiology department with X-Ray, CT, ultrasound and an inpatient pharmacy. Currently, there are no unimplemented certificates of need held by the applicant.
- 2) Ownership structure:
 - The hospital is a registered corporation in Tennessee 100% of the stock owned by Braden Health, Inc. a North Carolina Corporation.
- 3) Service area;
 - The Service Area for the hospital will be Haywood County.
- 4) Existing similar service providers;
 - There are currently no other hospitals in Haywood County.
- 5) Project cost;
 - We estimate that the cost of the project will be approximately \$2,568,700.
- 6) Funding;
 - The project will be funded by Braden Health, Inc.
- 7) Financial Feasibility including when the proposal will realize a positive financial margin; and
 - The project should have a positive financial margin by year two. Please see detailed financial information towards the end of this application.
- 8) Staffing.
 - The hospital will be staffed with physicians, mid-level providers, laboratory technicians, radiology technicians, pharmacists, nurses, and administrative staff. Please see the end of the application for more details on the staffing.

B. Rationale for Approval

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area.

Provide a brief description of how the project meets the criteria necessary for granting a CON using the data and information points provided in Section B of the application.

2(R)

Appendix: Data Reference Material

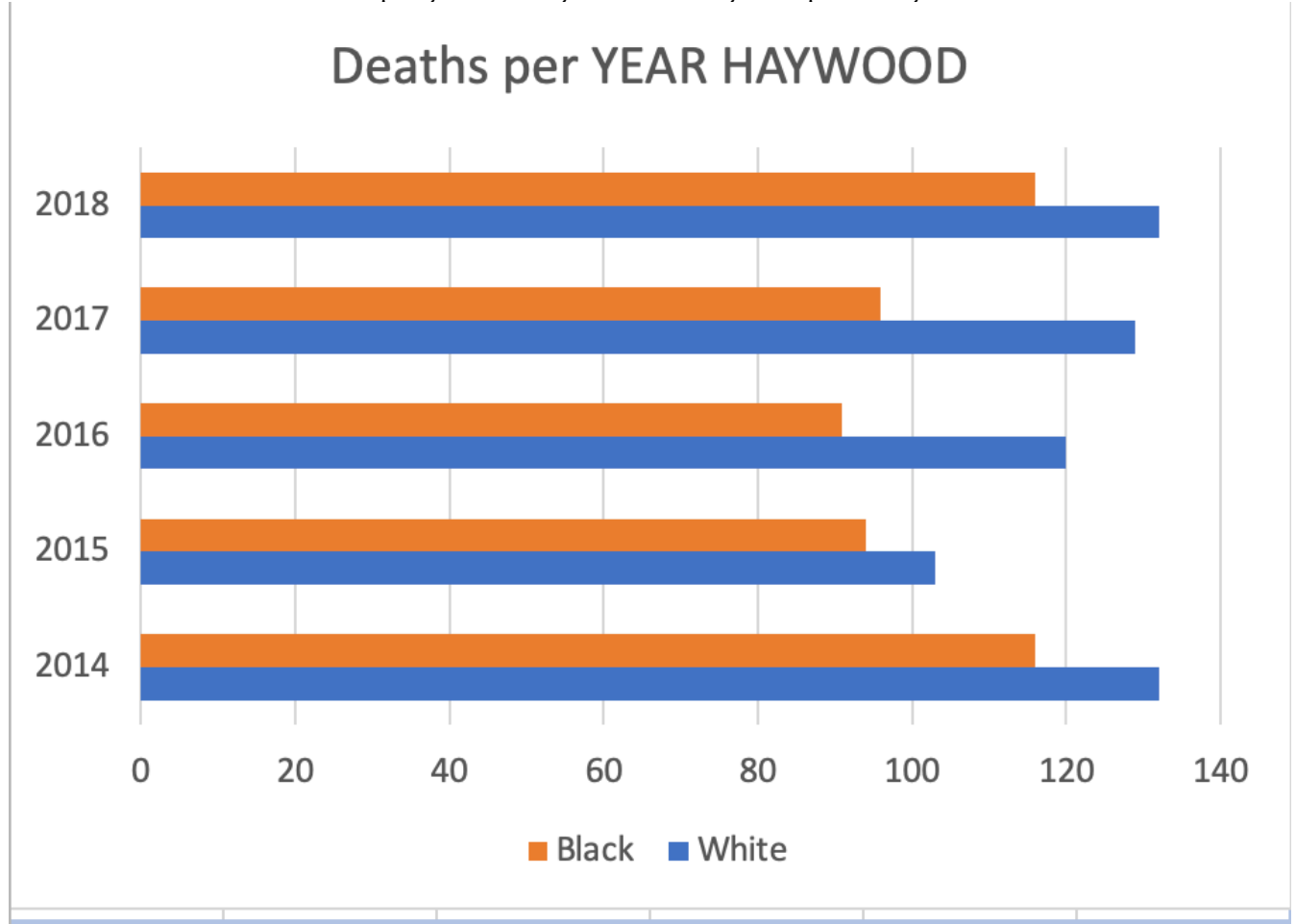
When comparing health between nations one metric that the World Health Organization uses is Acute Care Beds per 1,000. We constructed the below table to show the significant difference between our service area and other countries in the world in order to benchmark our service area against other developing countries.²⁵

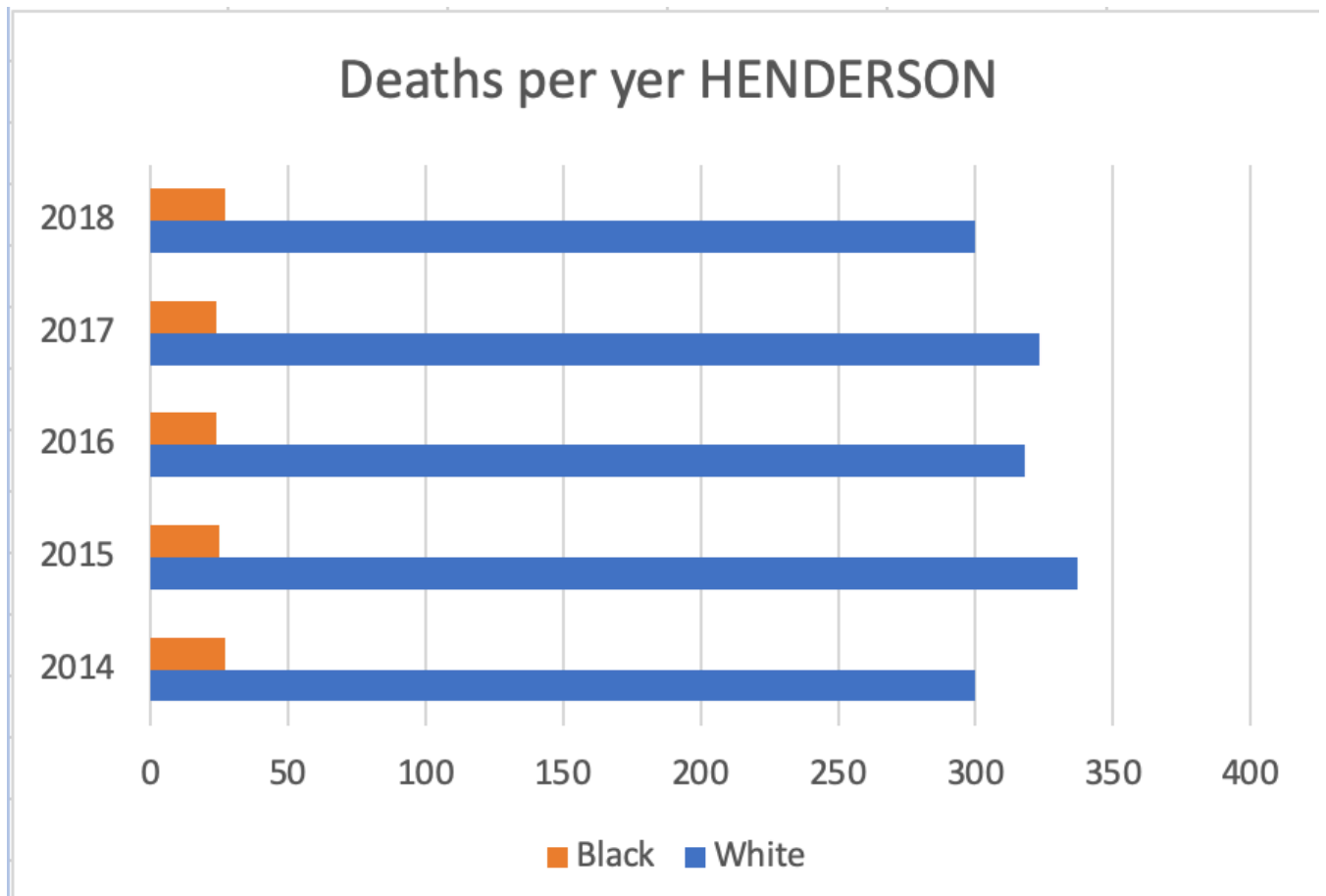
Acute Care Beds per 1,000 Population Service Area and Selected Countries	
Area	Acute Care Beds per 1,000
Total Service Area	0
Iran	0.1
Afghanistan	0.5
Uganda	0.5
Bangladesh	0.8
Cambodia	0.8
Liberia	0.8
Iraq	1.3
Malawi	1.3
Gaza Strip	1.4
Syria	1.5
United States	2.7

Looking at the above table we can see that many developing countries report a greater bed rate per 1,000 than our service area. Our service area currently reports zero which is less than many developing and war-torn countries. Afghanistan had a reported rate of 0.5 beds per 1,000 persons. Iraq had a reported rate of 1.3 beds per 1,000. Syria had a reported bed rate of 1.5 beds per 1,000. This data shows how underserved the population of our service area is and the need for acute care beds in our service area.

²⁵ <https://www.cia.gov/library/publications/the-world-factbook/fields/2227.html>

Deaths per year in Haywood County as reported by race.





<https://www.tn.gov/health/health-program-areas/statistics/health-data/death-statistics.html>

https://www.cms.gov/icd10m/version37-fullcode-cms/fullcode_cms/P0004.html

<https://www.sycamoreinstitutenet.org/wp-content/uploads/2018/07/Haywood-Co-Tennessee-County-Health-Profile-July-2018.pdf>

Patient Residence	Hospital that provided Inpatient Service	# of events	Hosp-County	State	Dist-Miles	Time-Min
Haywood	Jackson-Madison County General Hospital	1263	MADISON	TN	28.2	31
Haywood	Baptist Memorial Hospital-Memphis	116	SHELBY	TN	53.5	55
Haywood	OUT OF STATE	114				
Haywood	Lakeside Behavioral Health System	55	SHELBY	TN	44.7	49
Haywood	Saint Francis Hospital-Bartlett	45	SHELBY	TN	45.7	49
Haywood	Baptist Memorial Hospital-Tipton	43	TIPTON	TN	27	37
Haywood	West Tennessee Healthcare Rehabilitation Hospital-Jackson	42	MADISON	TN	26.4	30
Haywood	Vanderbilt University Medical Center	41	DAVIDSON	TN	156	154
Haywood	Regional One Health	39	SHELBY	TN	60.6	65
Haywood	Le Bonheur Children's Hospital	32	SHELBY	TN	60.5	64
Haywood	St. Jude Children's Research Hospital	29	SHELBY	TN	64.5	65
Haywood	Baptist Memorial Hospital for Women	24	SHELBY	TN	53.6	54
Haywood	Saint Francis Hospital	18	SHELBY	TN	55.8	57
Haywood	Western Mental Health Institute	14	HARDEMAN	TN	34.7	43
Haywood	Crestwyn Behavioral Health	13	SHELBY	TN	62	61
Haywood	Pathways of Tennessee, Inc.	13	MADISON	TN	28.2	31
Haywood	TriStar Skyline Medical Center	8	DAVIDSON	TN	153	145
Haywood	Perimeter Behavioral Hospital of Jackson	7	MADISON	TN	28.2	31
Haywood	West Tennessee Healthcare Dyersburg Hospital	7	DYER	TN	39.6	46
Haywood	Saint Thomas Midtown Hospital	6	DAVIDSON	TN	153	146
Haywood	Saint Thomas West Hospital	6	DAVIDSON	TN	153	146
Haywood	TriStar Centennial Medical Center	5	DAVIDSON	TN	153	146
Haywood	Delta Specialty Hospital	4	SHELBY	TN	50.8	56
Haywood	Saint Thomas Rutherford Hospital	4	RUTHERFORD	TN	188	203
Haywood	Baptist Memorial Rehabilitation Hospital	3	SHELBY	TN	50.8	56
Haywood	Encompass Health Rehab. Hospital of North Memphis	3	SHELBY	TN	50.8	56
Haywood	Encompass Health Rehabilitation Hospital of Memphis	2	SHELBY	TN	50.8	56
Haywood	Regional One Health Extended Care Hospital	2	SHELBY	TN	50.8	56
Haywood	Saint Thomas Hospital for Specialty Surgery	2	DAVIDSON	TN	153	146
Haywood	Select Specialty Hospital-Memphis	2	SHELBY	TN	50.8	56
Haywood	West Tennessee Healthcare Milan Hospital	2	GIBSON	TN	36.2	45
Haywood	Baptist Memorial Hospital-Carroll County	1	CARROLL	TN	47.4	48

Haywood	Cookeville Regional Medical Center	1	PUTNAM	TN	235	211
Haywood	Curahealth Nashville, LLC	1	DAVIDSON	TN	153	146
Haywood	Hardin Medical Center	1	HARDIN	TN	96.8	106
Haywood	Kindred Hospital-Chattanooga	1	HAMILTON	TN	301	278
Haywood	Nashville General Hospital	1	DAVIDSON	TN	153	145
Haywood	TriStar Ashland City Medical Center	1	CHEATHAM	TN	142	143
Haywood	TriStar Summit Medical Center	1	DAVIDSON	TN	153	145
Haywood	TrustPoint Hospital	1	RUTHERFORD	TN	188	203
Haywood	Vanderbilt Stallworth Rehabilitation Hospital	1	DAVIDSON	TN	153	146
Haywood	West Tennessee Healthcare Bolivar Hospital	1	HARDEMAN	TN	34.7	43
Haywood	West Tennessee Healthcare North Hospital	1	MADISON	TN	28.2	31
				WAVG	36.96882591	39.52530364

- In 2019 - -> 1,976 Haywood residents needed to go to another County for acute health needs.
- Considering that the hospital has been closed for at least 6 years, the total number of Haywood residents in that period is about 11,800 patients, that's around 68% of the actual Haywood population. Or 2 in 3 people.
- Those patients had to add an average of 40 minutes (on the road) to the access acute care, that is on top of the waiting time in the accessible ER.
- Those patients had to drive or be driven an average of 37 miles to get to the closest facility in general for their acute health needs



WILLIAM RAWLS, JR., MAYOR
111 N. WASHINGTON AVENUE • P.O. Box 449 • BROWNSVILLE, TN 38012
(P) 731.772.1212 (F) 731.772.1275

February 5, 2021

Lisa Piercey, Health Commissioner
State of Tennessee
710 James Robertson Parkway
Nashville, TN 37243

Dear Governor Lee and Commissioner Piercey:

This letter is to express my strong support for Braden Health's application for a Certificate of Need (CON) for the reopening of Haywood Park Hospital in Brownsville, Tennessee. Although this very hospital closed in 2014, just a few days after I was elected mayor, I am very optimistic that Tennessee's regulatory board will agree that approving this project will drastically improve health access and quality of life for the residents of Haywood County. I also know that the reopening of our local hospital will provide much needed physical, mental, and emotional relief to the community.

Currently, the residents of Brownsville-Haywood County do not have many options for emergency health services. Being that we are in the midst of a pandemic - where most of our high risk residents are sheltering in place with some living in multigenerational households - having the services of a modern medical facility will provide much needed relief to the community. Although other medical services are available to serve Haywood County, no health entity is more comparable to having a hospital with the license to service this community.

Additionally, having a hospital in our rural community allows more opportunities for improved community health. It also sparks healthcare industry innovation and provides superior vital outpatient services along with the means for being a resource for improving the healthcare workforce. Furthermore, Braden Health will provide jobs to the community and impact our economy in a major way. For instance, access to healthcare helps attract business interests. For companies or industries looking to plant roots in a small community like Brownsville, easy access to healthcare is critical. When a hospital is present, a community is more likely to thrive economically. Moreover, they will provide health care that meets appropriate quality standards and contribute to the orderly development of adequate and effective health care in this service area.

I support the mission and vision of Braden Health, and I hope you will also support granting this organization a Certificate of Need to service Brownsville-Haywood County.

Sincerely,

William D. Rawls
Mayor

VICE MAYOR: CAROLYN FLAGG ALDERMEN: ANTWAN TAYLOR • JAMES BISHOP • TRAVIS PUGH

KIRK HASTON
STATE REPRESENTATIVE
72ND DISTRICT

425 5th Ave North, Suite 596
CORDELL HULL BUILDING
NASHVILLE, TENNESSEE 37243
(615) 741-0750
FAX: (615) 253-0213
rep.kirk.haston@capitol.tn.gov

P.O. BOX 171
LOBELVILLE, TN 37097
(931) 593-2746



House of Representatives
State of Tennessee
NASHVILLE

MEMBER OF COMMITTEES

K-12 SUBCOMMITTEE
CHAIRMAN

EDUCATION ADMINISTRATION
COMMITTEE

EDUCATION INSTRUCTION
COMMITTEE AND
SUBCOMMITTEE

COMMERCE COMMITTEE

BANKING & CONSUMER AFFAIRS
SUBCOMMITTEE

January 21, 2021

Logan Grant,
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

Dear Executive Director Grant:

I have the honor of representing Tennessee's 72nd district. I take my role seriously in wanting the best for constituents who live in not only my district, but in Tennessee as a whole.

It has come to my attention that our rural hospitals need assistance in thriving, surviving or re-opening as Tennessee residents have faced increased health concerns the past year. I'm happy to fully support re-opening one such West Tennessee rural hospital, Haywood County Community Hospital, located in Brownsville.

The re-opening of Haywood County Community Hospital is very important for the residents who reside in West Tennessee as it will provide a means of access to residents, enhancing their quality of life.

Therefore, I respectfully support this initiative and hope that the Tennessee Health Services and Development Agency would also approve this measure.

Sincerely,

A handwritten signature in black ink that reads "Kirk Haston". The signature is fluid and cursive, with the first name "Kirk" and last name "Haston" clearly distinguishable.

Kirk Haston
Representative

KH/hw



State of Tennessee
Health Services and Development Agency

Andrew Jackson Building, 9th Floor
 502 Deaderick Street
 Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Brownsville Press which is a newspaper
 of general circulation in Haywood, Tennessee, on or before December 2nd, 2020,
 for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Haywood County Community Hospital Inc N/A
 (Name of Applicant) (Facility Type-Existing)
 owned by: Braden Health Inc with an ownership type of Whole Stock
 and to be managed by: Haywood County Community Hospital Inc intends to file an application for a Certificate of Need
 for [PROJECT DESCRIPTION BEGINS HERE]: Establish a 49 bed rural acute care hospital at 2545 North Washington
Avenue Brownsville, Tennessee 38012 with a project cost of \$855,507.75.

We are requesting an emergency review under Public Chapter 1043.

The anticipated date of filing the application is: December 7th, 2020

The contact person for this project is Kyle T. Kopec CCO | Director of Government Affairs
 (Contact Name) (Title)

who may be reached at: Braden Health Inc 200 W Church St
 (Company Name) (Address)
Lexington TN 38351 (731) / 968-3646
 (City) (State) (Zip Code) (Area Code / Phone Number)

Kyle Kopec 12/01/2020 Kyle.Kopec@BradenHealth.com
 (Signature) (Date) (E-mail Address)

The Letter of Intent must be **filed in triplicate** and **received between the first and the tenth** day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

**RULES
OF
HEALTH SERVICES AND DEVELOPMENT AGENCY**

**CHAPTER 0720-11
CERTIFICATE OF NEED PROGRAM – GENERAL CRITERIA**

TABLE OF CONTENTS

0720-11-.01 General Criteria for Certificate of Need

0720-11-.01 GENERAL CRITERIA FOR CERTIFICATE OF NEED. The Agency will consider the following general criteria in determining whether an application for a certificate of need should be granted:

- (1) Need. The health care needed in the area to be served may be evaluated upon the following factors:
 - (a) The relationship of the proposal to any existing applicable plans;
 - (b) The population served by the proposal;
 - (c) The existing or certified services or institutions in the area;
 - (d) The reasonableness of the service area;
 - (e) The special needs of the service area population, including the accessibility to consumers, particularly women, racial and ethnic minorities, TennCare participants, and low-income groups;
 - (f) Comparison of utilization/occupancy trends and services offered by other area providers;
 - (g) The extent to which Medicare, Medicaid, TennCare, medically indigent, charity care patients and low income patients will be served by the project. In determining whether this criteria is met, the Agency shall consider how the applicant has assessed that providers of services which will operate in conjunction with the project will also meet these needs.
- (2) Economic Factors. The probability that the proposal can be economically accomplished and maintained may be evaluated upon the following factors:
 - (a) Whether adequate funds are available to the applicant to complete the project;
 - (b) The reasonableness of the proposed project costs;
 - (c) Anticipated revenue from the proposed project and the impact on existing patient charges;
 - (d) Participation in state/federal revenue programs;
 - (e) Alternatives considered; and
 - (f) The availability of less costly or more effective alternative methods of providing the benefits intended by the proposal.

(Rule 0720-11-.01, continued)

- (3) Quality. Whether the proposal will provide health care that meets appropriate quality standards may be evaluated upon the following factors:
 - (a) Whether the applicant commits to maintaining an actual payor mix that is comparable to the payor mix projected in its CON application, particularly as it relates to Medicare, TennCare/Medicaid, Charity Care, and the Medically Indigent;
 - (b) Whether the applicant commits to maintaining staffing comparable to the staffing chart presented in its CON application;
 - (c) Whether the applicant will obtain and maintain all applicable state licenses in good standing;
 - (d) Whether the applicant will obtain and maintain TennCare and Medicare certification(s), if participation in such programs was indicated in the application;
 - (e) Whether an existing healthcare institution applying for a CON has maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action shall be considered;
 - (f) Whether an existing health care institution applying for a CON has been decertified within the prior three years. This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility;
 - (g) Whether the applicant will participate, within 2 years of implementation of the project, in self-assessment and external peer assessment processes used by health care organizations to accurately assess their level of performance in relation to established standards and to implement ways to continuously improve.
 1. This may include accreditation by any organization approved by Centers for Medicare and Medicaid Services (CMS) and other nationally recognized programs. The Joint Commission or its successor, for example, would be acceptable if applicable. Other acceptable accrediting organizations may include, but are not limited to, the following:
 - (i) Those having the same accrediting standards as the licensed hospital of which it will be a department, for a Freestanding Emergency Department;
 - (ii) Accreditation Association for Ambulatory Health Care, and where applicable, American Association for Accreditation of Ambulatory Surgical Facilities, for Ambulatory Surgical Treatment Center projects;
 - (iii) Commission on Accreditation of Rehabilitation Facilities (CARF), for Comprehensive Inpatient Rehabilitation Services and Inpatient Psychiatric projects;
 - (iv) American Society of Therapeutic Radiation and Oncology (ASTRO), the American College of Radiology (ACR), the American College of Radiation Oncology (ACRO), National Cancer Institute (NCI), or a similar accrediting authority, for Megavoltage Radiation Therapy projects;
 - (v) American College of Radiology, for Positron Emission Tomography, Magnetic Resonance Imaging and Outpatient Diagnostic Center projects;

(Rule 0720-11-.01, continued)

- (vi) Community Health Accreditation Program, Inc., Accreditation Commission for Health Care, or another accrediting body with deeming authority for hospice services from CMS or state licensing survey, and/or other third party quality oversight organization, for Hospice projects;
 - (vii) Behavioral Health Care accreditation by the Joint Commission for Nonresidential Substitution Based Treatment Center, for Opiate Addiction projects;
 - (viii) American Society of Transplantation or Scientific Registry of Transplant Recipients, for Organ Transplant projects;
 - (ix) Joint Commission or another appropriate accrediting authority recognized by CMS, or other nationally recognized accrediting organization, for a Cardiac Catheterization project that is not required by law to be licensed by the Department of Health;
 - (x) Participation in the National Cardiovascular Data Registry, for any Cardiac Catheterization project;
 - (xi) Participation in the National Burn Repository, for Burn Unit projects;
 - (xii) Community Health Accreditation Program, Inc., Accreditation Commission for Health Care, and/or other accrediting body with deeming authority for home health services from CMS and participation in the Medicare Quality Initiatives, Outcome and Assessment Information Set, and Home Health Compare, or other nationally recognized accrediting organization, for Home Health projects; and
 - (xiii) Participation in the National Palliative Care Registry, for Hospice projects.
- (h) For Ambulatory Surgical Treatment Center projects, whether the applicant has estimated the number of physicians by specialty expected to utilize the facility, developed criteria to be used by the facility in extending surgical and anesthesia privileges to medical personnel, and documented the availability of appropriate and qualified staff that will provide ancillary support services, whether on- or off-site.
- (i) For Cardiac Catheterization projects:
 - 1. Whether the applicant has documented a plan to monitor the quality of its cardiac catheterization program, including but not limited to, program outcomes and efficiencies;
 - 2. Whether the applicant has agreed to cooperate with quality enhancement efforts sponsored or endorsed by the State of Tennessee, which may be developed per Policy Recommendation; and
 - 3. Whether the applicant will staff and maintain at least one cardiologist who has performed 75 cases annually averaged over the previous 5 years (for an adult program), and 50 cases annually averaged over the previous 5 years (for a pediatric program).
- (j) For Open Heart projects:

(Rule 0720-11-.01, continued)

1. Whether the applicant will staff with the number of cardiac surgeons who will perform the volume of cases consistent with the State Health Plan (annual average of the previous 2 years), and whether the applicant will maintain this volume in the future;
 2. Whether the applicant will staff and maintain at least one surgeon with 5 years of experience;
 3. Whether the applicant will participate in a data reporting, quality improvement, outcome monitoring, and peer review system that benchmarks outcomes based on national norms, with such a system providing for peer review among professionals practicing in facilities and programs other than the applicant hospital (demonstrated active participation in the STS National Database is expected and shall be considered evidence of meeting this standard);
- (k) For Comprehensive Inpatient Rehabilitation Services projects, whether the applicant will have a board-certified physiatrist on staff (preferred);
- (l) For Home Health projects, whether the applicant has documented its existing or proposed plan for quality data reporting, quality improvement, and an outcome and process monitoring system;
- (m) For Hospice projects, whether the applicant has documented its existing or proposed plan for quality data reporting, quality improvement, and an outcome and process monitoring system;
- (n) For Megavoltage Radiation Therapy projects, whether the applicant has demonstrated that it will meet the staffing and quality assurance requirements of the American Society of Therapeutic Radiation and Oncology (ASTRO), the American College of Radiology (ACR), the American College of Radiation Oncology (ACRO), National Cancer Institute (NCI), or a similar accrediting authority;
- (o) For Neonatal Intensive Care Unit projects, whether the applicant has documented its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system; whether the applicant has documented the intention and ability to comply with the staffing guidelines and qualifications set forth by the Tennessee Perinatal Care System Guidelines for Regionalization, Hospital Care Levels, Staffing and Facilities; and whether the applicant will participate in the Tennessee Initiative for Perinatal Quality Care (TIPQC);
- (p) For Nursing Home projects, whether the applicant has documented its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems, including in particular details on its Quality Assurance and Performance Improvement program. As an alternative to the provision of third party accreditation information, applicants may provide information on any other state, federal, or national quality improvement initiatives;
- (q) For Inpatient Psychiatric projects:
1. Whether the applicant has demonstrated appropriate accommodations for patients (e.g., for seclusion/restraint of patients who present management problems and children who need quiet space; proper sleeping and bathing arrangements for all patients), adequate staffing (i.e., that each unit will be staffed with at least two direct patient care staff, one of which shall be a nurse, at all

(Rule 0720-11-.01, continued)

- times), and how the proposed staffing plan will lead to quality care of the patient population served by the project;
 2. Whether the applicant has documented its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system; and
 3. Whether an applicant that owns or administers other psychiatric facilities has provided information on satisfactory surveys and quality improvement programs at those facilities.
- (r) For Freestanding Emergency Department projects, whether the applicant has demonstrated that it will satisfy and maintain compliance with standards in the State Health Plan;
 - (s) For Organ Transplant projects, whether the applicant has demonstrated that it will satisfy and maintain compliance with standards in the State Health Plan; and
 - (t) For Relocation and/or Replacement of Health Care Institution projects:
 1. For hospital projects, Acute Care Bed Need Services measures are applicable; and
 2. For all other healthcare institutions, applicable facility and/or service specific measures are applicable.
 - (u) For every CON issued on or after the effective date of this rule, reporting shall be made to the Health Services and Development Agency each year on the anniversary date of implementation of the CON, on forms prescribed by the Agency. Such reporting shall include an assessment of each applicable volume and quality standard and shall include results of any surveys or disciplinary actions by state licensing agencies, payors, CMS, and any self-assessment and external peer assessment processes in which the applicant participates or participated within the year, which are relevant to the health care institution or service authorized by the certificate of need. The existence and results of any remedial action, including any plan of correction, shall also be provided.
 - (v) HSDA will notify the applicant and any applicable licensing agency if any volume or quality measure has not been met.
 - (w) Within one month of notification the applicant must submit a corrective action plan and must report on the progress of the plan within one year of that submission.
- (4) Contribution to the Orderly Development of Adequate and Effective Healthcare Facilities and/or Services. The contribution which the proposed project will make to the orderly development of an adequate and effective health care system may be evaluated upon the following factors:
 - (a) The relationship of the proposal to the existing health care system (for example: transfer agreements, contractual agreements for health services, the applicant's proposed TennCare participation, affiliation of the project with health professional schools);
 - (b) The positive or negative effects attributed to duplication or competition; and

(Rule 0720-11-.01, continued)

- (c) The availability and accessibility of human resources required by the proposal, including consumers and related providers.
- (5) Applications for Change of Site. When considering a certificate of need application which is limited to a request for a change of site for a proposed new health care institution, The Agency may consider, in addition to the foregoing factors, the following factors:
 - (a) Need. The applicant should show the proposed new site will serve the health care needs in the area to be served at least as well as the original site. The applicant should show that there is some significant legal, financial, or practical need to change to the proposed new site.
 - (b) Economic factors. The applicant should show that the proposed new site would be at least as economically beneficial to the population to be served as the original site.
 - (c) Quality of Health Care to be provided. The applicant should show the quality of health care to be provided will be served at least as well as the original site.
 - (d) Contribution to the orderly development of health care facilities and/or services. The applicant should address any potential delays that would be caused by the proposed change of site, and show that any such delays are outweighed by the benefit that will be gained from the change of site by the population to be served.
- (6) Certificate of need conditions. In accordance with T.C.A. § 68-11-1609, The Agency, in its discretion, may place such conditions upon a certificate of need it deems appropriate and enforceable to meet the applicable criteria as defined in statute and in these rules.

Authority: T.C.A. §§ 4-5-202, 4-5-208, 68-11-1605, 68-11-1609, and 2016 Tenn. Pub. Acts Ch. 1043.

Administrative History: Original rule filed August 31, 2005; effective November 14, 2005. Emergency rule filed May 31, 2017; effective through November 27, 2017.

**CERTIFICATE OF NEED
REVIEWED BY THE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLANNING
615-741-1954**

DATE: 1-31-2021

APPLICANT: Haywood County Community Hospital Inc.

CON#: CN2012-037

CONTACT PERSON: Kyle T. Kopec
Braden Health Inc.
200 Church St
Lexington, TN 38352

COST: \$2,568,700.00

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health Planning, reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's State Health Plan*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:

The applicant, Haywood County Community Hospital Inc., (HCCH), proposes to establish a 49-bed rural hospital in Haywood County. The hospital is a registered corporation in Tennessee with 100% of the stock owned by Braden Health, Inc. a North Carolina Corporation.

This project has been approved for HSDA Consent Calendar.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's State Health Plan*.

NEED:

The applicant, Haywood County Community Hospital, Inc. proposes to establish a 49-bed rural hospital located at 2545 North Washington Avenue, Brownsville, TN 38012. This site was previously occupied by a CHS owned hospital called Haywood Park Community Hospital. That hospital has closed, and its license relinquished. Currently, there are no other hospitals or acute care beds in Haywood County.

HCCH plans to re-open the hospital. The hospital will have 24 emergency department, 49 acute inpatient beds, swing bed services, a 24 laboratory, a radiology department with x-ray, Cat Scan, and ultrasound, and an inpatient pharmacy.

This project will not duplicate existing services in the area as there is no acute care hospitals in the area.

The population data for Haywood County in 2021 is 17,003, decreasing to a projected 2023 population of 16,791.

Tennessee Population Projections 2020 Revised UTCBER, Tennessee Department

**TENNCARE/MEDICARE ACCESS:
ECONOMIC FACTORS/FINANCIAL FEASIBILITY:**

The Department of Health, Division of Health Planning have reviewed the Project Costs Chart, the Historical Data Chart, and the Projected Data Chart to determine if they are mathematically accurate and if the projections are based on the applicant's anticipated level of utilization. The location of these charts may be found in the following specific locations in the Certificate of Need Application or the Supplemental material:

This project will be funded partially by parent company Braden Health through cash reserves and other Braden Health operations. Braden Health has also secured a \$3 million line of credit with First Citizens Bank, as outlined in a letter from Braden Health CEO in Supplemental 1 of the application.

Project Costs Chart: The Project Costs Chart is located in Supplement 2 of the application. The total estimated project cost is \$2,568,700. This includes \$947,500 in construction costs, \$1,106,200 for facility acquisition, and \$500,000 for equipment.

There are approximately 47,200 total square feet of space with a renovation cost per square foot of \$20.07, which is below the first quartile cost of \$75.39/SF of statewide hospital renovation costs from 2017 to 2019.

Historical Data Chart: There is no Historical Data Chart in this application as this is a proposal for a new facility.

Projected Data Chart: The Projected Data Chart is located in supplemental 2 of the application. The chart details projected inpatient Days of 1,680 and 2,280 and Net Incomes of \$(85,100) and \$390,900 for years one and two, respectively.

The following chart shows the projected payor mix for the first year of operation:

Projected Payor Mix Year One, Total Facility		
Payor Source	Projected Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$32,400,000	48%
TennCare/Medicaid	\$3,375,000	5%
Commercial/Other Managed Care	\$27,000,000	40%
Self-Pay	\$4,725,000	7%
Other	0	0
Total	\$67,500,000	100%
Charity Care	\$5,000,000	

The Project Completion Forecast Chart will be submitted in June 2021.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:

The applicant believes there are numerous reasons this proposal warrants approval.

1. Haywood County has no hospital or acute care beds. The applicant intends to re-open a hospital in Haywood County for the benefit of the county population.
2. Jackson-Madison County General Hospital announced that they were at capacity and had to stop accepting COVID patients on November 18, 2020.
3. Perry County Hospital unexpectedly closed in November 2020. Henderson County has seen drastic increases in the inpatient census by over 100% in November compared to previous months. The availability of acute care beds in Western Tennessee are critically low.
4. Governor Lee issued Executive Order number 68 which allows hospitals to increase their capacity without the need for Certificate of Need approval. This order demonstrates the increased need for hospital beds.

According to the National Bureau of Economic Research when a rural hospital closes there is an 8.7% increase in deaths in the community.

This project will not duplicate existing services in the area as there is no acute care hospitals in the area.

QUALITY STANDARDS:

The applicant will seek licensing with the Department of Health. The applicant plans to apply for DNV GL hospital accreditation.

STATE HEALTH PLAN
CERTIFICATE OF NEED STANDARDS AND CRITERIA
FOR
Acute Care Beds

The Health Services Development Agency (HSDA) may consider the following standards and criteria for applicants seeking to establish Acute Care Beds. Rationale statements are provided for standards to explain the Division of Health Planning's underlying reasoning. Additionally, these rationale statements may assist stakeholders in responding to these Standards and may assist the HSDA in its assessment of applications. Existing Acute Care Bed programs are not affected by these standards and criteria unless they take action that requires a new certificate of need (CON) for such services. These proposed standards and criteria will become effective immediately upon approval and adoption by the governor.

Standards and Criteria

- 1. Determination of Need:** The following methodology should be used and the need for hospital beds should be projected four years into the future from the current year.
 - a. New hospital beds can be approved in excess of the "need standard for a county" if the following criteria are met:
 - i. All existing hospitals in the proposed service area have an occupancy level greater than or equal to 80 percent for the most recent Joint Annual Report. Occupancy should be based on the number of staffed beds for two consecutive years.
 1. In order to provide adequate information for a comprehensive review, the applicant should utilize data from the Joint Annual report to provide information on the total number of licensed and staffed beds in the proposed service area. Applicants should provide an explanation to justify any differences in staffed and licensed beds in the applicant's facility or facilities. The agency board should take into consideration the ability of the applicant to staff existing unstaffed licensed beds prior to approving the application for additional beds.

The following table should be utilized to demonstrate bed capacity for the most recent year.

Total Beds			
Total Licensed Beds	Staffed beds set up and in use on a typical day	Licensed beds not staffed	Licensed beds that could not be used within 24-48 hours

- ii. All outstanding CON projects for new acute care beds in the proposed service area are licensed.
- iii. The Health Services and Development Agency may give special consideration to applications for additional acute care beds by an existing hospital that demonstrates (1) annual inpatient occupancy for the twelve (12) months preceding the application of 80 percent or greater of licensed beds and (2) that the addition of beds without a certificate of need as authorized by statute will be inadequate to reduce the projected occupancy of the hospital's acute care beds to less than 80 percent of licensed bed capacity.
- b. In accordance with Tennessee Code Annotated 68-11-14607 (g), "no more frequently than one time every three years, a hospital, rehabilitation facility, or mental health hospital may increase its total number of licensed beds in any category by ten percent or less of its licensed capacity at any one campus over any period of one year for any services it purposes it is licensed to perform without obtaining a certificate of need". These licensed beds that were added without a certificate of need should be considered as part of the determination of need formula by the agency.
- i. Applicants should include information on any beds that have been previously added utilizing this statute.
- c. Applicants applying for acute care beds in service area counties where there is no hospital, and thus no bed occupancy rate numbers to provide for the need formula, should provide any relevant data that supports its claim that there is a need for acute care beds in the county or counties. Data may include, for example, the number of residents of the county or counties who over the previous 24 months have accessed acute care bed services in other counties.

Data: Applicants should utilize population data from the University of Tennessee, Tennessee State Data Center, Boyd Center for Business & Economic Research (UTCEBER) for determination of need calculations. These data are made publicly available at the following link:

<http://tndata.utk.edu/sdcpopulationprojections.htm>

Department of Health Acute Care Bed Need Projections are available upon request at the following link under "Submit a Request":

<https://tn.gov/health/section/statistics>

Note: A Critical Access Hospital (CAH) that has Centers for Medicare and Medicaid Services (CMS) approval to furnish swing bed services may use any acute care bed within the CAH for the provision of swing bed services, with the following exceptions: within their IPPS-excluded rehabilitation or psychiatric distinct part unit, in an intensive care-type unit, and for newborns.

See: <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/SwingBedFactsheet.pdf>

Applicant response: There are no acute care beds in the service area. Need calculations cannot be performed.

- 2. Quality Considerations:** Applicants should utilize Centers for Disease Control & Prevention's (CDC) National Healthcare Safety Network (NHSN) measures. Applicants must provide data from the most recent four quarters utilizing the baseline established by the NHSN within the dataset.

Data Source: Hospital Compare

<https://www.medicare.gov/hospitalcompare/search.html?>

Applicants should utilize the following table to demonstrate the quality of care provided at the existing facility.

Centers for Disease Control & Prevention's (CDC) National Healthcare Safety Network (NHSN) Measures				
Measure	Source	National Benchmark	Hospital Standardized Infection Ratio (SIR)	Hospital Evaluation (above, at, or below national benchmark)
Catheter associated urinary tract infection (CAUTI)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.		

Central line associated blood stream infection (CLABSI)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.		
Methicillin resistant staphylococcus aureus (MRSA)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.		
Clostridium difficile (C.diff.)	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.		
Surgical Site Infections (SSI)				
SSI: Colon		Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.	
SSI: Hysterectomy	Hospital Compare: Complications & Deaths – Healthcare-associated infections	Standardized infection ratio (SIR) national benchmark = 1.		
		National Average	Tennessee Average	Hospital Percentage
Healthcare work influenza vaccinations	Hospital Compare: Timely & Effective Care – Preventive Care			

Applicants should provide the above metrics and any improvement plans that are in place to improve the hospital's performance on these metrics.

In addition to the above metrics, the applicant should list, or briefly summarize, any significant quality accreditations, certifications, or recognitions that might be appropriate for Agency consideration (i.e. Joint Commission, TDH/BLHCF survey results, CMS standing, and/or clinical quality awards).

The above metrics should serve as a guide for the Agency to better understand the quality of care that is provided by the applicant at the existing facility. National and state averages serve as an indicator by which the board may evaluate the applicant.

Note: In the event quality data is unavailable for an applicant's existing facility, the applicant should provide data from a comparable, existing facility owned by the applicant. If no comparable data is available, the absence of such information should not disadvantage the applicant over another with available quality data.

The applicant plans to apply for DNV GL hospital accreditation.

- 3. Establishment of Service Area:** The geographic service area shall be reasonable and based on an optimal balance between population density and service proximity of the applicant.

The applicant service is appropriate as there are no hospitals in Haywood County.

- 4. Relationship to Existing Similar Services in the Area:** The proposal shall discuss what similar services are available in the service area and the trends in occupancy and utilization of those services. This discussion shall include the likely impact of the proposed increase in acute care beds on existing providers in the proposed service area and shall include how the applicant's services may differ from these existing services. The agency should consider if the approval of additional beds in the service area will result in unnecessary, costly duplication of services. This is applicable to all service areas, rural and others.

The following tables should be utilized to demonstrate existing services in the proposed service area.

Facility	County	20XX Licensed Beds	Patient Days			Licensed Occupancy			% Change in Patient Days 20XX-20XX
			20XX	20XX	20XX	20XX	20XX	20XX	
Total									

graduated providers, to recruit and hire providers to move to the area. Licensed physicians will supervise and assess staff competencies.

Assurance of Resources: The applicant shall document that it will provide the resources necessary to properly support the applicable level of services. Included in such documentation shall be a letter of support from the applicant's governing board of directors, Chief Executive Officer, or Chief Financial Officer documenting the full commitment of the applicant to develop and maintain the facility resources, equipment, and staffing to provide the appropriate services. The applicant shall also document the financial costs of maintaining these resources and its ability to sustain them.

No response provided.

- 9. Data Requirements:** Applicants shall agree to provide the Department of Health and/or the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services and to report that data in the time and format requested. As a standard practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

The applicant agrees to provide all reasonable requests for statistical data.

- 10. Quality Control and Monitoring:** The applicant shall identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring system.

Applicant response: We will utilize our current plans and process from Henderson County to identify and report all data requested including quality improvement, outcome and process monitoring. Moreover, as one of the listed PSO organizations we also report data to AHRQ.

Rationale: This section supports the State Health Plan's Fourth Principle for Achieving Better Health regarding quality of care.

- 11. Licensure and Quality Considerations:** Any existing applicant for this CON service category shall be in compliance with the appropriate rules of the TDH. The applicant shall also demonstrate its accreditation status with the Joint Commission or other applicable accrediting agency.

The applicant plans to apply for DNV GL hospital accreditation.

- 12. Community Linkage Plan:** The applicant shall describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services assuring continuity of care.

Rationale: The 2014 Update to the State Health Plan moved from a primary emphasis of health care to an emphasis on “health protection and promotion”. The development of primary prevention initiatives for the community advances the mission of the current State Health Plan.

As a new facility, there are no current community linkage plans.