

JULY 19, 2022, CITY COUNCIL MEETING

**RESOLUTION APPROVING THE ISSUE OF A REQUEST FOR PROPOSALS
REGARDING GREENWOOD LEFLORE HOSPITAL.**

RESOLVED, the City Council of the City of Greenwood, Mississippi, ratifies and approves the engagement by the Board of Commissioners of Greenwood Leflore Hospital of Wise Carter Child and Caraway, P.A. (Wise Carter), to conduct the review of current hospital operations required by Mississippi Code Annotated Section 41-13-15, and authorizes the execution of Wise Carter's engagement letter, and

RESOLVED, the City Council of the City of Greenwood, Mississippi, has received and reviewed the report of current hospital operations prepared by Carr Riggs Ingram, CPAs and Advisors, at the request of Wise Carter, and

RESOLVED, the City Council of the City of Greenwood, Mississippi, finds that the Publication of a Notice of the Request for Proposals in order to obtain binding proposals will enable the City Council to decide whether any proposed lease without purchase option of the Greenwood Leflore Hospital will be in the best interest of the City and protect the community's health interests and will meet the objectives of maximizing the value of the existing Hospital through obligations of a Lessee to improve the regional reputation of the Hospital and to make capital improvements in the hospital facilities, to make investments in the local workforce and to expand hospital and professional healthcare services by working with expanding the Medical Staff so as to provide the highest quality medical care at the lowest reasonable cost to the residents of the County, City and the Hospital's service area.

**NOW, THEREFORE, BE IT FURTHER RESOLVED, BY THE CITY COUNCIL
OF THE CITY OF GREENWOOD, MISSISSIPPI**, as follows:

That the findings, conclusions, and statements of fact contained in the foregoing preamble are hereby adopted, ratified and incorporated herein, and further that the City Council of the City of Greenwood, Mississippi, reserves the right to reject any and all proposals submitted in response to the Request for Proposals.

BE IT FURTHER RESOLVED, that the Joint Notice of Resolutions to Issue Request for Proposals and Notice of Request for Proposals attached hereto as Exhibit "A" shall be issued for publication, provided that the Board of Supervisors of Leflore County, Mississippi, also

approves the Request for Proposals and consents to its issuance for publication.

BE IT FURTHER RESOLVED, that the Request for Proposals to Lease Without Option to Purchase attached hereto as Exhibit “B” is accepted and adopted as the complete Request for Proposals that will be provided to potential bidders that so request it, provided that the Board of Supervisors of Leflore County, Mississippi, also approves the Request for Proposals and consents to its issuance for publication. Mayor Carolyn McAdams hereby is authorized and empowered on behalf of the City of Greenwood to execute and sign all necessary documents, contracts, including the engagement letter with Wise Carter, and to take all actions necessary to effectuate the intent of this Resolution.

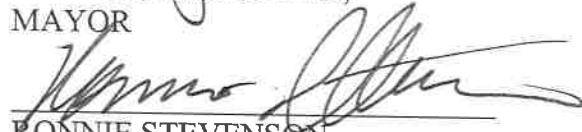
The above and foregoing resolution having been first reduced to writing was considered section by section and then as a whole, having been introduced by Councilperson Charles E. McCoy, Sr., was duly seconded for adoption by Councilperson Johnny Jennings, and upon a vote being called, received the following vote:

| <u>COUNCILPERSON</u> | <u>YEA</u> | <u>NAY</u> |
|-----------------------|------------|------------|
| Johnny Jennings | X | |
| Lisa Cookston | X | |
| Ronnie Stevenson | X | |
| Charles E. McCoy, Sr. | X | |
| Andrew Powell | Absent | |
| Dorothy Glenn | X | |
| Carl Palmer | X | |

The President of the Council then declared the motion passed and adopted this, the 19th day of July 2022.

APPROVED BY:


CAROLYN MCADAMS,
MAYOR


RONNIE STEVENSON,
PRESIDENT OF THE CITY COUNCIL

ATTEST:

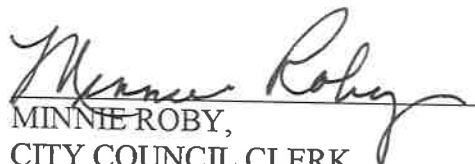

MINNIE ROBY,
CITY COUNCIL CLERK

EXHIBIT A

**JOINT NOTICE OF RESOLUTIONS TO ISSUE
REQUEST FOR PROPOSALS REGARDING HOSPITAL
AND
NOTICE OF REQUEST FOR PROPOSALS**

In compliance with Section 41-13-15 of the *Mississippi Code of 1972 Annotated* (the "Code"), and pursuant to the authority granted to the Board of Supervisors of Leflore County, Mississippi, and the City Council of the City of Greenwood, Mississippi, as Owners of Greenwood Leflore Hospital:

NOTICE IS HEREBY GIVEN THAT THE BOARD OF SUPERVISORS OF LEFLORE COUNTY, MISSISSIPPI, ADOPTED THE FOLLOWING RESOLUTION ON July 25, 2022:

RESOLVED, that the Board of Supervisors of Leflore County, Mississippi, finds that Publication of a Notice of the Request for Proposals in order to obtain binding proposals will enable the Board of Supervisors to decide whether any proposed lease without purchase option of the Greenwood Leflore Hospital will be in the best interest of the County and protect the community's health interests and will meet the objectives of maximizing the value of the existing Hospital through obligations of a Lessee to improve the regional reputation of the Hospital and to make capital improvements in the hospital facilities, to make investments in the local workforce and to expand hospital and professional healthcare services by working with and expanding the Medical Staff so as to provide the highest quality medical care at the lowest reasonable cost to the residents of the County, City and the Hospital's service area.

BE IT FURTHER RESOLVED, that the Board of Supervisors of Leflore County, Mississippi, reserves the right to reject any and all proposals submitted in response to the Request for Proposals.

BE IT FURTHER RESOLVED that the Notice of the Request for Proposals set forth below shall be issued for publication, provided that the City Council of the City of Greenwood, Mississippi, also approves the Request for Proposals and consents to its notice for publication.

AND THE CITY COUNCIL OF THE CITY OF GREENWOOD, MISSISSIPPI, ADOPTED THE FOLLOWING RESOLUTION ON July 19, 2022:

RESOLVED, that the City Council of the City of Greenwood, Mississippi, finds that Publication of a Notice of the Request for Proposals in order to obtain binding proposals will enable the City Council to decide whether any proposed lease without purchase option of the Greenwood Leflore Hospital will be in the best interest of the City and protect the community's health interests and will meet the objectives of maximizing the value of the existing Hospital through obligations of a Lessee to improve the regional reputation of the Hospital and to make

capital improvements in the hospital facilities, to make investments in the local workforce and to expand hospital and professional healthcare services by working with and expanding the Medical Staff so as to provide the highest quality medical care at the lowest reasonable cost to the residents of the County, City and the Hospital's service area.

BE IT FURTHER RESOLVED, that the City Council of the City of Greenwood, Mississippi, reserves the right to reject any and all proposals submitted in response to the Request for Proposals.

BE IT FURTHER RESOLVED that the Notice of the Request for Proposals set forth below shall be issued for publication, provided that the Board of Supervisors of Leflore County, Mississippi, also approves the Request for Proposals and consents to its notice for publication.

NOTICE OF REQUEST FOR PROPOSALS

This Notice of Request for Proposals ("RFP") is issued by the City of Greenwood, Mississippi (the "City") and Leflore County, Mississippi (the "County") in compliance with the Code and in accordance with the above resolutions. The complete RFP containing detailed instructions for submission of proposals and descriptions of assets offered for potential lease may be obtained from the Office of the Mayor and/or from the Office of the Chancery Clerk. It may also be obtained from counsel for the City, County and Hospital, Elizabeth G. Hooper, **Wise Carter Child & Caraway, P.A.**, 600 Heritage Building, 401 East Capitol St., Jackson, MS 39201, egh@wisecarter.com. The RFP is intended to solicit proposals from Bidders meeting the minimum qualifications set forth herein for a lease without an option to purchase of the Greenwood Leflore Hospital and certain related assets defined in the RFP in accordance with the minimum required lease terms described herein.

A. Evaluation Process and Schedule

1. Bidders are requested to notify the City and County in writing to **Elizabeth G. Hooper, Wise Carter Child & Caraway, P.A.**, 600 Heritage Building, 401 East Capitol St., Jackson, MS 39201, and concurrent email to egh@wisecarter.com, and with outside of envelope and heading of email marked "Notice of Intent to Bid Hospital Transaction" if Bidder desires to submit a bid and obtain a Proprietary Information Agreement (PIA) necessary to obtain due diligence information to be addressed in all bids.
2. In addition to this publication and the RFP, Bidders will be entitled to receive or obtain access to non-public information relating to the Hospital's assets, employees and contracts only following execution and return by Bidders of the PIA to be provided electronically to Bidders that submit a Notice of Intent to Bid in accordance with Paragraph A.1 above.
3. **Bid submittal:** Five (5) copies of sealed proposals for the lease, with the outside of the envelope clearly marked as "Hospital Lease Proposal," must be received on or before 3:00 p.m., August 31, 2022, by hand delivery, or otherwise physically delivered by public or private carriers or delivery service, including but not limited to U.S. Postal Service Certified Mail with return receipt requested, United Parcel Service, Federal Express, or by any other delivery method with receipt of said proposals, to: Elizabeth G. Hooper, Wise Carter Child &

Caraway, P.A., 600 Heritage Building, 401 East Capitol St., Jackson, MS 39201. After 3:00 p.m. on the same Bid Due Date, an electronic copy of the complete proposal shall be submitted with "Confidential Hospital Bid" in subject line egh@wisecarter.com.

4. Evaluation Schedule. Bids will be evaluated, interviews scheduled, and negotiations conducted as deemed necessary by the County and City. Determination as to whether to lease or to continue existing operations of the Hospital is scheduled for no later than September 30, 2022, with any extension of such date to be at the sole discretion of the County and City.

5. Closing Schedule. The Closing of the potential lease shall occur when regulatory approvals have been obtained and is scheduled on or before October 31, 2022, unless a later date is approved by the County and City and published in a public notice.

6. Evaluation Process. Bids will be evaluated based on the overall assessment of the Bidder qualifications, ability to meet County and City objectives specified in the published resolutions, proposed exceptions to the minimum terms, and the value of the lease terms offered. To the extent the County and City have questions regarding bids or the willingness of a Bidder to withdraw certain of its exceptions, the County and City may engage in negotiations and discussions with all or any of the Bidders as the County and City determine in their sole and joint discretion. Following any such negotiations and approval by the Hospital's Board of Commissioners, the County and City will announce the "highest and best" Bidder and then will subsequently negotiate and sign a lease ("Lease") with such successful Bidder or the City and County may reject any and all bids for any reason.

7. Proposal Validity and Withdrawal. After the Bid Submittal date shown in A.3 above, no Bidder will be permitted to withdraw its Proposal until the expiration of 120 days after the Bid Submittal Date.

B. REQUIREMENTS

I. MINIMUM QUALIFICATIONS TO RESPOND

Each Bidder must describe the organizational and ownership structure of the proposed Lessee, and certify within its proposal each of the following (or prior to the Bid Submittal Date shown above, secure a publishable waiver from the City and County for any item that Bidder cannot so certify) in order to submit a response to the RFP:

- a. At least ten (10) years operational experience of licensed hospitals by the proposed Lessee submitting the proposal (experience of the Bidder's affiliate or predecessor companies may be submitted with explanation of relationship to Bidder's current management team);
- b. Neither Bidder nor its affiliated companies has been indicted or convicted of any criminal offense that could result in exclusion of the Bidder or an affiliate of the Bidder being excluded from Medicare, Medicaid or other federal healthcare programs;

- c. Bidder and its affiliated companies have never been suspended or excluded from participation in Medicare, Medicaid or other Federal healthcare programs;
- d. Submit proof of adequate financial resources available to the prospective Lessee to lease, and operate the leased assets, including without limitation, copies of most recent audited financial statements reflecting assets allowing the proposed Lessee (or parent company) to meet the minimum requirements set forth in the RFP, any parent or affiliate guarantees to be offered, any public credit ratings, and if the Bidder anticipates financing the lease through an affiliate, the Bidder should submit similar information with respect to that affiliate;
- e. Guarantee that appointments to the Medical Staff of the Lessee are and will be made and access to services is and will be provided without regard to economic status, physical status, race, ethnic origin, sex, age or religious affiliation;
- f. Demonstration or certification the prospective Lessee will agree to guarantee the provision of the following level of services following the Closing, at a minimum: continuation of charity care no less than current levels; continuation of general acute care beds, rehabilitation, surgery and emergency room services as currently offered, unless the County and City agree to a reduction in services. The Bidder shall also explain how currently offered specialty services will continue to be available to residents of the service area, and recruitment efforts that will be undertaken by the Bidder to recruit and retain these specialists in the County and City;
- g. Bidder must certify that it has full legal or corporate authority to submit its binding lease proposal, as evidenced by certified copy of board minutes, which should be included with the proposal.
- h. Neither the County, City nor the Hospital intend to pay premiums for prior acts professional liability coverage for its licensed employees and prior operations that have been subject to statutory sovereign immunity. However, the Hospital's professional and general liabilities are covered under the Mississippi Tort Claims Act. Each Bidder shall describe the prospective Lessee's current insurance program;
- i. In the event the Bidder or the proposed Lessee is another governmental entity enjoying statutory sovereign immunity, such Bidder should explain how it will protect the County and City from claims or liability arising following the Closing in absence of ability to provide an enforceable third party indemnity. If such governmental Bidders believe that they have authority to issue valid indemnities to the County and City, they should include a binding legal opinion addressed to the County and City to such effect as part of the binding proposal.

II. Minimum Contract Requirements and Covenants

- a. The Hospital is a general acute care hospital. It is the Owners' requirement that the hospital continue to be located in Greenwood, Mississippi and that medical services remain available to the community, including without limitation charity care funded by

successful Bidder. Bidders should specifically indicate any suggested additions or changes in Hospital or professional services that are contemplated as a part of their proposals.

- b. Bidders should also commit that the selection of individuals as members of the Medical Staff will be made without regard to economic status, disabilities that do not prevent performance of duties inherent to the practice of medicine, race, ethnic origin, sex or age.
- c. Bidders should commit to continue requirements for Board certification and continue other policies and procedures as set forth in the existing Medical Staff Bylaws, Rules and Regulations and policies for some period of time and specify any proposed changes and time period for proposed changes. Bidders should document their plan for recruitment and retention of additional specialty physicians.
- d. All residents of Leflore County, including, without limitation, Medicaid, charity, racial and ethnic minorities, women, handicapped persons and the elderly, should have access to the services of the Hospital following the Closing without regard to insured status. Each Bidder should affirm that all such individuals will have access to Hospital services on a non-discriminatory basis.
- e. Each Bidder must agree to maintain adequate property and liability insurance. The property insurance for the leased assets and operations must be equivalent to that currently in effect, and if less than replacement value, amounts must be acceptable to the County and City, with the County and City named as loss payees.
- f. The Bidder should indicate the period of time for which it is willing to lease the Hospital from the County and City. An initial term of at least twenty (20) years is contemplated by the County and City, however, shorter or longer terms not to exceed fifty (50) years will be considered and are negotiable. The Lessee's lease rights will be subject to compliance by the Lessee with the terms and conditions of a lease agreement.
- g. No sublease or assignment of any lease during the entire lease term, and no lease or other transfer of Hospital real property shall be allowed during the initial twenty (20) years of a lease without prior approval of the County and City.
- h. The Bidder should clearly state the amount of rent that it is proposing to pay for the lease for the Hospital. The rent should be based on the value of the land, licensed beds and services and facilities owned by the County and City. Rent values should be designated as for real property and tangible property.
- i. Moveable tangible property and other current assets for which title is held by the Hospital, instead of the County and City, are intended to be purchased or leased by a successful Bidder of any Lease resulting from this RFP. The lease value of tangible property and method of valuing the inventory of consumable items should be specified as part of any Lease proposal.
- j. Each Bidder should address the assumption of current assets and liabilities of the Hospital. In addition, the value of the Hospital's inventory of tangible, consumable items on hand as of Closing and proposed to be transferred to the Lessee shall be determined by a physical inventory to be conducted immediately prior to Closing.

- k. Each Bidder should explain whether it intends to assume the Hospital's existing, disclosed debts and its lease obligations, including the Hospital's unfunded pension liability.
- l. Each Bidder should acknowledge that it will agree to indemnify and to hold the City, City officials, County, the members of the Board of Supervisors and other County officials and the Hospital Board members and the County's and City's respective officers, employees and agents harmless from and against any and all liability arising in connection with the operation of the leased assets by the Lessee from and after the date of Closing. In the alternative, Bidder may explain any exception or explain any alternative claims escrow or insurance that will be provided at the Bidder's cost to assure equivalent protection. Each Bidder should also acknowledge that the City and County do not have statutory or constitutional authority to providing binding reciprocal indemnification.
- m. Each Bidder should indicate its willingness to continue to offer employment to those employees of the Hospital for at least 12 months from the Closing at terms of employment equal to or better than currently in effect or such longer period as may be contained in any written physician contract. A summary comparison of Hospital's current benefit plans with the benefit plans to be offered by the Lessee should be included with each bid.
- n. Each Bidder should indicate if it intends to assume the Hospital's provider numbers, as well as related contingent liabilities for retrospective payer adjustments, recoupment, etc.
- o. Each Bidder shall also specify the right and option of the City and County to acquire equipment and other moveable property acquired by the Lessee and then in use at the expiration or termination of the Lease Term for a price not to exceed net book value, and all other moveable equipment or property acquired from the Hospital, County or City that may still be in use at the expiration or termination of the Lease shall be returned to the County and City without any payment due.
- p. Bidder should acknowledge that other than warranties as to title, the assets of the Hospital will be leased on an "AS-IS, WHERE-IS" basis without any express or implied warranties as to value, quality or suitability of the assets being sold or leased, and each Bidder should acknowledge that all implied warranties relating to the condition of the Hospital's tangible assets will be disclaimed and waived.
- q. The County and City desire to obtain a Phase I (Baseline) environmental study with respect the Leased Facilities prior to the Closing and an updated Phase I study at the end of the Lease. Each Bidder proposing a lease should propose payment responsibility for such environmental studies.
- r. Bidders must acknowledge that any Lease will be governed by the laws of the State of Mississippi and must consent to jurisdiction of the local or state courts located within Leflore County, Mississippi for adjudication of any disputes among the parties to the proposed Lease.

EXHIBIT B

Request for Proposals to Lease Without Option to Purchase

**Greenwood Leflore
Hospital**

And Certain Related Facilities and Assets

2022

REQUEST FOR PROPOSAL TO LEASE

This Request for Proposal to Lease ("RFP") is issued by the City of Greenwood, Mississippi (the "City") and Leflore County, Mississippi (the "County") in compliance with Section 41-13-15 of the Mississippi Code of 1972, as amended (the "Code") and in accordance with the resolutions adopted by the City on July 19, 2022, and by the County on July 25, 2022, both published along with public notice of this RFP ("Board Resolutions"). This RFP is intended to solicit proposals from Bidders meeting the minimum qualifications set forth herein for a lease without an option to purchase of the Greenwood Leflore Hospital and certain related assets in accordance with the minimum required lease terms described herein. Bidders that submit a notice of intent to bid per V.C.3 below will be entitled to receive or obtain access to Exhibits 3-14 following execution and return of the Proprietary Information Agreement in the form of Exhibit 2. More detailed due diligence, including on-site interviews and visits to the Hospital's campus will be reserved for only those Bidders that actually submit a binding bid meeting the minimum bidder and bid qualifications set forth in Part I.A below.

Bids will be evaluated based on the overall assessment of the Bidder qualifications, ability to meet County and City objectives, proposed exceptions to the minimum terms described herein and the value of the lease terms offered. To the extent the County and City have questions regarding bids or the willingness of a Bidder to withdraw certain of its exceptions, the County and City may engage in negotiations and discussions with all or any of the Bidders as the County and City determine in their sole and joint discretion. Following any such negotiations and approval of the proposed lease by the Hospital's Board of Commissioners, the County and City will announce the "highest and best" Bidder and then will subsequently negotiate and sign a lease ("Lease") with such successful Bidder or the City and County may reject any and all bids for any reason.

Assuming a bid is awarded and a Lease is executed, the parties will then cooperate to obtain all necessary regulatory approvals for transfer of operation of the leased assets to the Lessee, as applicable. The commencement of the Lease term, as applicable, will occur when all regulatory and other stated conditions to the effective transfer of operations to the Lessee have occurred. The Lease will contain a target date for the closing of October 31, 2022, or such later date as the parties may agree in writing.

This RFP is organized into the procedural matters set forth in Sections V and VI below and the following four substantive sections, and proposals should likewise be organized in accordance with the numerical system for the substantive sections as listed below:

- I. Minimum Qualifications to Respond: Section I of each proposal should evidence whether the prospective Lessee meets each of the specific criteria to submit a response to

this RFP. Section I of this RFP identifies these requirements and also provides other background information required to be submitted by each Bidder.

II. Description and Background of Greenwood Leflore Hospital and Other Assets Offered for potential Lease: This section of the RFP provides a description of the Hospital and related assets that are currently operated by the Greenwood Leflore Hospital Board of Commissioners ("Hospital Board") and offered for potential Lease by the County and City. This Section provides a description of contracts executed by or on behalf of the Hospital Board that are offered to be assigned to and assumed by the successful Bidder. Section II also contains an overview of the Hospital's history, and its organizational and operational structure. Bidders are encouraged, but are NOT required, to offer a lease proposal for all of the assets offered for Lease. Thus, Section II of each proposal should clearly define any assets described in Section II of this RFP that the Bidder does not desire to lease and any disclosed contracts that the Bidder does not desire to assume. Likewise, if a Bidder desires to lease any assets owned by the County and/or City that are not described in Section II of this RFP and that may not currently be dedicated to healthcare operations, such Bidder should include within Section II an alternate proposal for inclusion of such assets within the Lease and a description of the rent increase and other benefits to be derived from the citizens of the City and County by inclusion of such additional assets with the proposed Lease.

III. Objectives of the County and City: Included in Section III are the objectives of the County and City consistent with the attached Resolutions. Section III of each proposal should describe how the Bidder's proposal will achieve these objectives.

IV. Minimum Commercial Terms: This section outlines the minimum terms required of all proposals submitted in response to this RFP. Each bidder may, but is not required to, submit a proposed suggested Lease form that contains these minimum terms consistent with the Bidder's proposal. Section IV of each proposal should also clearly state the Bidder's rationale for any exceptions proposed by a Bidder to any of the minimum terms set forth in Section IV of this RFP and the cost/rent or price benefits expected to be realized by the County and City as a result of such exception.

V. Timetable and Instructions: The schedule for submittal of responses and general bid instructions are provided in section V of this RFP.

VI. Evaluation Process: Section VI of this RFP describes the evaluation process that will be used by the County and City to review the proposals.

VII. Exhibits: Section VII identifies the Exhibits associated with this RFP that will be provided only to those bidders that sign and return a Proprietary Information Agreement in order to obtain access to Hospital's secure document web-based virtual library.

II. MINIMUM QUALIFICATIONS TO RESPOND

- A. Each Bidder is required to propose a Lease without Purchase Option and to identify the prospective Lessee, if different from the Bidder. Each Bidder should also describe the organizational and ownership structure of the proposed Lessee, and certify each of the following (or prior to the Bid Submittal Date secure a waiver from the City and County for any item that Bidder cannot so certify) in order to submit a response to this RFP:
1. At least ten (10) years operational experience of licensed hospitals by the proposed Lessee submitting the proposal (experience of the Bidder's affiliate or predecessor companies may be submitted with explanation of relationship to Bidder's current management team);
 2. Neither Bidder nor its affiliated companies has been indicted or convicted of any criminal offense that could result in exclusion of the Bidder or an affiliate of the Bidder being excluded from Medicare, Medicaid or other federal healthcare programs;
 3. Bidder and its affiliated companies have never been suspended or excluded from participation in Medicare, Medicaid or other Federal healthcare programs;
 4. Submit proof of adequate financial resources available to the prospective Lessee to lease and operate the leased assets, including without limitation, copies of most recent audited financial statements reflecting assets allowing the proposed Lessee (or parent company) to meet the minimum commercial requirements set forth in Section IV of this RFP, any parent or affiliate guarantees to be offered, any public credit ratings, and if the Bidder anticipates financing the lease through an affiliate, the Bidder should submit similar information with respect to that affiliate;
 5. Guarantee that appointments to the Medical Staff of the Lessee are and will be made and access to services is and will be provided without regard to economic status, physical status, race, ethnic origin, sex, age or religious affiliation;
 6. Demonstration or certification the prospective Lessee will agree to guarantee the provision of the following level of services following the Closing, at a minimum: continuation of charity care no less than current levels; continuation of general acute care beds, rehabilitation, surgery and emergency room services as currently offered, unless the County and City agree to a reduction in services. The Bidder shall also explain how currently offered specialty services will continue to be available to residents of the service area, and recruitment efforts that will be undertaken by the Bidder

to recruit and retain these specialists in the County and City;

7. Bidder must certify that it has full legal or corporate authority to submit its binding lease proposal, as evidenced by certified copy of board minutes, which should be included with the proposal.
 8. Annual or monthly rent payments for real property and tangible property.
 9. **Neither the County, City nor the Hospital intend to pay premiums for prior acts professional liability coverage for its licensed employees and prior operations that have been subject to statutory sovereign immunity. However, the Hospital's professional and general liabilities are covered under the Mississippi Tort Claims Act.** Each Bidder shall describe the prospective Lessee's current insurance program.
 10. In the event the Bidder or the proposed Lessee is another governmental entity enjoying statutory sovereign immunity, such Bidder should explain how it will protect the County and City from claims or liability arising following the Closing in absence of ability to provide an enforceable third party indemnity. If such governmental Bidders believe that they have authority to issue valid indemnities to the County and City, they should include a binding legal opinion addressed to the County and City to such effect as part of the binding proposal.
- B. In addition to the foregoing minimum requirements, each Bidder is requested to provide the following background information to aid in the evaluation of Bids:
1. A record of community service in the communities in which institutions affiliated with the Bidder are presently located. Bidder should include public education, indigent care and similar programs that it currently provides and would anticipate extending to its operations in Greenwood and Leflore County if its proposal is successful.
 2. Each Bidder should list any other managed care program in which the Bidder participates but in which Hospital is NOT currently participating (i.e., not listed on Exhibit 8) that is proposed by Bidder to be expanded so that the covered services under such new managed care plan will be offered in the leased facilities in Greenwood under such program to its beneficiaries.
 3. Each Bidder should describe the accreditation status of facilities it currently operates and whether it intends to maintain Joint Commission or

other accreditation for the Hospital following the Closing.

4. Each Bidder must specify whether it proposes operations on a for-profit or non-profit basis.

II. DESCRIPTION AND BACKGROUND OF GREENWOOD LEFLORE HOSPITAL and RELATED ASSETS OFFERED FOR LEASE

A. The Hospital.

The Hospital is a community hospital organized pursuant to the Mississippi Community Hospital Act which is jointly owned by Leflore County, Mississippi, and the City of Greenwood. It is licensed to operate 208 inpatient beds, 9 of which are Intensive Care, and 20 Rehabilitation beds, outpatient care facilities and physician clinics. The Hospital is governed by a 5-member Board of Hospital Commissioners, 2 who are appointed by the Board of Supervisors of Leflore County, 2 who are appointed by the Mayor and City Council of the City of Greenwood, and 1 who is jointly appointed by both Owners. The Hospital is an independent enterprise held and operated separately and apart from the other assets and activities of the City or County. The Hospital is not a taxable entity and does not file income tax returns.

Assets excluded from the potential Lease consist of Hospital cash in depositories, accounts receivables, cost report settlements and other excluded assets as described on Exhibit 14. Liabilities excluded from the potential Lease consist of accounts payable, other current liabilities, debt and lease obligations.

B. Currently Leased Facilities.

1. The Hospital currently leases from third parties the facilities and equipment as listed in Exhibit 9.
2. The Hospital currently leases to other providers space and facilities described on Exhibit 10.

Each Bidder should explain in its bid whether it desires for any or all of the current leases to be terminated or whether the Bidder desires to assume the Hospital's rights and obligations under the current leases.

C. Governing Board and Patient Base.

The Hospital is a governmental component unit of Leflore County, Mississippi, and the City of Greenwood, Mississippi, and has financial accountability to the County and the City. From the review of Carr Riggs & Ingram, LLC, approximately 85 percent of the inpatient utilization from all of the citizens of Leflore County is obtained from the Hospital and approximately 58% of the Hospital's inpatients reside in Leflore County. (See Exhibit 3). The Hospital is governed by a five-member Hospital Board, two of whom are appointed by the Board of Supervisors of Leflore County, two of whom are appointed by the Mayor and the City Council, and one of whom is jointly appointed by both Owners. This board will not dissolve upon the execution and delivery of a long-term Lease, but will dissolve upon closing of the Lease, as applicable, except to the extent such Board may be retained to wind down the affairs of the hospital district and as a fiduciary for the Retirement Plan as described in Exhibit 13. It is desired and viewed as a minimum condition that the transition period from the signing of the Lease until hospital operations commence by the Lessee upon Closing will occur without any interruption of service for hospital patients or any undue interference or disruption of the practice of medicine by Hospital's Medical Staff.

D. Executory Contracts.

A list of material executory contracts is attached as Exhibit 8 and facility and space leases are in Exhibits 9 and 10. **Only those Bidders who sign and return to Hospital the Proprietary Information Agreement attached as Exhibit 2 hereto** will be entitled to review most of these contracts that the Hospital will make available via a secure document web-based virtual library from the Bidder's location. However, some physician contracts will be available only at the Hospital during a second stage of due diligence conducted only by those selected bidders who submit responsive bids demonstrating compliance with the minimum requirements in Part I.A above. Each Bidder should specifically define in its proposal any contract made available for viewing during the pre-bid due diligence on Exhibits 8 - 10 that it does not agree to assume.

In addition the County and City intend for the successful Bidder to assume additional purchase orders for supplies and goods that are not specifically itemized but are routinely issued by the Hospital in accordance with applicable public purchase laws and in the Hospital's normal course of business, including without limitation, contracts and purchase orders issued during the transition period between execution of the Lease and the Closing.

E. Selected Summary Financial Information.

The audited financial statements with opinions and footnotes, for the years ending September 30, 2021 and 2020 and the most recent unaudited financial statements for 2022 are available. See Exhibits No. 4 and 5.

III.

OBJECTIVES OF THE COUNTY AND CITY.

A. General.

The County and City are seeking a qualified Lessee of the Hospital assets to maximize the total value of the County and City's healthcare facilities, to provide for the continued operation of the facility as a general acute care hospital, and rehabilitation services unit. Services should be continued without interruption during the transition from operation by the Hospital Board to operation by the Lessee and the Lessee should agree to assist the Medical Staff in providing the highest quality medical care at the lowest reasonable cost to the residents of County and City and the Hospital's service area. Thus, each Bidder should evidence its commitment to quality service and its ability and willingness to work with and expand the Medical Staff, to continue existing Hospital services and to obtain all regulatory approvals for the transition expeditiously. Each Bidder should also outline or summarize its short and long range recommendations with respect to strategic issues, competitive assessments, service growth, physician mix and recruitment, facility and equipment upgrades, and its ability to expand or enhance hospital and professional physician services to be made available to citizens by the Hospital following the proposed lease.

B. Employment.

The County and City also desire to maximize opportunities for its medical staff and its workforce. In addition to the assumption of written key contracts with physicians and physician groups as listed on Exhibit 8, it is the specific desire of the County and City that currently offered services remain available to the community and that all Hospital employees who are not subject to written contracts be offered continued employment from the Closing of the lease on terms substantially equivalent or better than current salary and benefit programs. Bidders should address their ability or intention to meet the desire of the County and City.

C. Capital and Service Line Improvements. Each Bidder should propose any capital and service line improvements it will commit to finance and implement and the time table for these enhancements.

IV. REQUIREMENTS FOR THE LEASE OF THE FACILITY

Amounts Bid and Payment Terms

For the Lease, the rent terms must be described for any Lease proposal, and remedies for material default under a proposed Lease must include the right of the City and County to terminate the Lease and have a reversion of the Hospital license, certificate of need and other assets.

Other Commercial Terms

The terms and conditions of any lease of the Facility must contain certain minimum requirements in addition to the rent being proposed. For each such requirement, Bidders should address the manner and method of accomplishing stated objectives and a scheduled timetable for their achievement. Minimum specific requirements applicable to the lease proposals to be included within any proposed Lease are as follows:

A. Hospital.

RFP Non-Negotiable Requirement: The Hospital is a general acute care hospital. It is the Owners' requirement that the hospital continue to be located in Greenwood, Mississippi and that medical services remain available to the community, including without limitation charity care funded by successful bidder following the Closing, unless the City and County agree otherwise as a result of changes in laws, reimbursement or other circumstances beyond the Lessee's control. Bidders should specifically indicate any suggested additions or changes in Hospital or professional services that are contemplated as a part of their proposals.

B. Medical Staff.

RFP Non-Negotiable Requirement: Bidders should also commit that the selection of individuals as members of the Medical Staff will be made without regard to economic status, disabilities that do not prevent performance of duties inherent to the practice of medicine, race, ethnic origin, sex or age.

RFP Non-Negotiable Requirement: Bidders should commit to continue requirements for Board certification and continue other policies and procedures as set forth in the existing Medical Staff Bylaws, Rules and Regulations and policies for some period of time. Any proposed changes and the time-frame for working with the medical staff for proposed implementation of changes should be discussed in proposals.

RFP Negotiable Requirement: Bidders should document their plan for recruitment and retention of additional specialty physicians.

C. Access to Services.

RFP Non-Negotiable Requirement: All residents of Leflore County, including, without limitation, Medicaid, charity, racial and ethnic minorities, women, handicapped persons and the elderly, should have access to the services of the Hospital following the Closing without regard to insured status. Each Bidder should affirm that all such individuals will have access to Hospital services on a non-discriminatory basis.

D. Insurance.

RFP Non-Negotiable Requirement: Each Bidder must agree to maintain adequate property and liability insurance. See and specifically address the minimum liability insurance discussion in Section I. A.11 above so as to fully address loss of immunity concerns.

RFP Negotiable Requirement: In case of a proposed Lease, the property insurance for the leased assets and operations must be equivalent to that currently in effect, and if less than replacement value, amounts must be acceptable to the County and City, with the County and City named as loss payees.

E. Term and Restraints.

RFP Negotiable Requirement for a Lease Proposal: The Bidder should indicate the period of time for which it is willing to lease the Hospital from the County and City. An initial term of at least twenty (20) years is contemplated by the County and City, however, shorter or longer terms not to exceed fifty (50) years will be considered and are negotiable. The Lessee's lease rights will be subject to compliance by the Lessee with the terms and conditions of a lease agreement, which shall include, at a minimum, the non-negotiable items set forth in this Section IV.

RFP Non-negotiable Requirement. No sublease or assignment of any lease during the entire lease term, and no lease or other transfer of Hospital real property shall be allowed during twenty (20) years from the Closing of a lease without prior approval of the County and City.

F. Rent.

RFP Negotiable Requirements: The Bidder should clearly state the amount of rent that it is proposing to pay for the lease for the Hospital. The rent should be based on the value of the land, licensed beds and services and facilities owned by the County and City. Rent values should be designated as for real property and tangible property.

Moveable tangible property and other current assets for which title is held by the Hospital, instead of the County and City, are intended to be purchased or leased by a successful Bidder at the Closing of any Lease resulting from this RFP. The lease value of tangible property and method of valuing the inventory of consumable items as of the Closing should be specified as part of any Lease proposal.

G. Current Assets/Current Liabilities.

RFP Negotiable Requirement: Each Bidder should address the assumption of current assets and liabilities of the Hospital as of the Closing. In addition, the value of the Hospital's inventory of tangible, consumable items on hand as of Closing and proposed to be transferred to the Lessee shall be determined by a physical inventory to be conducted immediately prior to Closing.

H. Debt.

RFP Non-Negotiable Requirement: Each Bidder should explain whether it intends to assume the Hospital's existing, disclosed debts and its lease obligations, including the Hospital's unfunded pension liability as described in the actuarial report in Exhibit 13.

I. Indemnification.

RFP Non-Negotiable Requirement: The prospective Lessee should agree to indemnify and to hold the City, City officials, County, the members of the Board of Supervisors and other County officials and the Hospital Board members and the County's and City's respective officers, employees and agents harmless from and against any and all liability arising in connection with the operation of the leased assets by the Lessee from and after the date of Closing. In the alternative, Bidder may explain any exception or explain any alternative claims escrow or insurance that will be provided at the Bidder's cost to assure equivalent protection. Each Bidder should also acknowledge that the City and County do not have statutory or constitutional authority to providing binding reciprocal indemnification.

J. General Employment and Benefit Continuation.

RFP Non-Negotiable Requirement: Each Bidder should indicate its willingness to continue to offer employment to those employees of the Hospital on the Closing for at least 12 months from the Closing at terms of employment equal to or better than currently in effect or such longer period as may be contained in any written physician contract listed on Exhibit 8. Termination for "cause" during such 12 months or longer continuation term shall be allowed in the Lessee's discretion. To the extent possible transferred employees generally should be given credit for all prior service with Hospital with respect to benefit plans provided by Lessee, except as otherwise explained in the bid and agreed by the County and City. **A summary comparison of Hospital's current benefit plans with the benefit plans to be offered by the Lessee should be included with each bid.**

K. Accounts Receivable of Hospital.

RFP Non-Negotiable Requirement: Each Bidder should indicate if it intends to assume the Hospital's provider numbers, as well as related contingent liabilities for retrospective payer adjustments, recoupment, etc.

L. Option Rights.

RFP Negotiable Condition. Any lease proposal shall also specify the right and option of the City and County to acquire equipment and other moveable property acquired by the Lessee after the Closing and then in use at the expiration or termination of the Lease Term for a price not to exceed net book value, and all other moveable equipment or property acquired from the Hospital, County or City that may still be in use at the expiration or termination of the Lease shall be returned to the County and City without any payment due.

M. Warranty Disclaimers.

Non-Negotiable Requirement. The County and City intend to provide standard representations regarding due authorization for the Lease and ability to transfer leasehold title to all the assets to be sold or leased to the successful bidder. However, other than warranties as to title, the assets of the Hospital will be leased on an "AS-IS, WHERE-IS" basis without any express or implied warranties as to value, quality or suitability of the assets being sold or leased, and each Bidder should acknowledge that all implied warranties relating to the condition of the Hospital's tangible assets will be disclaimed and waived.

N. Environmental.

RFP Negotiable Requirement: In the event of a Lease proposal, the County and City desire to obtain a Phase I (Baseline) environmental study with respect the Leased Facilities prior to the Closing and an updated Phase I study at the end of the lease. Each Bidder proposing a lease should propose payment responsibility for these environmental studies.

O. Jurisdiction.

RFP Non-negotiable Requirement: Bidders must acknowledge that any Lease will be governed by the laws of the State of Mississippi and must consent to jurisdiction of the local or state courts located within Leflore County, Mississippi for adjudication of any disputes among the parties to the proposed Lease.

V. TIMETABLE AND INSTRUCTIONS FOR RFP PROCESS

A. Timetable.

2. 1. Accepting to Bid. Bidders are requested to notify the City and County at the address and email addresses shown in Section V.A.2 below, and with outside of envelope or email subject line marked "Notice of Intent to Bid Hospital Transaction" if Bidder desires to receive a PIA and thereafter submit a bid.
- 3.
4. 2. Bids. Five (5) copies of sealed proposals for the lease, with the outside of the envelope clearly marked as "Hospital Lease Proposal," must be received on or before **3:00 p.m., August 31, 2022 ("Bid Due Date")**, by hand delivery, or otherwise physically delivered by public or private carriers or delivery service, including but not limited to U.S. Postal Service Certified Mail with return receipt requested, United Parcel Service, Federal Express, or by any other delivery method with receipt of said proposals, to **Elizabeth G. Hooper, Wise Carter Child & Caraway, P.A., 600 Heritage Building, 401 East Capitol St., Jackson, MS 39201. An electronic copy of the complete proposal shall be submitted after 3:00 p.m. on the Bid Due Date to egh@wisecarter.com.**
3. Evaluations. Bids will be evaluated and negotiations conducted as necessary. Determination as to whether to lease or to continue existing operations of the Hospital is scheduled for no later than September 30, 2022, with any extension of such date to be at the sole discretion of the County and City.
4. Closing. The Closing of the potential lease shall occur on or before October 31, 2022, unless a later date is approved by the County and City.

B. Remote and On-site Due Diligence.

Bidders who have signed Exhibit 2 and who are requesting a password and instructions to access the preliminary due diligence information should submit their access request and a copy of the signed Exhibit 2 to: egh@wisecarter.com.

Bidders determined by the County and City to meet the minimum requirements of Part I.A above and with whom the County and City desire to pursue further negotiations will be allowed to submit requests for an on-site inspection of the assets offered for potential lease and to review the Hospital's books and records not otherwise made available during the preliminary, pre-bid due diligence.

Visits to the Hospital by qualified Bidders engaging in further discussions of their proposals with the County and City and that have signed and returned Exhibit 2 will be scheduled in advance on as-requested first come, first serve basis on weekdays between 8:00 a.m. and 4:30 p.m.

C. General Instructions.