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MAR 23 2016

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

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March 23, 2016

Mr. Alva Lambert
Executive Director
State Health Planning and Development Agency
100 N Union Street, Suite 870
Montgomery, AL 36130

**RE: Change of Ownership – Angels for the Elderly I, Angels for the Elderly II,
Angels for the Elderly III, and Angels for the Elderly IV**

Dear Mr. Lambert,

I am writing this letter on behalf of Montgomery, AL OpCo, LLC (“OpCo”). We respectfully submit to the State Health Planning and Development Agency (“SHPDA”) this letter and the Notice of Change of Ownership (“CHOW”) form that we are filing pursuant to the Certificate of Need Rules and Regulations r. 410-1-7-.04. The purpose of this letter is to notify your office that on or about May 1, 2016, OpCo will finalize an asset purchase agreement to acquire Angels for the Elderly I, Angels for the Elderly II, Angels for the Elderly III, and Angels for the Elderly IV (hereinafter collectively referred to as “Angels”). Each facility has a Certificate of Need (“CON”) issued by SHPDA and each is licensed by the Alabama Department of Public Health (“ADPH”) for 16 SCALF beds and the facilities are located at 52 Angels Court, Montgomery, AL 36109, 44 Angels Court, Montgomery, AL 36109, 48 Angels Court, Montgomery, AL 36109, and 40 Angels Court, Montgomery, AL 36109, respectively. The current owner and operator of these facilities is Angels for the Elderly I, Inc.

A. Facts

This transaction is expected to take place on or before May 1, 2016, in which OpCo will purchase the 64 CON SCALF beds from Angels for the Elderly I, Inc. After the transaction is complete, OpCo will own and operate the CON beds which will include a lease agreement for the real estate, building and other assets from Montgomery, AL ReaLCo, LLC (“ReaLCo”).

As part of the asset purchase, ReaLCo will purchase the land, buildings and other assets from Eagle, LLC, which currently owns the land, buildings and other assets that Angels leases to operate. This purchase will occur simultaneously with the asset purchase.

B. Change of Ownership Requirements

The following addresses the specific criteria required in the Change of Ownership Application:

- i. **Financial Scope of the Project:** OpCo intends to acquire Angels CONs and ReaLCo will purchase the land, buildings and other assets in an asset purchase for a total aggregate cost of \$4,750,000. There will be no construction. Existing equipment will be acquired through the asset purchase. The annual operating costs are estimated to be \$2,900,000.
- ii. **Services to be Offered:** OpCo intends to purchase these existing beds and continue their operation after seeking all regulatory approvals.
- iii. **Addition of New Beds:** The proposed transaction will not result in the creation of any new beds.
- iv. **Conversion of Beds:** The proposed transaction will not result in the conversion of any beds.
- v. **Acquisition of Stock and Assets:** The proposed transaction is an asset purchase and no stock is involved.

C. Requested Action

Based upon the detailed description of the proposed transaction above, we respectfully request that SHPDA determine that a CON application is not required for the consummation of the proposed change of ownership pursuant to r. 410-1-7-.04(2) of the Certificate of Need Rules and Regulations. In accordance with the SHPDA Rules and Regulations, enclosed please find four checks in the amount of \$2,500 made payable to the Alabama State Health Planning and Development Agency for each CHOW.

Should you have any questions or need further information, please do not hesitate to contact my office. Thank you in advance for your attention to this matter.

Sincerely,



David E. Belser

Enclosures

CHANGE OF OWNERSHIP

Part I: Purchasing Organization Information

RECEIVEDName of Organization: Montgomery, AL OpCo, LLC**MAR 23 2016**Facility Name:
(ADPH Licensure name) Angels for the Elderly IISTATE HEALTH PLANNING
AND DEVELOPMENT AGENCYSHPDA ID Number: 101-S5101Address (PO Box #): 1633 N. Campbell Ave.,City, State, Zip, County: Chicago, IL 60622Number/Type Licensed Beds: 16 SCALF BedsOwner(s): Montgomery, AL OpCo, LLCOperator(s): Montgomery, AL OpCo, LLC

Part II: Selling Organization Information

Name of Organization: Angels for the Elderly, I, Inc.Address (PO Box #): 525 Derby LaneCity, State, Zip, County: Montgomery, AL 36109Number/Type Licensed Beds: 16 SCALF BedsOwner(s): Angels for the Elderly, I, Inc.Operator(s): Angels for the Elderly, I, Inc.

Part III: Value of Consideration

Monetary Value of Purchase: See Attached Letter No./Type Beds: 16 SCALF BedsTerms of Purchase: Asset Purchase
(add more pages as necessary to describe the sale)

Part IV: List of Certificate of Need Authority

Number of Beds: 16Types of Institutional Health Services: Specialty Care Assisted Living Facility (SCALF)List Service Area by County for Home Health Agencies: N/A

On an Attached Sheet Please Address the Following:

- *1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.
- *2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).
- *3.) Whether the proposal will include the addition of any new beds.
- *4.) Whether the proposal will involve the conversion of beds.
- *5.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

I certify that I agree to provide the information necessary (financial, utilization of services and beds, etc.) so the new owner can have the necessary information to complete reports as necessary for the entire fiscal year. The purchaser has agreed to these terms,

Seller(s) Signature(s):

Owner(s):

Susan L. Darden Jeannette Darden

Operator(s):

Susan L. Darden

Title/Date:

President/Administrator Sig./Pres. 03/23/16

I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of \$2,500 made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

☒ YES

☐ NO

The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature:

[Signature]

Title/Date:

Officer

3/14/2016