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MAY 18 2016

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

120 North 20th St

Suite 1

Birmingham, AL 35203

OFFICE OF THE

DIRECTOR

BIRMINGHAM, AL

May 18, 2016

VIA Federal Express

Alva Lambert, Esq.
 Executive Director
 State Health Planning and Development Agency
 100 North Union Street, Suite 870
 Montgomery, Alabama 36104

Re: Notice of Change of Ownership
Project No. AL-2012-026-E, CON 2603-NH-MOD1

Dear Mr. Lambert:

We respectfully submit the attached Notice of Change of Ownership pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"). The Change of Ownership involves a lease transaction of an under construction 120-bed nursing facility to be known as Aspire Physical Recovery Center at Cahaba River, LLC, (the "Facility"). The following is a summary of the proposed transaction:

I. Facts.

Pursuant to certificate of need number CON 2603-NH-MOD#1 (the "CON"), holder of the CON, Cahaba River Health Realty, LLC ("CRHR" or the "Landlord"), is currently constructing the Facility in Vestavia, Jefferson County Alabama. As described in the certificate of need application, upon completion of the construction, which is scheduled to be completed in September 2016, CRHR will enter into an operating lease with Aspire Physical Recovery Center at Cahaba River, LLC (the "Operator"), under which the Operator will be the Facility's licensee and operator (the "Lease"). The Lease will be for more than two years. Under the Lease, the Operator will be granted certain rights to apply for a license from the Alabama State Department of Health and operate the Facility as a 120-bed nursing facility, which rights will be subject to the terms of the Lease and considered the Landlord's lease estate.

II. Financial Scope of Project.

For fair market rental, Operator will lease the Facility from the Landlord under an operating lease. Other than entering into the Lease and the licensing of the Facility, each of which is described as contemplated in the CON's certificate of need application, this transaction does not involve any activities described in Alabama Code § § 22-21-263(a) (1), (2), (3), or (4) as requiring a certificate of need.

III. Services to be Offered.

1. No New Services: The transaction does not involve the offering of any new services at the Facility not approved in the CON.

IV. Beds.

1. New Beds: The proposed transaction does not involve any addition or reduction of beds not approved in the CON.
2. Conversion of Beds: The proposed transaction does not involve the conversion of beds.

V. Stock and Assets.

The transaction consists of the lease of the assets of the Facility from the Landlord under an operating lease. Other than the foregoing, the transaction will not involve the acquisition of stock or assets.

Based on the above showing that there has been no (i) change in health service, (ii) conversion of beds or (iii) increase in authorized bed capacity we respectfully ask that you exercise your authority under Chapter 410-1-7-.04 (2) of the Rules and determine that a certificate of need is not required for the consummation of the above-described proposed transaction. In accordance with the Rules, I am enclosing checks in the amount of \$2,500.00, and the executed change of ownership forms, with a copy of each to please be returned to me when stamped as filed. For your convenience, I am enclosing a return addressed envelope with postage.

Should you have any questions or need further information, please contact me at (205) 458-5175.

Sincerely,



Richard J. Brockman

/rjb
Enclosures
c: Claude Lee

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CHANGE OF OWNERSHIP

MAY 18 2016

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**Part I: Purchasing/Tenant Organization Information**Name of Organization: Aspire Physical Recovery Center at Cahaba River, LLC,

Facility Name:

(ADPH Licensure name) Aspire Physical Recovery Center at Cahaba River, LLC,SHPDA ID Number: []Address (PO Box #): 3070 Healthy WayCity, State, Zip, County: Vestavia, AL 35243, Jefferson CountyNumber/Type Licensed Beds: License for 120 beds under application)Owner(s): Northport Holding Operations, LLCOperator(s): N/A**Part II: Selling/Leasing Organization Information**Name of Organization: Cahaba River Health Realty, LLCAddress (PO Box #): 931 Fairfax ParkCity, State, Zip, County: Tuscaloosa, Alabama 35406, Tuscaloosa CountyNumber/Type Licensed Beds: License for 120 beds under applicationOwner(s): Northport Holding, LLCOperator(s): N/A**Part III: Value of Consideration**Monetary Value of Purchase/Lease: \$ See Letter No./Type Beds: 120 skilled nursingTerms of Purchase/Lease: Please see attached letter*(add more pages as necessary to describe the sale)***Part IV: List of Certificate of Need Authority**Number of Beds: 120Types of Institutional Health Services: Nursing home beds

List Service Area by County for Home Health Agencies: _____

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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,

Landlor(s) Signature(s):

Landlord(s): Claude E Lee

Title/Date: VICEPRESIDENT 4-7-2016

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.

Tenant's Signature: Claude E Lee

Title/Date: VICEPRESIDENT 4-7-2016