

Angie C. Smith
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March 7, 2018

BURR.COM

VIA EMAIL, ORIGINAL TO FOLLOW BY FEDEX

Alva Lambert
Executive Director
Alabama State Health Planning & Development
Agency
RSA Tower
100 North Union Street
Suite 870
Montgomery, Alabama 36104

Re: Change of Ownership

Dear Mr. Lambert:

On February 12, 2018, we notified your office of the Change of Ownership involving five skilled nursing facilities (collectively, the "Facilities"):

- SSC Montgomery Cedar Crest Operating Company, LLC, dba Cedar Crest, a 121 bed nursing facility located in Montgomery County Alabama (Cedar Crest)
- SSC Birmingham Operating Company LLC, dba Fairview Health & Rehabilitation Center, a 163-bed nursing facility in Jefferson County Alabama ("Fairview")
- SSC Montrose Bay Operating Company, LLC, dba Montrose Bay Health & Rehabilitation Center, an 83-bed nursing facility in Baldwin County Alabama ("Montrose")
- SSC Selma Operating Company LLC, dba Warren Manor Health & Rehabilitation Center, a 168-bed nursing facility in Dallas County Alabama ("Warren")
- SSC Montgomery Woodley Manor Operating Company LLC, dba Woodley Manor Health & Rehabilitation, a 105-bed nursing facility in Montgomery County Alabama ("Woodley")

This letter is intended to update you on the status and details of the transaction, which is now scheduled to close on or before March 28, 2018. The following is a summary of the proposed transaction:

I. Facts.

The Facilities currently are owned as follows:

Cedar Crest by SMV Montgomery Cedar Crest, LLC;
Fairview by SMV Birmingham, LLC;
Montrose by SMV Montrose Bay, LLC;
Warren by SMV Selma, LLC; and
Woodley by SMV Montgomery Woodley Manor, LLC

(each a "Current Landlord" and collectively, the "Current Landlords") and are currently leased to the above operators (the "Existing Operators") under an operating lease.

Originally, the transaction contemplated the termination of the current leases, but the Current Landlord was to remain in place. However, it was contemplated that a new landlord might purchase the property in the next 30 days. Due to financing contingencies, the original transaction was delayed, and now instead of the original landlord remaining in place, the change to new landlords and new operators will occur simultaneously.

Under the new transaction, the Current Owners will sell the underlying assets comprising the Facilities to

Montgomery AL SNF Realty LLC
Birmingham AL SNF Realty LLC
Selma AL SNF Realty LLC
Montrose Bay AL SNF Realty LLC
Windwood AL SNF Realty LLC

(each a "New Owner" and collectively, the "New Owners") who will in turn enter into one or more operating leases with a term exceeding two years (the "New Lease(s)") to the following:

Blue Ridge Healthcare Montgomery, LLC;
Blue Healthcare Birmingham, LLC;
Blue Ridge Montrose Bay, LLC;
Blue Ridge Healthcare Selma, LLC; and
Blue Ridge Healthcare Winwood, LLC

(each a "New Operator" and collectively the "New Operators"), respectively. Below is a chart summarizing the current and proposed ownership.

Current Owner (Landlord)	Current Operator (Licensee)	New Owner (New Landlord)	New Operator (New Licensee)
SMV Montgomery Cedar Crest LLC	SSC Montgomery Cedar Crest Operating LLC	Montgomery AL SNF Realty LLC	Blue Ridge Healthcare Montgomery LLC
SMV Birmingham LLC	SSC Birmingham Operating Company LLC	Birmingham AL SNF Realty LLC	Blue Ridge Healthcare Birmingham, LLC
SMV Montrose Bay LLC	SSC Montrose Bay Operating Company LLC	Montrose Bay AL SNF Realty LLC	Blue Ridge Healthcare Montrose Bay LLC
SMV Selma LLC	SSC Selma Operating Company LLC	Selma AL SNF Realty LLC	Blue Ridge Healthcare Selma LLC
SMV Woodley Manor LLC	SSC Woodley Manor Operating Company, LLC	Windwood AL SNF Realty LLC	Blue Ridge Healthcare Windwood LLC

It is contemplated that each New Operator will become the licensee and operator of the respective Facility as listed above.

II. Financial Scope of Project.

A. For a fair market price, Current Landlords will sell the land, building fixtures, and equipment comprising the Facilities to New Owners.

B. For fair market rental, each New Operator will lease the respective Facility indicated above from New Owner under an operating lease with a term exceeding two (2) years. Other than entering into the New Lease and the licensing of the Facility, 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 by the any of the above named Facilities.

IV. Beds.

1. New Beds: The proposed transaction does not involve any addition or reduction of beds at any of the above named Facilities.
2. Conversion of Beds: The proposed transaction does not involve the conversion of beds at any of the above named Facilities.

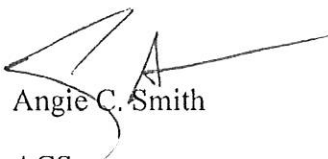
V. Stock and Assets.

The transaction consists of the lease of the assets of the Facilities by New Operators from New Owners under an operating lease, and the purchase by New Operators from the Current Operators of certain operating assets of the Facilities. 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) spending in excess of the spending thresholds, (iii) conversion of beds or (iv) increase in bed capacity we respectfully ask that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a CON or other action by SHPDA is not required for the consummation of the above-described proposed transaction. I am enclosing updated change of ownership forms for each of the Facilities.

Should you have any questions or need further information, please contact me at 205-458-5209.

Sincerely,



Angie C. Smith

ACS
Attachment

C02018-013

NOTICE OF CHANGE OF OWNERSHIP/CONTROL

The following notification of intent is provided pursuant to all applicable provisions of ALA. CODE § 22-21-270 (1975 as amended) and ALA. ADMIN. CODE r. 410-1-7-.04. This notice must be filed at least twenty (20) days prior to the transaction.

- Change in Direct Ownership or Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e))
 - Change in Certificate of Need Holder (ALA. CODE § 22-20-271(f))
 - Change in Facility Management (Facility Operator)
- Any transaction other than those above-described requires an application for a Certificate of Need.

Part I: Facility Information

SHPDA ID Number: 003-N0003
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: SSC Montrose Bay Operating Company, LLC
(ADPH Licensure Name) d/b/a Montrose Bay

Physical Address: 22670 Main Street
Montrose, AL 36559

County of Location: Baldwin

Number of Beds/ESRD Stations: 83

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. NA

Part II: Current Authority (Note: If this transaction will result in a change in direct ownership or control, as defined under ALA. CODE § 22-20-271(e), please attach organizational charts outlining current and proposed structures.)

Owner (Entity Name) of Facility named in Part I: SMV Montrose Bay LLC (Landlord)

Mailing Address: One Ravinia Drive, Suite 1500
Atlanta, GA 30346

Operator (Entity Name): SSC Montrose Bay Operating Company LLC d/b/a Montrose Bay

Part III: Acquiring Entity Information

Name of Entity: Montrose Bay AL SNF Realty LLC (Landlord)

Mailing Address: 2700 North 29th Ave., Suite #308
Hollywood, FL 33020

Operator (Entity Name): Blue Ridge Healthcare Montrose Bay LLC d/b/a Blue Ridge Healthcare Montrose Bay

Proposed Date of Transaction is on or after: March 28, 2018

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ see attached letter

Type of Beds: skilled nursing facility

Number of Beds/ESRD Stations: 83

Financial Scope: to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:

Projected Equipment Cost: \$ see attached

Projected Construction Cost: \$ see attached

Projected Yearly Operating Cost: \$ see attached

Projected Total Cost: \$ see attached

On an Attached Sheet Please Address the Following:

- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.
- 3.) Whether the proposal will involve the conversion of beds.
- 4.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

Current Authority Signature(s):

The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): SMV Montrose Bay LLC _____

Operator(s): SSC Montrose Bay Operating Company LLC _____

Title/Date: _____

SWORN to and subscribed before me, this _____ day of _____, _____.

(Seal) A-84 _____
Notary Public
My Commission Expires: _____

Acquiring Authority Signature(s):

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): Montrose Bay AL SNF Realty LLC _____ 

Operator(s): Blue Ridge Healthcare Montrose Bay LLC _____

Title/Date: _____ 2/28/18

SWORN to and subscribed before me, this 28 day of February, 2018.

(Seal) _____
Notary Public Wendy Stenhouse
My Commission Expires: September 3, 2020



Part V: Certification of Information

Current Authority Signature(s):

The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): SMV Montrose Bay LLC _____

Operator(s): SSC Montrose Bay Operating Company LLC _____

Title/Date: _____

SWORN to and subscribed before me, this _____ day of _____, _____.

(Seal) A-84 _____
Notary Public
My Commission Expires: _____

Acquiring Authority Signature(s):

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

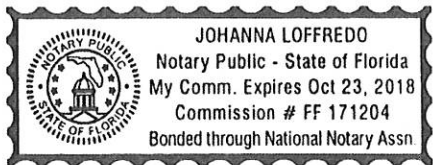
Purchaser(s): Montrose Bay AL SNF Realty LLC _____

Operator(s): Blue Ridge Healthcare Montrose Bay LLC _____

Title/Date: _____

SWORN to and subscribed before me, this 7 day of March, 2018.

(Seal) _____
Notary Public
My Commission Expires: Oct 23, 2018



C02018-013

BURR • FORMAN LLP
results matter

Angie C. Smith
acs@burr.com
Direct Dial: (205) 458-5209
Direct Fax: (205) 458-5100

RECEIVED
Feb 12 2018

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

420 North 20th Street
Suite 3400
Birmingham, AL 35203

Office (205) 251-3000
Fax (205) 458-5100

BURR.COM

February 12, 2018

Alva Lambert
Executive Director
Alabama State Health Planning & Development
Agency
RSA Tower
100 North Union Street
Suite 870
Montgomery, Alabama 36104

Re: Change of Ownership

Dear Mr. Lambert:

Pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"), we respectfully submit the attached Notice of Change of Ownership for the following skilled nursing facilities (collectively, the "Facilities"):

- SSC Montgomery Cedar Crest Operating Company, LLC, dba Cedar Crest, a 121 bed nursing facility located in Montgomery County Alabama (Cedar Crest")
- SSC Birmingham Operating Company LLC, dba Fairview Health & Rehabilitation Center, a 163-bed nursing facility in Jefferson County Alabama ("Fairview")
- SSC Montrose Bay Operating Company, LLC, dba Montrose Bay Health & Rehabilitation Center, an 83-bed nursing facility in Baldwin County Alabama ("Montrose")
- SSC Selma Operating Company LLC, dba Warren Manor Health & Rehabilitation Center, a 168-bed nursing facility in Dallas County Alabama ("Warren")
- SSC Montgomery Woodley Manor Operating Company LLC, dba Woodley Manor Health & Rehabilitation, a 105-bed nursing facility in Montgomery County Alabama ("Woodley")

The Change of Ownership involves the lease of the above facilities. The following is a summary of the proposed transaction:

I. Facts.

The Facilities currently are owned as follows:
Cedar Crest by SMV Montgomery Cedar Crest, LLC;
Fairview by SMV Birmingham, LLC;
Montrose by SMV Montrose Bay, LLC;
Warren by SMV Selma, LLC; and
Woodley by SMV Montgomery Woodley Manor, LLC

(each a "Current Landlord" and collectively, the "Current Landlords") and are currently leased to the above operators (the "Existing Operators") under an operating lease. It is contemplated that the lease with the Existing Operators will terminate and Current Landlords or their respective assigns, will enter into one or more operating leases, with a term exceeding two years (the "New Lease"), by and among the following in respect to each named Facility:

Cedar Crest will be leased to Blue Ridge Healthcare Montgomery, LLC;

Fairview will be leased to Blue Healthcare Birmingham, LLC;

Montrose will be leased to Blue Ridge Montrose Bay, LLC;

Warren will be leased to Blue Ridge Healthcare Selma, LLC; and

Woodley will be leased to Blue Ridge Healthcare Winwood, LLC

(each a "New Operator" and collectively the "New Operators"), respectively.

It is contemplated that each New Operator will become the licensee and operator of the respective Facility as listed above.

Under a separate agreement, the Current Operators will terminate its lease of the Facilities contemporaneous with the Alabama Department of Public Health's ("ADPH") issuance of licenses to the New Operators. Below is a chart of the current and new ownership.

Current Owner (Landlord)	Current Operator (Licensee)	New Operator (New Licensee)
SMV Montgomery Cedar Crest LLC	SSC Montgomery Cedar Crest Operating LLC	Blue Ridge Healthcare Montgomery LLC

SMV Birmingham LLC	SSC Birmingham Operating Company LLC	Blue Ridge Healthcare Birmingham, LLC
SMV Montrose Bay LLC	SSC Montrose Bay Operating Company LLC	Blue Ridge Healthcare Montrose Bay LLC
SMV Selma LLC	SSC Selma Operating Company LLC	Blue Ridge Healthcare Selma LLC
SMV Woodley Manor LLC	SSC Woodley Manor Operating Company, LLC	Blue Ridge Healthcare Windwood LLC

In a separate transaction, it is contemplated that in the next 30 days, Current Owners will sell the underlying assets comprising the Facilities to one or more to-be-determined entities (the "New Owners") and these will become the New Landlord(s) under one or more operating leases with a term exceeding two years (the "New Lease(s)"). If and when this transaction occurs, SHPDA will be notified of the names of the New Landlords.

II. Financial Scope of Project.

A. For a fair market price, Current Landlord will sell the land, building fixtures, and equipment comprising the Facility to New Owner.

B. For fair market rental, each New Operator will lease the respective Facility indicated above from either the Current Landlord or the New Owner under an operating lease with a term exceeding two (2) years. Other than entering into the New Lease and the licensing of the Facility, 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 by the any of the above named Facilities.

IV. Beds.

1. New Beds: The proposed transaction does not involve any addition or reduction of beds at any of the above named Facilities.

2. Conversion of Beds: The proposed transaction does not involve the conversion of beds at any of the above named Facilities.

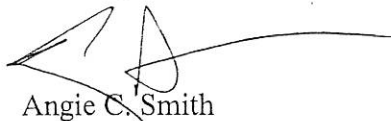
V. Stock and Assets.

The transaction consists of the lease of the assets of the Facilities by New Operators from the Current Landlord or New Owners under an operating lease, and the purchase by New Operators from the Current Operators of certain operating assets of the Facilities. 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) spending in excess of the spending thresholds, (iii) conversion of beds or (iv) increase in bed capacity we respectfully ask that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a CON or other action by SHPDA is not required for the consummation of the above-described proposed transaction. In accordance with the Rules, I am enclosing a check in the amount of \$12,500, which represents \$2,500.00 for each facility, and executed change of ownership forms.

Should you have any questions or need further information, please contact me at 205-458-5209.

Sincerely,



Angie C. Smith
Partner

ACS
Attachment

RECEIVED

CO 2018-013

FEB 12 2018

NOTICE OF CHANGE OF OWNERSHIP/CONTROL

The following notification of intent is provided pursuant to all applicable provisions of ALA. CODE § 22-21-270 (1975 as amended) and ALA. ADMIN. CODE r. 410-1-7-.04. This notice must be filed at least twenty (20) days prior to the transaction.

Change in Direct Ownership or Control (of a vested Facility; ALA. CODE §§ 22-20-271(d), (e))

Change in Certificate of Need Holder (ALA. CODE § 22-20-271(f))

Change in Facility Management (Facility Operator)

Any transaction other than those above-described requires an application for a Certificate of Need.

Part I: Facility Information

SHPDA ID Number: 003-N0003
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: SSC Montrose Bay Operating Company, LLC
(ADPH Licensure Name) d/b/a Montrose Bay

Physical Address: 22670 Main Street
Montrose, AL 36559

County of Location: Baldwin

Number of Beds/ESRD Stations: 83

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. NA

Part II: Current Authority (Note: If this transaction will result in a change in direct ownership or control, as defined under ALA. CODE § 22-20-271(e), please attach organizational charts outlining current and proposed structures.)

Owner (Entity Name) of Facility named in Part I: SMV Montrose Bay LLC (Landlord)

Mailing Address: One Ravinia Drive, Suite 1500
Atlanta, GA 30346

Operator (Entity Name): SSC Montrose Bay Operating Company LLC d/b/a Montrose Bay

Part III: Acquiring Entity Information

Name of Entity: Landlord remains the same

Mailing Address: 2700 North 29th Ave., Suite #308
Hollywood, FL 33020

Operator (Entity Name): Blue Ridge Healthcare Montrose Bay LLC d/b/a Blue Ridge Healthcare Montrose Bay

Proposed Date of Transaction is on or after: February 28, 2018

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ see attached letter

Type of Beds: skilled nursing facility

Number of Beds/ESRD Stations: 83

Financial Scope: to Include Preliminary Estimate of the Cost Broken Down by Equipment, Construction, and Yearly Operating Cost:

Projected Equipment Cost: \$ see attached

Projected Construction Cost: \$ see attached

Projected Yearly Operating Cost: \$ see attached

Projected Total Cost: \$ see attached

On an Attached Sheet Please Address the Following:

- 1.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service, whether the service is an extension of a presently offered service, or whether the service is a new service).
- 2.) Whether the proposal will include the addition of any new beds.
- 3.) Whether the proposal will involve the conversion of beds.
- 4.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

Current Authority Signature(s):

The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): SMV Montrose Bay LLC

Operator(s): SSC Montrose Bay Operating Company LLC

Title/Date: _____

SWORN to and subscribed before me, this _____ day of _____, _____.

(Seal) A-84 Notary Public
My Commission Expires: _____

Acquiring Authority Signature(s):

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): _____

Operator(s): Blue Ridge Healthcare Montrose Bay LLC 1/12/18

Title/Date: CEO 2/9/18

SWORN to and subscribed before me, this 9 day of February, 2018.

(Seal) Johanna Loffredo
Notary Public
My Commission Expires: Oct 23, 2018



Part V: Certification of Information

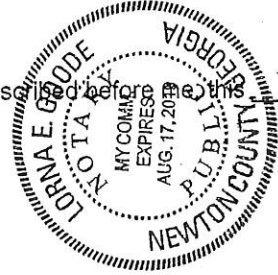
Current Authority Signature(s):

The information contained in this notification is true and correct to the best of my knowledge and belief.

Owner(s): SMV Montrose Bay LLC
Operator(s): SSC Montrose Bay Operating Company LLC Wynn R. Liu
Title/Date: Vice President and Secretary 2/7/19

SWORN to and subscribed before me, this 7th day of February, 2018.

(Seal)



A-84

Jepode
Notary Public

My Commission Expires: 08.17.19

Acquiring Authority Signature(s):

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): _____
Operator(s): Blue Ridge Healthcare Montrose Bay LLC
Title/Date: _____

SWORN to and subscribed before me, this _____ day of _____, _____.

(Seal)

Notary Public

My Commission Expires: _____

Part V: Certification of Information

Current Authority Signature(s):

The information contained in this notification is true and correct to the best of my knowledge and belief.

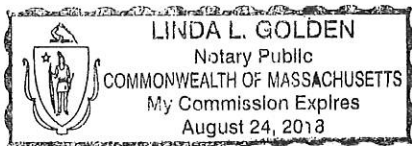
Owner(s): SMV Montrose Bay LLC *[Signature]* CFO *

Operator(s): SSC Montrose Bay Operating Company LLC *see attached*

Title/Date: *CFO* *2-8-18* *

SWORN to and subscribed before me, this *8th* day of *February*, *2018*. *

(Seal)



A-84

Linda L. Golden
Notary Public

My Commission Expires: *8/24/2018*

Acquiring Authority Signature(s):

I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): _____

Operator(s): Blue Ridge Healthcare Montrose Bay LLC

Title/Date: _____

SWORN to and subscribed before me, this _____ day of _____.

(Seal)

Notary Public

My Commission Expires: _____

Alabama OpCo Ownership Structure (DRAFT – 11/20/17)

100%
**Blue Ridge Healthcare Holdings in
Alabama LLC**

