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December 1, 2015

RECEIVED
FEB 02 2015
HUNTSVILLE HEALTH PLANNING
AND DEVELOPMENT AGENCY

VIA FEDERAL EXPRESS

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

Re: Notification
Facility: North Alabama Specialty Hospital, LLC (Athens LTAC)

Dear Alva,

Please accept this letter as notice of a long term lease arrangement whereby The Health Care Authority of the City of Huntsville ("Huntsville Authority") and The Health Care Authority of Athens & Limestone County recently executed a Lease Agreement with an effective date of January 1, 2016 for a primary term of forty years, with four renewal terms of ten years each and an option to purchase. This lease will result in the assets and operations of Athens Limestone Hospital, including its subsidiary North Alabama Specialty Hospital, LLC, being leased and managed by the Huntsville Authority, or its wholly owned subsidiary.

Enclosed please find a "Change of Control" form containing the information needed concerning this arrangement, as well as a check in the amount of \$2,500.00.

The following additional information is provided:

- (a) North Alabama Specialty Hospital, LLC will continue to function as an long term acute care facility.
- (b) The transaction will not result in the addition of new beds.
- (c) The transaction will not result in the conversion of beds.
- (d) The transaction does not involve stock or any legal change of ownership.

Mr. Alva Lambert
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If you have any questions please contact me.

Sincerely,



Joe W. Campbell

cc: David S. Spillers, CEO Huntsville Hospital
David Pryor, President Athens-Limestone Hospital
Ray Sherer, Licensure Program Director, Alabama Department of Public
Health

CHANGE OF CONTROLFEB 02 2015
STATE HEALTH PLANNING AND DEVELOPMENT AGENCY**Part I: Lessee Organization Information**

Name of Organization: HH Health System – Athens Limestone, LLC, A wholly owned subsidiary of The Health Care Authority of the City of Huntsville

Facility Name:
(ADPH Licensure name) North Alabama Specialty Hospital, LLC

SHPDA ID Number: 083-1111

Address (PO Box #): 101 Sivley Road

City, State, Zip, County: Huntsville, AL 35801

Number/Type Licensed Beds: 40 LTAC Beds

Owner(s): (Lessee) The Health Care Authority of the City of Huntsville, by and through its wholly owned subsidiary, HH Health System – Athens Limestone, LLC

Operator(s): HH Health System – Athens Limestone, LLC

Part II: Lessor Organization Information

Name of Organization: North Alabama Specialty Hospital, LLC
A wholly owned subsidiary of The Healthcare Authority of Athens & Limestone County d/b/a Athens Limestone Hospital

Address (PO Box #): P.O. Box 999

City, State, Zip, County: Athens, AL 35612

Number/Type Licensed Beds: 40 LTAC Beds

Owner(s): North Alabama Specialty Hospital, LLC
A wholly owned subsidiary of The Healthcare Authority of Athens and Limestone County

Operator(s): North Alabama – AMG Specialty Hospital, LLC

Part III: Value of Consideration

Monetary Value of Lease: \$40,000 (Lease payment) No./Type Beds: 40 LTAC

Terms of Lease: Lease with 40 Year Initial Term, four additional terms of 10 years, with an option of Lessee to purchase at any time
(add more pages as necessary to describe the sale)

Part IV: List of Certificate of Need Authority

Number of Beds: 40 LTAC

Types of Institutional Health Services: LTAC

List Service Area by County for Home Health Agencies: _____

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 Lessee has agreed to these terms,

Lessor(s) Signature(s):

Owner/Operator: North Alabama Specialty Hospital, LLC

By: _____

Kelli L. Bowen

Title/Date: _____

CFO 12/1/15

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 control.

X__ YES __ NO The above Lessee and Lessor have agreed to these lease terms.

Lessee's Signature:

Owner/Operator: The Health Care Authority of the City of Huntsville, by and through its wholly owned subsidiary, HH Health System – Athens Limestone, LLC

By: _____

Title/Date: _____

[Signature] SAMZ
EVP 12-1-15

ADDITIONAL INFORMATION

***1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.**

There are no new services contemplated by this change of control.

***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).**

There are no new services contemplated by this change of control.

***3.) Whether the proposal will include the addition of any new beds.**

This lease does not include the addition of any new beds.

***4.) Whether the proposal will involve the conversion of beds.**

This lease does not involve the conversion of beds.

***5.) Whether the assets and stock (if any) will be acquired.**

The assets are leased.