

Richard J. Brockman
rbrockman@burr.com
Direct Dial: (205) 458-5175
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DEC 04 2015

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

December 4, 2015

VIA EMAIL, ORIGINAL TO FOLLOW BY HAND DELIVERY

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

**Re: Nursing Home Change of Ownership
Aspire Physical Recovery Center of West Alabama, LLC f/k/a Riverside Health &
Rehabilitation, LLC
CON 2562-NH-MOD#2**

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") in anticipation of a proposed transaction with respect to a 75-bed skilled nursing facility (the "Facility"). The Change of Ownership involves an operating lease by and between West Alabama Health Properties, LLC, as landlord and fee owner of the Facility ("West Alabama"), to Aspire Physical Recovery Center of West Alabama, LLC, as tenant and licensee/operator of the Facility ("Aspire"). This is the last step in the series of transactions contemplated in the filed and approved second project modification with respect to CON 2562-NH-MOD#2. The following is a summary of the proposed transaction:

I. Facts.

1. LaRocca, Inc. d/b/a LaRocca Nursing Home received a certificate of need ("CON") to construct the Facility as a replacement for a skilled nursing facility located in Tuscaloosa County which was destroyed by the April 27, 2011 tornado. The CON was subsequently modified on February 21, 2013 (revised on June 11, 2013) and on March 6, 2014.
2. Under the transactions described in the Request of Letter of Non-Reviewability dated October 7, 2014, which was approved by SHPDA by letter dated November

25, 2014, West Alabama is the current holder of the CON. See Attachment A. With the exception of the therein described lease transaction, which is the basis for this change of ownership filing, all of the transactions contemplated in the non-reviewability request letter are complete.

3. By letter dated November 18, 2015, SHPDA was notified of a name change for the tenant/operator/licensee from Riverside Health and Rehabilitation, LLC to Aspire Physical Recovery Center of West Alabama, LLC. SHPDA acknowledged the name change by letter dated December 1, 2015. See Attachment B.
4. Relevant to this change of ownership, West Alabama, as the landlord/fee owner of the Facility, will enter into an operating lease with Aspire, as the tenant/licensee/operator, pursuant to which Aspire will lease the Facility from West Alabama, and Aspire will become the licensed operator of the Facility.
5. It is contemplated that the operating lease will take effect on or before March 1, 2016, subject to applicable regulatory approvals.

II. Financial Scope of Project.

For fair market rental, Aspire will lease the Facility from West Alabama under an operating lease with normal terms and conditions for this type of transaction. Other than entering into the lease and the licensing of the Facility, this transaction does not involve the purchase of any new equipment, new operating costs, or other capital expenditures in excess of the spending thresholds set forth in Section 22-21-263(a)(2) of the Code of Alabama.

III. Services to be Offered.

1. No New Services: The transaction does not involve the offering of any new services which are not approved by CON 2562-NH-MOD#2.

IV. Beds.

1. New Beds: The proposed change of ownership transaction does not involve any addition or reduction of beds not approved by CON 2562-NH-MOD#2.
2. Conversion of Beds: The proposed transaction does not involve the conversion of beds.

Mr. Alva M. Lambert
December 4, 2015
Page 3

VI. Stock and Assets.

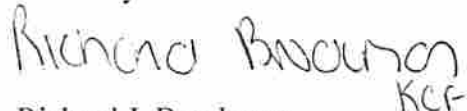
The transaction involves the lease of the Facility by Aspire from West Alabama pursuant to an operating lease. Other than the foregoing, the transaction will not involve the acquisition of stock or assets.

Based on the above showing that there has been no (i) change in health service, (ii) conversion of beds or (iii) increase in 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 is not required for the consummation of the above-described transaction.

In accordance with the Rules, I am enclosing a check in the amount of \$2,500.00, along with an executed change of ownership form.

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

Sincerely


KCF

Richard J. Brockman

RJB/caj

Enclosures

cc: Mr. Claude Lee
Mr. Alex Baker
Kelli C. Fleming, Esq.

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STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**CHANGE OF OWNERSHIP****Part I: Purchasing/Lessee Organization Information**

Name of Organization: Aspire Physical Recovery Center of West Alabama, LLC
f/k/a Riverside Health and Rehabilitation, LLC (tenant/licensee)

Facility Name:
(ADPH Licensure name) Aspire Physical Recovery Center of West Alabama, LLC

SHPDA ID Number: N/A

Address (PO Box #): 2400 Hospital Drive

City, State, Zip, County: Northport, Alabama, 35476, Tuscaloosa County

Number/Type Licensed Beds: 75 skilled nursing facility beds (to be licensed by ADPH)

Owner(s): West Alabama Health Properties, LLC (landlord/fee owner)

Operator(s): Aspire Physical Recovery Center of West Alabama, LLC
(tenant/licensee)

Part II: Selling/Leasing Organization Information

Name of Organization: West Alabama Health Properties, LLC (landlord/fee owner)

Address (PO Box #): 931 Fairfax Park

City, State, Zip, County: Tuscaloosa, Alabama, 35406, Tuscaloosa County

Number/Type Licensed Beds: 75 skilled nursing facility beds (to be licensed by ADPH)

Owner(s): West Alabama Health Properties, LLC (landlord/fee owner)

Operator(s): Aspire Physical Recovery Center of West Alabama, LLC
(tenant/licensee)

Part III: Value of Consideration

Monetary Value of Purchase: \$ See attached letter No./Type of Beds: 75 skilled nursing facility
beds

Terms 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: 75

Types of Institutional Health Services: nursing facility beds

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): West Alabama Health Properties, LLC

By: Claude E Lee

Title/Date: VICE PRESIDENT 12/03/2015

Operator(s): Aspire Physical Recovery Center of West Alabama, LLC

By: Claude E Lee

Title/Date: VICE PRESIDENT 12/03/2015

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/Lessee and Seller/Lessor have agreed to these lease terms.

Purchaser Signature: Aspire Physical Recovery Center of West Alabama, LLC

By: Claude E Lee

Title/Date: VICE PRESIDENT 12/03/2015

ATTACHMENT A



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY
100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

October 17, 2014

NOTICE

RE: Request for letter of non-reviewability --- RV2015-001

This is written to notify you that the attached request for a letter of non-reviewability has been received. Any affected person may file written comments regarding this request, per 410-1-7-.02 of the *Alabama Certificate of Need Program Rules and Regulations*.

Enclosure: see attached

RV2015-001 D

BURR • • • FORMAN LLP

results matter

Richard J. Brockman
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420 North 20th Street
Ste. 3400
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Office (205) 251-3000
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October 7, 2014

VIA FEDERAL EXPRESS OVERNIGHT DELIVERY

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

RECEIVED
OCT 08 2014
STATE DEPARTMENT OF HEALTH

Re: Determination Request Letter

Dear Mr. Lambert:

Our firm represents Riverside Health & Rehabilitation, LLC., ("Riverside"), which was formed as a wholly owned subsidiary to LaRocca, Inc, the then holder of Certificate of Need 2562-NH-MOD2, Project Number AL-2012-007, authorizing the construction of a 75-bed replacement nursing facility in Tuscaloosa County Alabama (the "LaRocca CON"). Pursuant to Chapter 410-1-7-.02, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"), based on the below facts, we are respectfully asking the agency to issue its determination letter that (i) the LaRocca CON is valid and subsisting; and (ii) the licensing of the 75-bed nursing facility authorized under the LaRocca CON will not require any other CON review, except in respect to a change of ownership determination under Chapter 410-1-7-.04 of the Rules. The facts are:

1. The LaRocca CON was issued to LaRocca, Inc. ("LaRocca")
2. On March 5, 2014, pursuant to Alabama Code § 22-21-270(e), LaRocca transferred the LaRocca CON to Riverside, its then wholly owned subsidiary.
3. Pursuant to Alabama Code § 22-21-270(f), (i) LaRocca transferred 100% of the membership interests in Riverside to Hardy, LLC ("Hardy"), an affiliate of LaRocca, on March 6, 2014, and (ii) Hardy transferred 100% of the Riverside membership interests to Northport Holding, LLC ("Northport") on March 7, 2014.
3. It is contemplated that Northport Holding, LLC, will pursuant to Alabama Code § 22-21-270(f), transfer 100% of the membership interests in Riverside to West Alabama Health

Properties, LLC. ("West Alabama"), currently the 100% subsidiary of Northport Holding, LLC. Upon the completion of this transfer, Riverside will be the 100% owned subsidiary of West Alabama.

4. It is further contemplated that pursuant to Alabama Code § 22-21-270(e), Riverside will transfer all of its interests in the LaRocca CON to its parent West Alabama, and West Alabama will construct the 75-bed nursing facility authorized under the LaRocca CON.

5. Upon completion of the construction of the nursing facility authorized under the LaRocca CON, West Alabama will enter into an operating lease with Riverside under which Riverside will be the licensee and operator of the newly constructed 75-bed facility to be known as Riverside Health and Rehabilitation. Prior to this licensing, West Alabama will seek a change of ownership determination to vest in Riverside limited rights to the rights granted under the LaRocca CON to operate the newly constructed facility.

Other than the transactions described in the application for certificate of need and the two project modifications filed in respect to the LaRocca CON:

1. None of these above described transactions will involve capital costs or an increase in the first year's annual operating costs (over the prior operating costs) in excess of the prescribed spending thresholds described in § 22-21-263(a)(2), Code of Alabama (1975), as amended.

2. No new beds will be added to the 75-nursing facility beds previously licensed and authorized under the LaRocca CON.

3. No beds will be converted from nursing facility beds.

4. No new health services will be offered.

5. The transfer of the LaRocca CON to Riverside and the acquisition of Riverside's membership interests first by Hardy, LLC, then by Northport Holding, LLC resulted from the transactions contemplated under the Membership Interest Purchase Agreement, dated January 10, 2014, among LaRocca, Hardy, LLC and Northport Holding LLC. No other assets or stock will be acquired pursuant to said agreement.

6. The contemplated transfer of the membership interest of Riverside from Northport Holding to West Alabama and the subsequent transfer of the LaRocca CON from Riverside to its 100% parent, West Alabama, will be made pursuant to the Contribution Agreement, dated January 10, 2014, executed by Northport Holding, LLC and The DCH Health Care Authority

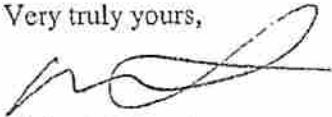
Alva Lambert, Esq.
October 7, 2014
Page 3

("DCH") in connection with the formation of West Alabama. Under the Contribution Agreement DCH has agreed to transfer to West Alabama in exchange for a 40% membership interest therein (i) a parcel of unimproved land located in Tuscaloosa County upon which the facility authorized by the LaRocca CON will be constructed and (ii) cash to be applied toward the construction of the facility. DCH will be admitted as a member of West Alabama after West Alabama has acquired the Riverside membership interest and the LaRocca CON. No other assets or stock will be acquired pursuant to said agreement.

7. Prior to filing for Riverside's license as the lessee-operator of the facility to be leased from West Alabama, a change of ownership determination will be requested from SHPDA in accordance with Chapter 410-1-7-.04 of the Rules.

In accordance with the Rules, we are enclosing our check for \$1300, as the requisite filing fee for issuance of this determination. Please return the enclosed copy of this letter, stamped as filed, in the enclosed prepaid envelope. In the event that you need additional information, please do not hesitate to contact me.

Very truly yours,



Richard J. Brockman
One of the Attorneys for Riverside Health and Rehabilitation, LLC.

RJB/jr
Enclosure

cc: Mr. Claude Lee
Jack Stephenson, Esq.



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 970
MONTGOMERY, ALABAMA 36104

November 25, 2014

Richard J. Brockman, Esq.
Burr & Forman, LLP
420 North 20th Street, Suite 3400
Birmingham, AL 35203

RE: RV2015-001
Riverside Health and Rehabilitation, LLC,
a wholly-owned subsidiary of LaRocca,
Inc.

Dear Mr. Brockman:

This is written in response to your letter dated October 7, 2014 regarding the proposed internal restructuring transaction whereby LaRocca, Inc., the ultimate parent of Riverside Health and Rehabilitation, LLC, transferred 100% of its membership interests in Riverside to Hardy, LLC on March 6, 2014. Subsequently, and on March 7, 2014, Hardy, LLC transferred 100% of its membership interests in Riverside to Northport Holding, LLC. It is now anticipated Northport Holding, LLC will, pursuant to Alabama Code § 22-21-270(f), transfer 100% of the membership interest in Riverside to West Alabama Health Properties, LLC, which is currently the 100% subsidiary of Northport Holding, LLC. And, following this proposed transfer, Riverside will be the wholly-owned subsidiary of West Alabama Health Properties, LLC.

It is further anticipated Riverside will transfer all of its interests in the LaRocca CON to its parent, West Alabama, and West Alabama will then construct the 75-bed nursing facility. Upon completion of the facility, West Alabama will enter into an operating lease with Riverside whereby Riverside will become the licensee and operator of the facility to be named Riverside Health and Rehabilitation. Prior to this operating license, however, West Alabama will submit a change of ownership application for the limited rights vesting in Riverside.


MAILING ADDRESS: P.O. BOX 303025, MONTGOMERY, ALABAMA 36130-3025
PHONE: (334) 242-4103 FAX: (334) 242-4113

The contemplated transfer of the membership interest of Riverside from Northport Holding to West Alabama and the subsequent transfer of the LaRocca CON from Riverside to its wholly-owning parent will be made pursuant to the Contribution Agreement, dated January 10, 2014, and executed by Northport Holding, LLC and The DCH Health Care Authority relating to the creation of West Alabama. Under this Agreement, DCH has agreed to transfer to West Alabama in exchange for a 40% membership interest therein, a parcel of unimproved land located in Tuscaloosa County upon which the facility will be constructed and cash to be applied to the construction of said facility. Based on this information, your request is approved.

Pursuant to Rule 410-1-2-.05 of the *Alabama Certificate of Need Program Rules and Regulations* and according to the facts that have been provided, a Certificate of Need would not be required. This approval is made with a clear understanding that this proposal will not result in the offering of any new inpatient health services or in expenditure by or on behalf of a health care facility in excess of the Certificate of Need capital expenditure thresholds, as they currently exist.

Pursuant to Rule 410-1-7.02 of the *Alabama Certificate of Need Program Rules and Regulations*, this opinion is for informational purposes only and is based on circumstances, as they currently exist. This approval is also based on the assumption that you have disclosed all pertinent information relative to this request. Should there be any deviations from the facts and premises, which you provided to his Agency and should circumstances prove to be other than represented, this letter will become null and void.

Sincerely,



Alva M. Lambert
Executive Director

AML:dat

cc: Ray Sherer, Alabama Department of Public Health

ATTACHMENT B

Richard J. Brockman
Direct Dial: (205) 458-5175
Email: rbrockman@burr.com

November 18, 2015

VIA Federal Express

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

**Re: Name Change Notification
CON 2562-NH-MOD#2**

Dear Mr. Lambert:

Please accept this letter notifying you that Riverside Health and Rehabilitation, LLC, the proposed operator and licensee for the 75-bed nursing facility currently under construction in Tuscaloosa County pursuant to Certificate of Need NO: 2562-NH-MOD#2 (the "Project"), has changed its name to Aspire Physical Recovery Center of West Alabama, LLC. For your convenience I am attaching a copy of the Certificate of Amendment to the Certificate of Formation of Riverside Health and Rehabilitation, LLC, we recently filed in the Jefferson County Judge of Probate's office, together with our name reservation certificate issued by the Alabama Secretary of State.

Other than this name change, all aspects of the Project and the entities remain the same as last reported to you. Although under Ala. Code § 22-21-270(f), a name change is not a certificate of need event, we are notifying you so that you can please place this letter and its attachment in our file for future reference.

We would appreciate your please responding that you have received this name change notification and placed it in our file.

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STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

420 North 20th Street
SUITE 3400
Birmingham, AL 35203

Office (205) 251-3000
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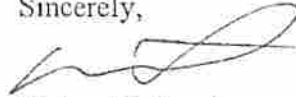
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Alva Lambert, Esq.
November 18, 2015
Page 2 of 2

I am also enclosing a copy of this letter 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: Mr. Claude Lee
Mr. Alex Baker
Jack P. Stephenson, Esquire

Clerk: MOATES

**CERTIFICATE OF AMENDMENT TO THE
CERTIFICATE OF FORMATION OF
RIVERSIDE HEALTH AND REHABILITATION, L.L.C.**

(Changing its name to Aspire Physical Recovery Center of West Alabama, LLC)

Pursuant to the Alabama Limited Liability Company Law, the undersigned hereby adopts the following amendment to its Certificate of Formation:

ONE. The name of the company is Riverside Health and Rehabilitation, L.L.C. (the "Company").

TWO. The Company is a limited liability company.

THREE. The Company filed its Certificate of Formation with the Judge of Probate of Jefferson County, Alabama, on March 4, 2014. The Company has been assigned Entity ID Number 298-270 by the Alabama Secretary of State.

FOUR. This Amendment has been approved in the manner required by the Alabama Limited Liability Company Law as set forth in Chapter 1 and Chapter 5 of the Alabama Business and Nonprofit Entity Code and the Operating Agreement of the Company.

FIVE. The Certificate of Formation is hereby amended as follows:

Article I is hereby deleted in its entirety, and the following is substituted in lieu thereof:

ARTICLE I
NAME

The name of the limited liability company is **Aspire Physical Recovery Center of West Alabama, LLC** (the "Company").

Wherever else in said Certificate the name "Riverside Health and Rehabilitation, L.L.C." shall appear, the same shall be deleted and the name "Aspire Physical Recovery Center of West Alabama, LLC" shall be substituted in lieu thereof.

SIX. The Sole Member of the Company hereby evidences its consent to the amendment contemplated by this Certificate of Amendment and further adopts this Certificate of Amendment as of the date of execution hereof.

^{November}
IN WITNESS WHEREOF, this instrument has been subscribed as of the 6th
day of ~~October~~, 2015, by the undersigned member of the Company, who affirms that the
statements made herein are true under the penalties of perjury.

SOLE MEMBER:

WEST ALABAMA HEALTH PROPERTIES, LLC



By: Claude E. Lee
Its: Vice President

This instrument prepared by:
Jack P. Stephenson, Jr., Esquire
Burr & Forman LLP
420 North 20th Street, Suite 3400
Birmingham, Alabama 35203

John H. Merrill
Secretary of State

P.O. Box 5616
Montgomery, AL 36103-5616

STATE OF ALABAMA

I, John H. Merrill, Secretary of State of Alabama, having custody of the Great and Principal Seal of said State, do hereby certify that

pursuant to the provisions of Title 10A, Chapter 1, Article 5, Code of Alabama 1975, and upon an examination of the entity records on file in this office, the following entity name is reserved as available:

Aspire Physical Recovery Center of West Alabama, LLC

This name reservation is for the exclusive use of Christy Floyd, 420 North 20th Street, Suite 3400, Birmingham, AL 35203 for a period of one year beginning October 07, 2015 and expiring October 07, 2016

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State, at the Capitol, in the city of Montgomery, on this day.



RES703313

October 07, 2015

Date

John H. Merrill

Secretary of State



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

December 1, 2015

Richard J. Brockman, Esq.
Burr & Forman, LLP
420 North 20th Street, Suite 3400
Birmingham, AL 35203

RE: AL2012-007, CON 2562-NH-MOD2
Aspire Physical Recovery Center of West
Alabama, LLC (Tuscaloosa, AL)

Dear Mr. Brockman:

This is written in response to your letter dated November 18, 2015 in which you notify this Agency of a name change for the above referenced facility which is still under construction in Tuscaloosa, AL at this time. The name will be changing from Riverside Health and Rehabilitation, LLC to Aspire Physical Recovery Center of West Alabama, LLC. It was formerly known as LaRocca Nursing Home, and will serve to replace the facility which was destroyed during the tornados of 2011. Other than the change in the facility's name, all other aspects of the project will remain the same. Please keep this Agency apprised as to this project's progress every six (6) months until completion. Should you have any questions, please call David A. Tapley directly at (334) 242-4040.

Sincerely,

A handwritten signature in cursive script that reads "Alva M. Lambert".

Alva M. Lambert
Executive Director

AML:dat

cc: Kelli C. Fleming, Esq.