

November 8, 2017

RECEIVED

Nov 08 2017

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

VIA OVERNIGHT DELIVERY

Mr. Alva Lambert
Executive Director
State Health Planning and Development Agency
100 North Union Street
RSA Union Building, Ste. 870
Montgomery, AL 36130-3025

RE: Notice of Change of Ownership of The Surgery Center of Cullman pursuant to a Membership Interest Purchase Agreement by and among Surgery Center of Cullman, LLC, Cullman Outpatient Surgery, L.L.C., SCA Surgery Center of Cullman, LLC and The Health Care Authority of Cullman County d/b/a Cullman Regional Medical Center, to be dated on or around December 1, 2017 (the "Purchase Agreement").

Dear Mr. Lambert,

We respectfully submit to the State Health Planning and Development Agency ("SHPDA") this letter as an attachment to the Notice of Change of Ownership/Control form that we are filing pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules"). The proposed change of ownership involves the sale by Cullman Outpatient Surgery, L.L.C. (17.67%) and SCA Surgery Center of Cullman, LLC (33.33%) (collectively, the "Sellers") of fifty-one percent (51%) of the issued and outstanding membership interests of Surgery Center of Cullman, LLC (the "Company") which is the operator of The Surgery Center of Cullman (the "ASC"), to The Health Care Authority of the Cullman County d/b/a Cullman Regional Medical Center, an Alabama health care authority ("Buyer") pursuant to the terms and conditions of the Purchase Agreement.

The ASC is located at 1403 Wall Street NE in Cullman, Alabama. There are a total of four operating rooms and three endoscopy rooms at the ASC. The following summarizes the transaction with a proposed effective date of on or about December 1, 2017, and responds to inquiries posed in the SHPDA Change of Ownership/Control form.

The proposed transaction will result in a transfer by the Sellers of a fifty-one percent upstream ownership interest in the ASC, thereby constituting a change in control in the ASC, as described in the Purchase Agreement to Buyer. Following the consummation of the transaction, Cullman Outpatient Surgery, L.L.C. and Buyer will own the Company and indirectly operate the ASC. Therefore, with regards to the questions posed in the Change of Ownership/Control form, please note the following:

1. Services to be Offered. The contemplated transaction will not result in any new or additional services to those already being provided by the Sellers at this time. The Buyer is an experienced operator of existing health care facilities and will assume control of the current operations of the ASC.

2. Whether the Proposal will Include the Addition of Any New Beds. The contemplated transaction will not result in the addition of any new beds.

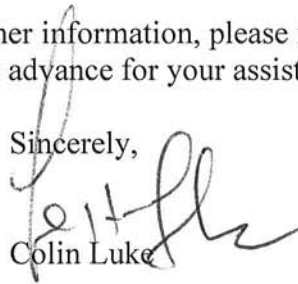
3. Whether the Proposal will Involve the Conversion of Beds. The contemplated transaction will not result in the conversion of any beds.

4. Whether the Assets and Stock (if any) will be acquired. A fifty-one percent interest in Surgery Center of Cullman, LLC, the operator of the ASC, will transfer to Buyer from Sellers in this transaction as described above.

I have enclosed with this correspondence a check in the amount of \$2,500, pursuant to Ala. Admin. Code r. 410-1-7-.04, made payable to the Alabama State Health Planning and Development Agency, for the filing fee associated with this change of ownership/control application.

Should you have any questions or need further information, please feel free to contact me at the number or address listed above. Thank you in advance for your assistance with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Colin Luke", is written over the typed name. The signature is fluid and cursive.

Colin Luke

Enclosures

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: _____

(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider:
(ADPH Licensure Name)

_____ The Surgery Center of Cullman _____

Physical Address:

_____ 1403 Wall Street NE, Cullman, AL 35055 _____

County of Location:

_____ Cullman County _____

Number of Beds/ESRD Stations:

_____ N/A _____

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

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:

_____ Surgery Center of Cullman, LLC _____

Mailing Address:

_____ 1403 Wall Street NE, Cullman, AL 35055 _____

Operator (Entity Name):

_____ Surgery Center of Cullman, LLC _____

Part III: Acquiring Entity Information

Name of Entity:

_____ See attached cover letter describing the upstream
change of ownership/control transaction. _____

Mailing Address:

_____ Attn: Nesha Donaldson, P.O. Box 1108, Cullman, AL
35056-1108 _____

Operator (Entity Name): Surgery Center of Cullman, LLC

Proposed Date of Transaction is on or after: December 1, 2017

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ See attached cover letter describing the upstream change of ownership/control transaction

Type of Beds: N/A (ASC - 4 ORs and 3 endoscopy rooms)

Number of Beds/ESRD Stations: N/A

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

Projected Equipment Cost: \$ Less than the CON threshold

Projected Construction Cost: \$ Less than the CON threshold

Projected Yearly Operating Cost: \$ Less than the CON threshold

Projected Total Cost: \$ See attached cover letter describing the upstream change of ownership/control transaction

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): Surgery Center of Cullman, LLC

Operator(s): Surgery Center of Cullman, LLC

Title/Date: _____

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): Surgery Center of Cullman,
LLC Gregory S. Windham, MD

Operator(s): Surgery Center of Cullman,
LLC Gregory S. Windham, MD

Title/Date: Managing Member & COB
11.7.17

SWORN to and subscribed before me, this 7th day
of November, 2017.

Kathy Schuman

(Seal)

Notary Public

My Commission

Expires: 7/29/19

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): The Health Care Authority of
Cullman County (of a 51% majority interest)

Operator(s): Surgery Center of Cullman,

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

(Seal)

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): The Health Care Authority of Cullman County (of a 51% majority interest)

Operator(s): Surgery Center of Cullman, LLC

Title/Date: CEO

[Handwritten Signature] 11-6-17

SWORN to and subscribed before me, this 6th day of November, 2017.

(Seal)

[Handwritten Signature: Charlotte Hicks]
Notary Public

My Commission Expires: 10/2/19

Author: Alva M. Lambert

Statutory Authority: § 22-21-271(c), Code of Alabama, 1975

History: New Rule