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Feb 28 2019

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

February 25, 2019

Mr. Bradford Williams
Acting Executive Director
State Health Planning and Development Agency
100 North Union Street
Suite 870
Montgomery, AL 36104

Re: SCALF Change of Ownership – Holly Cottage at Country Cottages

Dear Mr. Williams:

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. The Change of Ownership involves a 16-bed specialty care assisted living facility located in Hoover, Alabama, and known as Holly Cottage at Country Cottages (the "**Facility**"). Following is a summary of the proposed transaction:

I. Current Owner / Scope of Transaction.

1. The Facility is currently owned by Country Cottages - Hoover, LLC ("**Current Owner**").
2. Current Owner, among other parties, has entered into an Asset Purchase Agreement (the "**APA**") to sell the Facility to a new entity, Cottages Hoover, LLC ("**New Owner**"). The closing of the APA and purchase and sale of the Facility is subject to applicable regulatory approval and certain closing conditions set forth in the APA. It is anticipated that the APA will close on or near March 25, 2019. Upon closing of the APA, New Owner will enter into a Management Agreement with Hickory Senior Living Management, LLC ("**New Operator**") to operate the Facility under the same name, Holly Cottage at Country Cottages.
3. The resulting "change in control" requires notification to your agency pursuant to ALA. ADMIN. CODE §410-1-7-.04(1).
4. The change in control of the Facility will be documented by the enclosed executed change of ownership form.

II. Financial Scope of Project.

For a fair market price, Current Owner will sell the land, building fixtures, equipment and other assets of the Facility to New Owner. 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 Facility.

IV. Beds.

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

IV. Stock and Assets.

1. The proposed transaction involves the acquisition of assets relating to the operation of the Facility and does not involve the acquisition of stock.

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 attach an executed change of ownership form, and the required fee in the amount of \$2,500.00. The transaction is anticipated to close March 25, 2019.

Should you have any questions or need further information, please contact me at 901-531-7143 or via email at jcurtis@hslholdings.com

Sincerely,



John H Curtis III

President- Hickory Senior Living

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: 073-53702
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider:
(ADPH Licensure Name) Holly Cottage at Country Cottages

Physical Address: 4000 Greenwood Dr
Hoover, AL 35216

County of Location: CHOOSE ONE Jefferson

Number of Beds/ESRD Stations: 16

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: Country Cottages - Hoover, LLC

Mailing Address: 4000 Greenwood Drive
Hoover, AL 35216

Operator (Entity Name): Cottage Senior Living, Inc

Part III: Acquiring Entity Information

Name of Entity: Cottages Hoover, LLC

Mailing Address: 1355 Lynnfield Rd, Suite 110
Memphis, TN 38119

Operator (Entity Name): Hickory Senior Living Management, LLC

Proposed Date of Transaction is on or after: March 25, 2019

Part IV: Terms of Purchase

Monetary Value of Purchase: \$ fair market value (see cover letter)

Type of Beds: SCALF

Number of Beds/ESRD Stations: 16

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

Projected Equipment Cost: \$ 0

Projected Construction Cost: \$ 0

Projected Yearly Operating Cost: \$ operating expense covered by revenue

Projected Total Cost: \$ 0.00

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): Cliff White

Operator(s): Cliff White

Title/Date: 2-25-2019 President

SWORN to and subscribed before me, this 13 day of February, 2019



Tamela C. Brimhall
Notary Public

My Commission Expires: 4-22-2020

Acquiring Authority Signature(s):

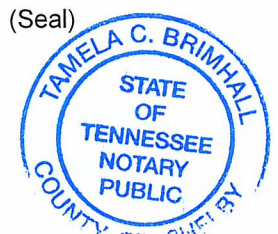
I agree to be responsible for reporting of all services provided during the current annual reporting period, as specified in ALA. ADMIN. CODE r. 410-1-3-.12. The information contained in this notification is true and correct to the best of my knowledge and belief.

Purchaser(s): Alva M. Lambert _____

Operator(s): Alva M. Lambert _____

Title/Date: 2/13/19 President _____

SWORN to and subscribed before me, this 13 day of February, 2019.



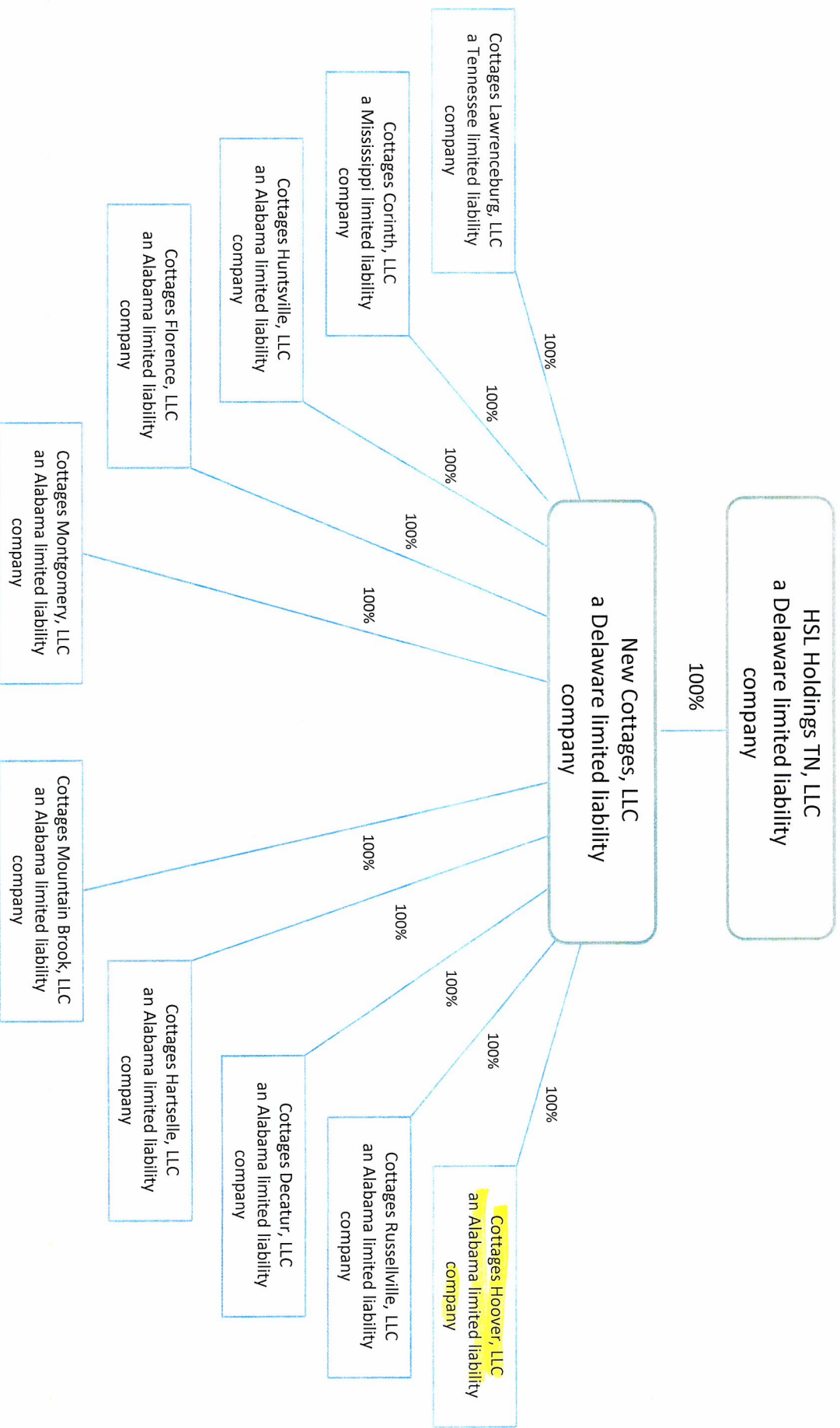
Tamela C. Brimhall
Notary Public

My Commission Expires: 4-22-2020

Author: Alva M. Lambert
Statutory Authority: § 22-21-271(c), Code of Alabama, 1975
History: New Rule

Organizational Chart

Proposed Cottage Structure



Your Receipt

PURCHASE RECEIPT

SHPDA

PO Box 303025
 Montgomery AL 36130-3025
 (334)242-4109
 bradford.williams@shpda.alabama.gov
 OTC Local Ref ID: 34193922

Status:

APPROVED

Customer Name:

John H Curtis

Type:

AmericanExpress

Credit Card Number:

**** * 2004

Alabama total amount charged

USD\$10,351.00

| Items | Location | Quantity | TPE Order ID | Total Amount |
|---|----------|----------|--------------|--------------|
| Change of Ownership | | 1 | 42024158 | \$2,500.00 |
| Applicant Name: Cottages Montgomery, LLC | | | | |
| Filing Date: 02/27/2019 | | | | |
| Phone Number: 9015317143 | | | | |
| Email Address: jcurtis@hslholdings.com | | | | |
| Change of Ownership | | 1 | 42024158 | \$2,500.00 |
| Applicant Name: Cottages Montgomery, LLC | | | | |
| Filing Date: 02/27/2019 | | | | |
| Phone Number: 9015317143 | | | | |
| Email Address: jcurtis@hslholdings.com | | | | |
| Change of Ownership | | 1 | 42024158 | \$2,500.00 |
| Applicant Name: Cottages Hoover, LLC | | | | |
| Filing Date: 02/27/2019 | | | | |
| Phone Number: 9015317143 | | | | |
| Email Address: jcurtis@hslholdings.com | | | | |
| Change of Ownership | | 1 | 42024158 | \$2,500.00 |
| Applicant Name: Cottages Hoover, LLC | | | | |
| Filing Date: 02/27/2019 | | | | |
| Phone Number: 9015317143 | | | | |
| Email Address: jcurtis@hslholdings.com | | | | |
| Total remitted to the SHPDA | | | | \$10,000.00 |