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Oct 02 2019

STATE HEALTH PLANNING AND
DEVELOPMENT AGENCY

October 2, 2019

Via Electronic Filing

Ms. Emily Marsal
Executive Director
State Health Planning and Development Agency
100 North Union Street
RSA Union Building
Suite 870
Montgomery, AL 36130-3025

Re: Notice of Proposed Change in Ownership of Specialty Care Assisted Living Facility Lakeview Estates (SHPDA ID 117-S5911)

Dear Ms. Marsal:

On behalf of SNH BAMA Tenant LLC (the "Applicant"), enclosed for your review is a Notice of Change of Ownership/Control for a specialty care assisted living facility (the "Change of Ownership Notice"), filed pursuant to Chapter 410-1-7-.04, Rules and Regulations of the Alabama Certificate of Need Program (the "Rules") in connection with a pending change of ownership for the specialty care assisted living facility known as Lakeview Estates, SHPDA ID No. 117-S5911 (the "Facility") located in Shelby County, as well as a check for the filing fee, in the amount of \$2,500.00.

This change of ownership arises in connection with a large transaction (the "Transaction") between Senior Housing Properties Trust ("SNH"), the ultimate parent company of both the Applicant and the Facility's real property owner ("SNH Real Property Owner"), and Five Star Senior Living Inc. ("Five Star"), the ultimate parent company of the current licensee of the Facility, FSQC-AL, LLC ("Current Licensee"). In connection with the Transaction, the Current Licensee's lease with the SNH Real Property Owner will be terminated, and the SNH Real Property Owner will enter into a new lease with the Applicant. The Applicant will also enter into a management agreement with FVE Managers, Inc., a wholly-owned subsidiary of Five Star. For tax and other transactional reasons, the above-described elements of the Transaction must take place concurrently on January 1, 2020 (the "Closing Date").

Following the Transaction, the Facility will continue to operate as a "Five Star Senior Living" branded community. Its day-to-day operations, staffing, and resident services will not be affected by this change, nor will the Facility's policies and procedures.

SHPDA Requirements for Changes of Ownership

In answer to the specific questions posed in the Change of Ownership Notice, please note the following:

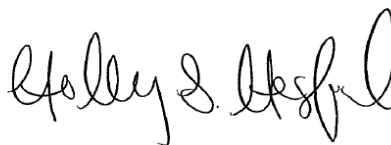
1. The Financial Scope of the Project. The Transaction does not involve new costs associated with the Facility exceeding the following expenditure thresholds: (i) \$3,024,899 for major medical equipment; (ii) \$1,209,958 for new annual operating costs; and (iii) \$6,049,799 for capital expenditures.
2. Services to be Offered. The Transaction will not result in any new or additional services to those already authorized to be provided by the Facility.
3. Whether the Proposal Will Include the Addition of Any New Beds. The Transaction will not result in the addition of new beds or dialysis stations.
4. Whether the Proposal Will Involve the Conversion of Beds. The Transaction will not result in the conversion of beds.
5. Whether the Assets and Stock (if any) Will be Acquired. The Transaction will involve the acquisition of some personal property and equipment as well as an issuance of stock.

Requested Action

Based upon the above description of the Transaction and a showing that there will be no change in health services, conversion of beds, or increase or decrease in bed capacity, we respectfully request that you exercise your authority under Chapter 410-1-7-.04(2) of the Rules and determine that a Certificate of Need is not required for the consummation of this Transaction. In accordance with the Rules, a check in the amount of \$2,500.00 made payable to the Alabama State Health Planning and Development Agency has been sent to the Agency via Federal Express.

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.

Best regards,



Holly S. Hosford

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: 117-S5911
(This can be found at www.shpda.alabama.gov, Health Care Data, ID Codes)

Name of Facility/Provider: Lakeview Estates
(ADPH Licensure Name)

Physical Address: 2634 Valleydale Rd.
Birmingham, AL 35244

County of Location: Shelby

Number of Beds/ESRD Stations: 76 Beds

CON Authorized Service Area (Home Health and Hospice Providers Only). Attach additional pages if necessary. Not applicable.

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: FSQC-AL, LLC

Mailing Address: 400 Centre Street
Newton, MA 02458

Operator (Entity Name): FSQC-AL, LLC

Part III: Acquiring Entity Information

Name of Entity: SNH BAMA Tenant LLC

Mailing Address: Two Newton Place, 255 Washington Street, Suite 300
Newton, MA 02458

Operator (Entity Name): FVE Managers, Inc.

Proposed Date of Transaction is
on or after: January 1, 2020

Part IV: Terms of Purchase

Monetary Value of Purchase: See attached letter.

Type of Beds: Specialty Care Assisted Living

Number of Beds/ESRD Stations: 76

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

See attached letter.

Projected Equipment Cost: \$ _____

Projected Construction Cost: \$ _____

Projected Yearly Operating Cost: \$ _____

Projected Total Cost: \$ _____

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): Katherine E. Potter

Title/Date: President and Chief Executive Officer Date: 09/27/19

SWORN to and subscribed before me, this 29th day of September, _____.



Robin M. Offey
Notary Public
Commonwealth of Massachusetts
My Commission Expires 06/12/2026

A-84

Robin M. Offey
Notary Public

My Commission Expires: 06/12/26

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): Jennifer Francis Mintzer _____

Title/Date: President and Chief Operating Officer Date: _____

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

(Seal)

Notary Public

My Commission Expires: _____

Author: Alva M. Lambert

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

History: New Rule

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): Katherine E. Potter _____

Title/Date: President and Chief Executive Officer 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): Jennifer Francis Mintzer _____

Title/Date: President and Chief Operating Officer Date: 9/27/19

SWORN to and subscribed before me, this 27th day of September, 2019.

(Seal) _____
Notary Public Stephanie R. Rufo
My Commission Expires: 2/7/2025



Author: Alva M. Lambert

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

History: New Rule